Operating Position

Operating Position is defines as the local government's ability to:

1. Balance its budget on an annual basis
2. Maintain reserves to cover emergency situations – natural disaster, unexpected and generally expensive infrastructure repairs, and
3. Have sufficient cash available for timely payment of bills, especially in times when cash flow is not even.

This factor indicates whether a municipality is operating on a break even basis or is spending down fund balances from previous years to fund current operations. A number more than 1.0 means the municipality operated during the year at a deficit with it current expenditures exceeding its revenues. A result of 1.0 means the municipality broke even or expenses were equal to revenues received. Where the value is less than 1.0, the municipality's current revenues exceeded its expenditures resulting in an operating surplus.

The following page shows four indicators of the Township's Operating Position over the last 5 years. A steady decline in revenue due to the slumping real estate market in 2008 combined with tax cuts is beginning to push the Township toward an unfavorable operating position. Also in 2008, the Township used surplus from prior years to fund road work projects and the Hoch Road Culvert project. A municipality developing patterns of negative operating positions will be considered financially weak. Patterns include: two successive years of an operating deficit, a current year deficit greater than that of the prior year, operating deficits in two of the past five years and a deficit greater than 5 to 10% of the annual operating budget. Operating at a deficit could cause borrowing at higher interest rates when seeking to finance major capital projects.

Financial analysts advocate maintaining an unreserved fund balance equivalent to at least 5% of the general operating budget. Surplus in excess of 5-10% should be used for one time expenses or to fund capital improvements. If the surplus is used to artificially balance next year's budget, the municipality will be forced to raise taxes and other revenue sources or cut basic services when the surplus runs out. Moderate fund balances, though sometimes difficult to achieve are good insurance against an uncertain future.

Maidencreek Township Financial Monitoring

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUE & EXPENDITURE PER CAPITA											
Total Operating Revenue	$ 3,097,980.00	$ 2,665,948.55	$ 2,582,968.00	$2,222,565.10	$ 2,428,471.99	$ 2,438,796.35	$ 2,314,940.00	$ 2,346,004.00	$ 2,468,283.00	$ 2,501,228.00	$ 2,104,995.00
Total Operating Expenditures	$ 2,994,832.00	$ 2,473,867.61	$ 2,719,733.00	$1,889,029.28	$ 2,697,794.11	$ 2,262,300.74	$ 2,719,367.00	$ 2,388,227.00	$ 2,366,807.00	$ 2,391,194.00	$ 1,817,083.00
Population	9329	9329	9329	9126	9126	8936	8862	8793	8662	8316	7842
Revenue per Capita	$ 332.08	$ 285.77	$ 276.88	$ 243.54	$ 266.10	$ 272.92	$ 261.22	$ 266.80	$ 284.96	$ 300.77	$ 268.43
Expenditures per Capita	$ 321.02	$ 265.18	$ 291.54	$ 206.99	$ 295.62	$ 253.17	$ 306.86	$ 271.61	$ 273.24	$ 287.54	$ 231.71
Difference	$11.06	$20.59	($14.66)	$36.55	($29.51)	$ 19.75	($45.64)	($4.80)	$11.72	$13.23	$36.71

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
OPERATING POSTION											
General Fund Operating Expenditures	$ 2,626,773.00	$ 2,052,186.15	$ 2,162,760.00	$1,595,270.23	$2,292,684.51	$ 1,955,934.26	$ 2,335,198.00	$ 2,013,371.00	$ 1,947,826.00	$ 1,921,102.00	$ 1,523,736.00
General Fund Operating Revenue	$ 2,708,242.00	$ 2,302,135.02	$ 2,188,009.00	$1,914,593.60	$2,111,833.80	$ 2,029,137.89	$ 1,895,641.00	$ 1,948,675.00	$ 2,060,607.00	$ 2,097,287.00	$ 1,698,371.00
Operating Position	0.97	0.89	0.99	0.83	1.09	0.96	1.23	1.03	0.95	0.92	0.90

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUES: BUDGET VS ACTUAL											
Actual Year End Revenue	$ 3,097,980.00	$ 2,665,948.55	$ 2,582,968.00	$1,914,593.60	$ 2,428,471.99	$ 2,438,796.35	$ 2,314,940.00	$ 2,346,004.00	$ 2,468,283.00	$ 2,501,228.00	$ 2,104,995.00
Budgeted Revenue	$ 2,873,768.00	$ 2,555,575.00	$ 2,345,785.00	$2,023,165.00	$2,168,130.00	$ 2,275,330.00	$ 2,335,640.00	$ 2,310,353.00	$ 2,219,378.00	$ 2,049,229.00	$ 1,768,955.00
Revenue Position	1.08	1.04	1.10	0.95	1.12	1.07	0.99	1.02	1.11	1.22	1.19

This chart compares estimated revenue with actual revenues. A result of 1.0 indicates break even situation, a result of less than 1.0 indicates revenues were budgeted in excess of actual revenues received.

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
PROPERTY VALUE											
Assessed Property Value	481351600	481652500	474202700	478622600	469294700	468,759,400.00	462,002,300.00	447,196,100.00	417,000,000.00	393,829,200.00	363,528,400.00
Change in Value over previous year	-0.06%	1.57%	-0.92%	1.99%	0.11%	1.46%	3.31%	7.24%	5.88%	8.34%	