

**Jenkintown Borough
Financial Report
October 2020**

Date: November 16, 2020

To: Borough Council,
George Locke, Borough Manager

From: Rick Ware, Finance Director

Please note the following related to the attached financial reports:

Cash Analysis

General Fund Cash is less at October 2020 by \$355,000, discussed below.

Fire Apparatus Fund is less at October 2020 by \$380,000, as the majority of payments for the fire apparatus had been made.

Sewer Fund is less by \$200,000 in October 2020 due to a partial payment made to Cheltenham for the construction project.

Statement of Revenues and Expenditures by Fund

Revenues:

General Fund revenues are less in 2020 with an increase in real estate taxes due to the increased millage offset by shortages in Act 511 taxes, parking and licenses/permits. The shortages are generally a result of the COVID shut down. BPT is lower by \$280,000, MCT \$15,000 and LST by \$12,000. Permits are lower by \$160,000 and parking meters by \$60,000. Some small amount of the shortages may be timing and will recover over the remaining portion of the year. Much of them are permeant and non-recoverable.

Sewer Fund revenue is less in 2020 due to the receipt of the \$1,400,000 Republic loan in 2019 offset somewhat by receipt of \$53,000 in EDU fees for 610 Summit.

Street Tax revenue is greater in 2020 due to the receipt of an Aqua payment in lieu of paving amount of \$126,000.

2020 Capital Projects Fund revenue is greater due to the receipt of grant funds for the sewer lining project.

Revenue in both pension plans is less in 2020 vs. 2019 due to market fluctuation, \$725,000 in the police plan and \$100,000 in the non-uniform due to market fluctuation.

Expenditures:

General Fund expenses are lower in 2020, with police legal costs higher in 2020 offset by reductions in planning and public works in engineering and maintenance. Pension MMO payments in 2020 are less as we elected to pay only the state aid amounts while deferring the boroughs portion until later in December 2020.

Fire Apparatus Fund expenses are greater in 2020 due to the payment of a trailing invoice for components for the recently purchased fire apparatus and repairs in preparation for the sale of the older apparatus.

Sewer Fund expenses are less in 2020 as payments on the ongoing Cheltenham project were made in 2019.

Capital Project fund expenses are greater in 2020 by \$235,000 as a result of the purchase of the recycle truck for \$195,000 as well as contractor and engineering payments on the sanitary sewer lining, Cedar Street Park and Gateway projects.

Liquid Fuels payments were greater in 2019 due to the purchase of a pickup truck for \$45,000, road salt of \$15,000 and paving of \$50,000.

Notes:

State pension aid of \$196,950 and Foreign Fire Aid of \$31,500 were received in September and were disbursed within the 30-day requirement in October. Due to cash flow issues, the borough has elected to delay its portion of MMO's until late December, within the required timeline for payment.

2021 budget preparations are underway and indicate a significant revenue shortage both in the remaining months of 2020 and for 2021. Scenarios are being considered to bridge these gaps. Queries have been made regarding a T.R.A.N loan for early 2021, in order to bridge cash flow issues.

Monthly financial review by our accountant Tom Josiah continues to be performed remotely with all documentation being supplied electronically.

If you have any questions, do not hesitate to contact me.