

# MEMORANDUM

To: Hartland Township Board  
James Wickman, Township Manager  
Robert West, DPW Director  
Troy Langer, Planning Director  
Jean MacLeod, Communications Director  
Jim Heaslip, Assessor

From: Susan Dryden-Hogan, Finance Director

Subject: Revenue and Expenditure Reports for April 1, 2017 – October 31, 2017

Date: November 21, 2017

Attached are the Revenue/Expenditure Reports for April 1, 2017 – October 31, 2017, 58.33% through the fiscal year. Also included are the Balance Sheets for each individual fund as of October 31, 2017. Property Tax revenues and Administrative Fees are accrued in July (Summer Taxes) and December (Winter Taxes). Special Assessment revenue and interest are also recorded in December. Any budget amendments approved through October 31 are reflected in the Amended Budgets. Additional expense accruals, including those for wages are recorded on a quarterly basis. Budget to actual results focus on the department and fund level rather than line item level. Budget amendments are only required if a department or fund will exceed the amended budget.

## **General Fund (101)**

- Revenues are on track through October with the reminder that many of our revenues are not received evenly throughout the year, but rather at certain cycles. Zoning Fees 622.000 are up compared to last year same period and exceed the current year budget. Reimbursements 674.000 include payment from Hartland Consolidated Schools for the May election. Other Revenue 694.000 includes the MMRMA net asset distribution. Also noted, Farmers Market Fees are up over last year, same period.
- Total Expenditures for the first seven months are in line with budget at 58.7% Generally, all departments are operating as expected, with a few noted items. The annual workers comp insurance (Unallocated) was about 6% higher than budget due to a rate increase. Consulting Fees – Site Reviews (Planning) will need a budget amendment due to higher number of site plans. In addition, due to a previously settled zoning case, the budget for Legal Fees in Zoning Code Enforcement will also be amended before year end. Employment Expenses are down across all departments due to lower than budgeted premium increases at July 1.

**Other General Governmental Funds (Municipal Street, Fire, Cemetery, Liquor Law, Capital Projects, Cable and Road SADs)** – These funds are operating as expected. The Right of Way fees paid out by the State (401 Fund) is up from last year due to a

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higher distribution pool. Also, expenses recorded include the election equipment (\$10,710). The Ore Valley Construction Fund 408 will be closed out later this year and any remaining cash transferred to the SAD Fund – these reports will no longer be included in the financial package.

## **Water System Fund (536, 537, 539)**

- Water usage fees reflect actual utility billing through September 30 and are on track with the budget at 63%. Metered usage for second fiscal quarter is up over last year, same quarter (43,340 units vs. 39,779 units). This is due to the dry summer. The new water rates approved in 2016 became effective April 1 and are reflected in these financials.
- Year to date expenses through October are lower than expected at 38% of budget. While not all expenses are incurred evenly over the fiscal year, it should be noted that overall spending is lower than expected.
- The Water Debt Service Fund (DSF 537) and Repair & Replacement Fund (539) are operating as expected. The DSF 537 revenue includes nine early payoffs of the water assessment have been received. Only interest is recorded as revenue; the principal paid is recorded against the long-term receivable. Connection Fees (539 602.000) total \$60,836 which represents 11 REUs sold to Capital Construction and Walnut Ridge. The original budget estimated about 25 REUs. Amortized bond fees and actual bond fees exceed budget due to the April 2017 bond refunding. A budget amendment to recognize these actual expenses will be presented before year end.

## **Sewer System Fund (590, 595, 596, 597)**

- Sewer usage fees reflect actual utility billing through September 30 and are on target per budget at 50.7%. Billed metered sewer flow is slightly up from last year, same quarter (21,864 units vs. 21,732 units). The new sewer rates approved in 2016 went into effect on January 1. The land sale with EL Holdings is reflected in these financials under Sale of Land. The Sewer Fund's gain is over \$1,000,000. The Township originally paid \$36,775 for the southwest corner. Connection Fees (602.000) total \$127,764, which represents 14.2 REUs sold. The original budget estimated about 21.5 REUs.
- Operating Expenses are lower than expected at 49.6% of budget. LCDC Contract Services is on track for the year at 54% of budget. The October financials reflect a \$222,000 transfer to the Sewer Expansion 595 Fund to cover bond payments. The original budgeted transfer of \$710,000 most likely will not be needed as forecasted county chargebacks will not occur this fiscal year.
- Debt Service Funds 595 (Sewer Expansion), 591 (Lake Tyrone), 596 (Forestbrook) and 597 (SAD 200) are operating as expected.

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As always, if you have any questions, please do not hesitate to call me or stop by the office. Your questions are always appreciated.