

Town of Pendleton
Budget Performance Report
January 1, 2021 – December 31, 2021

Introduction

As we progress into the fiscal year a report may address the individual performance of selected town funds. For disclosure purposes, a description of the Town's major operating funds are presented below:

AOO – General Fund – All administrative operating expenses of the town. This includes professional services, court-justice, town clerk, town supervisor, and administrative expenses.

DAO- Highway Fund – All expenses associated with maintenance of roads, drainage, town parks, and snow removal.

SFO – Fire Department Fund – Contractual expenses related to fire protection for the Town of Pendleton. For all residents.

SRO – Refuse fund – Contractual expenses related to refuse collection for the Town of Pendleton. For all residents.

SSO – Sewer fund – Contractual expenses related to sewage system. For all applicable residents.

SWO – Water fund – Costs associated for water distribution to Town of Pendleton residents.

Revenue Budget Summary:

This revenue summary is being reported for all of the Town of Pendleton's funds.

The largest Town revenues are from property taxes and cable providers for right-away fees. Property tax collections occur in the first half of the fiscal year. Non-property taxes or sales taxes are received from Niagara County in quarterly payments. The Town records the first payments in our highway fund. This creates a deficit in the General fund for the first half of the budget year. The attached revenue and expense reports provide detailed information on all revenue and expense accounts.

The budget does include funding for three grant projects. The budget amount totals \$506,000. Revenue is received from these grants upon completion of grant procedures and the submission of documented expenses paid by the Town for the grant work. The three grants include the ADA bathroom in the Town Park, recreational project, and the salt barn/generator grant project. Although these grants are budgeted, expenses and revenues may not occur until State approval is received for each of them.

Revenue/Expense Budget Summary:

The major expense category for the Town of Pendleton is for personnel services. These expenses were paid per the normal payroll process. It is expected that all other categories should have recorded expenses at approximately at forty percent of their budget. Specific fund net positions are listed below:

General Fund Net Position – Total expense = \$1,635,714, Total revenues = \$2,137,668 = +\$501,954 – Sales tax revenues were positive reflecting the same trend shown in county and state receipts. The impact sales tax revenues will have in the new 2022 budget will need to be monitored to determine if the increase is sustainable or due to the influx of special federal payments to residents. It is important to state that of the \$501,954 positive balance, \$350,204 was special COVID related funding from the federal government. Without these funds the net position was +\$151,750. This represents about 6% of the budget.

Highway Fund Net Position - Total expense = \$912,487, Total revenues = \$1,213,630 = +\$301,144 – Actual revenues were essentially equal to the budgeted amounts. The positive net position is primarily due to not using the budgetary provision of \$125,000 and lower expenses were likely attributed to the mild winter and the impact of COVID-19 on work scheduling.

Fire Fund Net Position - Total expense = \$371,045, Total revenues = \$542,382 = +\$171,337 – Major budget impact was a worker's compensation entry that was a negative \$200,000 expense. Removing this entry would have resulted in the budget being balanced budget for the year.

Refuse Fund Net Position – Total expense = \$458,444, Total revenues = \$495,132 = +\$36,688 – Contractual refuse expense was below budget by \$13,240. Essentially, this budget performed according to plan.

Sewer Fund Net Position – Total expense = \$314,067, Total revenues = \$91,424 = (\$222,643) – Budget is negative due to sewer rents being below budget by - \$302,665. This revenue line will need to be monitored closely as we proceed through the 2022 budget. If sewer rents remain below budget, another revenue source will need to be added for this fund in the 2023 budget.

Water Fund Net Position - Total expense = \$411,039, Total revenues = \$250,724 = -160,315 – Metered sales were below budget by -\$265,227 or 79%. This will need to be monitored closely in the 2023 budget. Similar to the sewer rents in the sewer fund, if the revenue does not return to the historical budget amount a new revenue will need to be added to this fund in the 2023 budget.

Summary: The review of all funds combined shows that the Town has a positive net position of \$628,164. Removing the temporary federal COVID-19 funding grant of \$350,204 still puts the Town in a positive year-end position of \$277,960. As we begin a new budget year, revenues and expenses will need to be monitored. The revenues in the sewer and water funds will need to be reviewed closely to determine if the revenue budgets are sustainable.