



Schwenksville Borough

Gateway to the Perkiomen Trail

To: Members of Borough Council
Mayor Joseph Giunta
Secretary-Treasurer Gail Phillips

FR: Borough Manager Anne W. Klepfer

10/23/18

RE: 2019 Operating Budget

I am pleased to present a complete draft of the 2019 General Operating Budget. The purpose of this memorandum is to summarize the proposed budget which was submitted on October 11, 2018 and was amended and is presented for advertisement and public comment on November 8th; and to provide a budget message which accompanies the proposed budget.

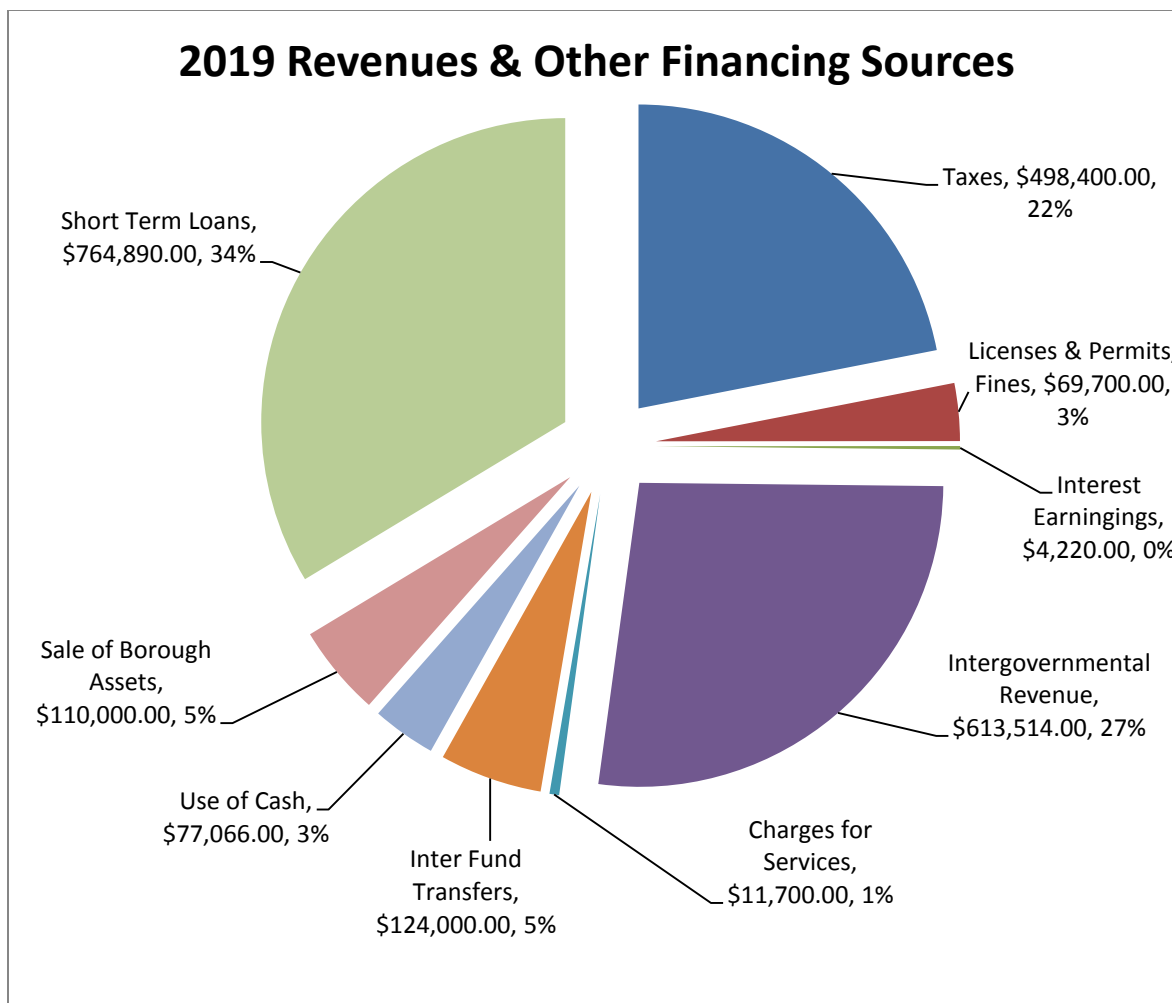
ESTIMATED REVENUE – ALL FUNDS

Real Estate Tax.....	\$ 323,400.00
Earned Income Tax.....	\$ 155,000.00
Real Estate Transfer Tax	\$ 20,000.00
License & Permit Revenue.....	\$ 68,200.00
Fines & Penalty Revenue.....	\$ 1,500.00
Interest Earnings.....	\$ 4,220.00
Intergovernmental Revenue.....	\$ 613,514.00
Charges for Services.....	\$ 11,700.00
Unclassified Revenues.....	\$ 0.00
Total Estimated Revenues.....	\$ <u>1,197,534.00</u>

OTHER FINANCING SOURCES- ALL FUNDS

Interfund Transfers.....	\$ 124,000.00
Use of Cash.....	\$ 77,066.00
Sale of Borough Assets.....	\$ 110,000.00
Short Term Loans.....	\$ 764,890.00
Total Other Financing Sources.....	\$ <u>1,075,956.00</u>

Total Revenue and Other Financing Sources.....\$2,273,490.00

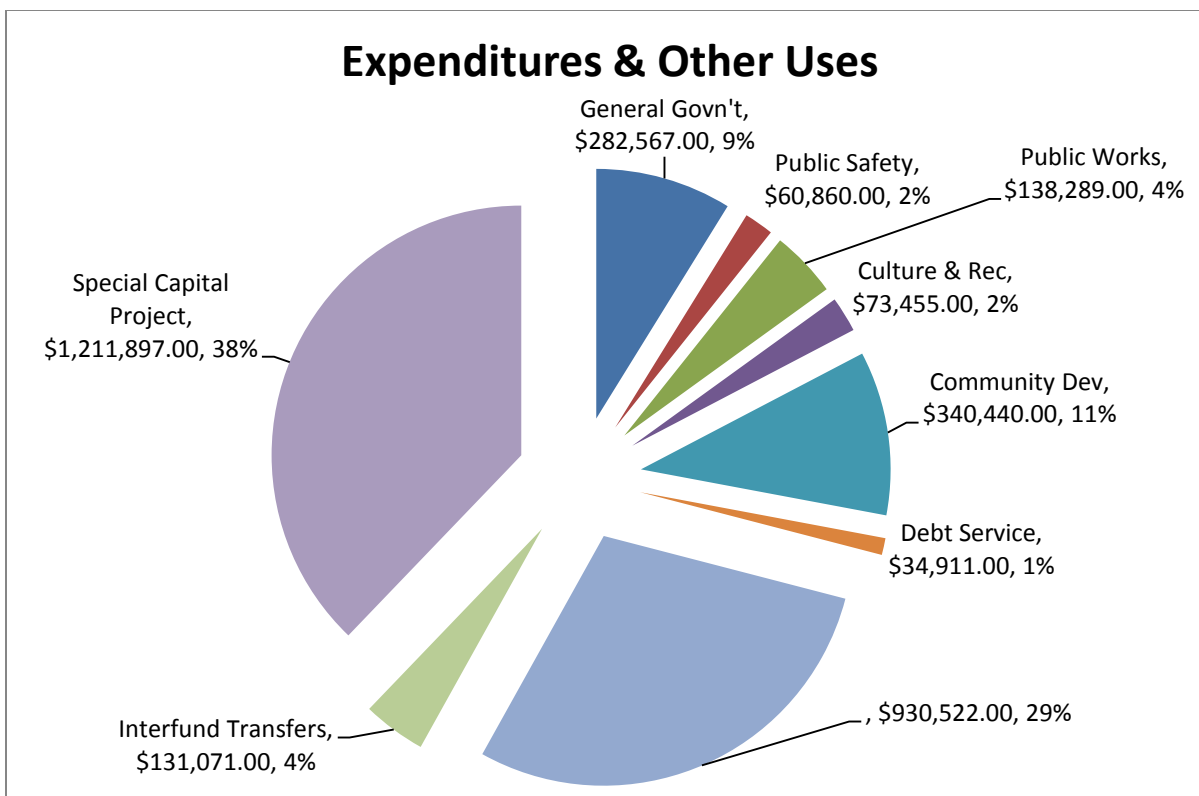


PROPOSED EXPENDITURES- ALL FUNDS

General Government Administration.....	\$ 282,567.00
Public Safety.....	\$ 60,860.00
Public Works/Highways & Streets.....	\$ 138,289.00
Culture & Recreation.....	\$ 73,455.00
Community Development.....	\$ 340,440.00
Debt Service.....	\$ <u>34,911.00</u>
Total Proposed Expenditures.....	\$ 930,522.00

OTHER FINANCING USES- ALL FUNDS

Inter-fund Transfers.....	\$ 131,071.00
Special Capital Project.....	\$ <u>1,211,897.00</u>
Total Other Financing Uses.....	\$ 1,342,968.00
Total Expenditures and Other Financing Uses.....	\$2,273,490.00



2019 Draft Budget

	Budget Balancing Figure	\$ Change	Revenues	(Cash Reserves)	\$ Change	Expenditures
GENERAL FUND - 01	\$596,474.00	\$19,384.00	\$596,474.00	\$0.00		\$596,474.00
Capital Construction Fund - 18	\$1,211,897.00	New	\$1,193,890.00	-\$18,007.00		\$1,211,897.00
		-				
CAPITAL FUND - 30	\$393,840.00	\$781,235.00	\$368,860.00	-\$24,980.00		\$393,840.00
LIQUID FUELS FUND - 35	\$69,779.00	\$22,779.00	\$36,700.00	-\$33,079.00		\$69,779.00
FIRE COMPANY MUSEUM FUND 52	\$1,500.00	-\$2,480.00	\$500.00	-\$1,000.00		\$1,500.00
	\$2,273,490.00	\$470,345.00	\$2,196,424.00	-\$77,066.00	\$49,178.00	\$2,273,490.00

2018 Budget

	Budget Balancing Figure	Revenues	(Cash Reserves)	Expenditures
GENERAL FUND - 01	\$577,090.00	\$577,090.00	\$0.00	\$577,090.00
CAPITAL PROJECT FUND - 30	\$1,175,075.00	\$1,020,452.00	\$110,464.00	\$1,130,916.00
LIQUID FUELS FUND - 35	\$47,000.00	\$34,550.00	-\$12,450.00	\$47,000.00
FIRE COMPAN MUSEUM FUND 52	\$3,980.00	\$650.00	-\$3,330.00	\$3,980.00
	\$1,803,145.00	\$1,632,742.00	\$126,244.00	\$1,758,986.00

REVENUE AND EXPENDITURE DISCUSSION

The 2019 Budget, including other financing sources, totals \$2,273,490.00 and is approximately 26% greater than the 2018 Budget of \$1,803,145.00. This increase is due to the addition of the Municipal Building Construction Fund [Fund 18] and the anticipating of borrowing up to \$1,049,890 for a special capital project activity planned for 2019. The increase would have been greater, however, the Borough completed two significant Capital Fund [Fund 30] projects in 2018 and the expenditures for the next major project will be spread out over the next two years [Main Street Sidewalk Project]. The General Operation Budget increased 3.4%. Estimated total revenues for 2019 include \$1,197,534.00 in current revenue (those received in 2019), interfund transfers in the amount of \$124,000.00, the use of \$77,066.00 in unappropriated fund balance (use of cash) and short term loans totaling \$764,890.00. Estimated total expenditures for 2019 include \$930,522.00 in general operating expenses, interfund transfers in the amount of \$131,071.00 and \$1,211,897 in Special Construction Project Expenses [300 Main Street Municipal Building Renovations].

The two most significant components of the current revenue continue to be real estate taxes and earned income tax. Along with the Real Estate Transfer Tax, the three taxes will account for \$498,400.00 or 42% of Total Revenues and 22% of Revenues & Other Financing Sources. In 2019, one mill of real estate tax should generate approximately \$51,091 in revenue at face value. Earned Income Tax Collections are estimated at \$155,000 or \$111.91 per capita. The [2016] median house valued in the Borough will generate approximately \$1,047.56 in real estate tax revenue for the General Fund. The Median Income for an individual in Schwenksville Borough is approximately \$47,895 which would generate \$239 in earned income tax. The proposed 2019 Budget maintains the current Earned Income Tax Rate of .5% and maintains the tax millage of rates of 5.94 General Fund, .36 Fire Tax, and .10 Library Tax. While the major revenue sources continue to be the taxes outlined above, new programming revenues are anticipated for 2019. As started in 2017, the Borough will continue to charge a nominal park permit fee for the privilege of reserving the Meadow Park facilities for a private function. The Park Board is charging \$45 per event per day. In addition, the Message Board on the newly acquired sign at 300 Main Street will continue to be made available to the public for messages within guidelines established by the Borough as per a fee schedule approved by Council. After renovations to the former fire house are completed, additional rental revenue for storage lockers and the Community Room will be possible.

The Capital Project Expenditures are budgeted at \$393,840. Significant capital improvements budgeted in 2019 include the 100 Block Sidewalk Improvements

(\$185,280) delayed from 2018, the Observation Deck Project (\$69,825 design & construction) and Phase I of Design Work for the Ta-Set-Aside PennDot funded Sidewalk Improvement Project (\$58,745). Additional smaller, unconfirmed projects are also budgeted. By far the largest capital project for 2019 will be the 300 Main Street Renovations which is budgeted and accounted for in the new Fund 18 Capital Construction Fund and is estimated at a maximum expense of \$1,211,897 in cost which include design, financing costs and construction.

Combined, the two Capital Improvement Funds total \$1,605,737.00 comprise 71% of the total budget. In addition, an additional \$62,000 in road repairs and improvements is budgeted in the General Fund and Liquid Fuels Fund. Those projects will be determined as the Capital Improvement Plan for 2019 is reviewed and updated.

The Borough continues to seek out Grant Funding for both revitalization projects and maintenance/reconstruction of existing facilities. It also continues to budget for small capital repairs and more routine maintenance responsibilities such as line striping, stormdrain cleaning and road repairs. As much as expense as possible has been shifted from the General Fund to the Liquid Fuels fund for 2019-2020 to make the new debt service payments for the 300 Main Street Renovation Project possible without a tax increase and still have some breathing room for the unknown. A Capital Plan and Fund Balance Policy were developed to assist the Borough with planning for and saving for capital improvements while still ensuring sufficient operating funds to finance daily operations. Examples of projects that the Borough continues to seek out funding for include: Summit Ave Extension Rebuild, 2nd Street Perkiomen Avenue south to the Borough Line Reconstruction, Stormwater Pipe and Inlet Repairs; Game Farm Road Traffic Signal Replacement (controls, poles not updated by ARLE).

Revenue and expenditure comparisons for 2019 and previous years will be presented in detailed form under other sections of the final budget document. A summary comparing major revenue and expenditure categories in the 2019 General Fund Budget versus the 2018 Budget and 2018 year-end estimates are as follows:

General Fund 01		2018 General Fund Budget	2018 Year-End Estimate	2019 General Fund Budget	% Change '18-'19 Budget	% Change Est '18 Year End to '19 Budget
REVENUES						
Taxes						
301.00	Real Estate Taxes	\$320,400.00	\$322,013.00	\$323,400.00	1%	1%
310.10	Real Estate Transfer Tax	\$16,000.00	\$16,000.00	\$20,000.00	25%	25%
310.20	Earned Income Tax	\$150,000.00	\$154,000.00	\$155,000.00	3%	1%
TOTAL TAXES		\$486,400.00	\$492,013.00	\$498,400.00	2.5%	1.2%
Licenses and Permits						
320-322	All Other Licenses and Permits	\$7,800.00	\$5,330.00	\$7,800.00		46%
321.80	Cable TV Franchise Area	\$36,000.00	\$36,434.00	\$38,000.00	6%	4.2%
TOTAL LICENSES AND PERMITS		\$43,800.00	\$41,764.00	\$45,800.00	4.5%	10%
FINES AND FORFEITS						
330-332	District Court and Vehicle Code Violations	\$1,500.00	\$1,000.00	\$1,500.00		.5%
TOTAL FINES AND FORFEITS		\$1,500.00	\$1,000.00	\$1,500.00		.5%
INTEREST, RENTS AND ROYALTIES						
341.00	Interest Earnings	\$800.00	\$3,200.00	\$3,000.00	275%	-6%
TOTAL INTEREST, RENTS AND ROYALTIES		\$800.00	\$3,200.00	\$3,000.00	275%	-6%
STATE REVENUE						
354.150	Recycling Act 101	\$6,000.00	12,509.00	\$4,684.00	-22%	-62%
355.010	Public Utility Realty Tax (PURTA)	\$490.00	\$517.00	\$490.00		-5%
355.070	Foreign Fire Insurance Tax	\$8,000.00	\$6,508.00	\$6,500.00	0.00%	
355.100	PECO Rebates	0	\$1,760.00	2,000.00		
TOTAL STATE		\$14,490.00	\$21,294.00	\$13,674.00	-5.6%	-36%
CHARGES FOR SERVICE						
361.00	General Government	\$2,800.00	\$2,055.00	\$2,300.00	-18%	12%
362.00	Public Safety	\$20,100.00	\$22,088.00	\$20,100.00		-9.9%
367.00	Culture & Recreation	\$6,800.00	\$11,211.00	\$11,700.00	72%	4.4%

TOTAL CHARGES FOR SERVICE		\$29,700.00	\$35,354.00	\$34,100.00	15%	-3.5%
UNCLASSIFIED OPERATING REVENUES						
389.00	All other unclassified operating Rev	\$0.00	\$0.00	\$0.00		
TOTAL UNCLASSIFIED OPERATING REVENUES		\$0.00	\$0.00	\$0.00		

TOTAL REVENUES		\$576,690.00	\$594,625.00	\$596,474.00	3%	<1%
OTHER FINANCING SOURCES						
392.00	Interfund Operating Transfers	\$0.00	\$0.00	\$0.00		
TOTAL OTHER FINANCING SOURCES		\$0.00	\$0.00	\$0.00		
TOTAL REVENUES AND OTHER FINANCING SOURCES		\$577,090.00	\$594,625.00	\$596,474.00	3%	-0.88%

General Fund 01		2018 Budget	2018 Est. Year End	2019 Budget	% Change	% Change '18
EXPENDITURES					18 Budget to '17	T0 '17 Est. Actual
GENERAL GOVERNMENT						
400.00	Legislative Body	\$8,100.00	\$5,668.00	\$8,100.00	0%	43%
401.00	Executive (Manager)	\$89,435.00	\$86,676.00	\$91,111.00	1.87%	5.12%
402.00	Auditing Services	\$600.00	\$280.00	\$12,600.00	2000.00%	4,400.00%
403.00	Tax Collection	\$17,438.00	\$16,078.00	\$17,103.00	-1.92%	6.38%
404.00	Solicitor	\$27,000.00	\$42,408.00	\$27,500.00	1.85%	-35.15%
405.00	Secretary/Clerk	\$55,328.00	\$53,973.00	\$58,129.00	5.06%	7.70%
406.00	Other General Gov Administration	\$11,278.00	\$11,918.00	\$9,900.00	-12.22%	-16.93%
407.00	IT-Networking Services	\$5,000.00	\$1,970.00	\$4,500.00	-10.00%	128.43%
408.00	Engineering Services	\$26,000.00	\$35,431.00	\$21,000.00	-19.23%	-40.73%

409.00	General Gov Buildings & Property	\$19,800.00	\$17,478.00	\$15,350.00	-22.47%	-12.18%
TOTAL GENERAL GOVERNMENT		\$259,979.00	\$271,880.00	\$265,293.00	2.0%	-2.4%

PUBLIC SAFETY						
411.00	Fire	\$30,840.00	\$30,687.00	\$29,340.00	-4.86%	-4.39%
412.00	Ambulance/Rescue	\$1,500.00	\$1,500.00	\$1,500.00	0.00%	0.00%
413.00	UCC& Code Enforcement	\$15,300.00	\$24,156.00	\$15,300.00	0.00%	-36.66%
414.00	Planning & Zoning	\$10,000.00	\$15,000.00	\$10,732.00	7.32%	-28.45%
415.00	Emergency Management & Communications	\$500.00	\$126.00	\$500.00	0.00%	296.83%
419.00	Other Public Safety	\$3,488.00	\$3,305.00	\$3,488.00	0.00%	3.14%
TOTAL PUBLIC SAFETY		\$61,628.00	\$74,774.00	\$60,860.00	-1.25%	-18.61%

PUBLIC WORKS - SANITATION						
426.00	Recycling Collection & Disposal	\$1,980.00	\$4,128.00	\$1,546.00	-21.92%	-62.55%
TOTAL PUBLIC WORKS - SANITATION		\$1,980.00	\$4,128.00	\$1,546.00	-21.92%	-62.55%

PUBLICWORKS- HIGHWAYS & STREETS						
431.00	Cleaning & Marking Streets	\$15,000.00	\$6,585.00	\$12,000.00	-20.00%	82.23%
432.00	Winter Snow Removal	\$25,000.00	\$20,768.00	\$25,000.00	0.00%	20.38%
433.00	Traffic Control Devices	\$1,000.00	\$1,756.00	\$500.00	-50.00%	-71.533%
434.00	Street Light Repair	\$800.00	\$225.00	\$400.00	-50.00%	77.78%
436.00	Storm Sewers & Drains	\$10,000.00	\$12,000.00	\$9,905.00	-.95%	-17.46%
438.00	Maintenance & Repairs of Roads & Bridges	\$20,000.00	\$1,334.00	\$5,560.00	-72.20%	316.79%
439.00	Highway Construction & Rebuilding Projects	\$25,000.00	\$12,840.00	\$16,578.00	-33.69%	29.11%

TOTAL PUBLIC WORKS- HIGHWAYS & STREETS		\$96,800.00	\$55,508.00	\$69,943.00	-27.74%	26.01%
CULTURE & RECREATION						
454.00	Parks	\$10,000.00	\$7,470.00	\$10,000.00	0.00%	33.87%
456.00	Libraries	\$4,900.00	\$4,850.00	\$4,900.00	0.00%	1.03%
457.00	Civic Celebrations	\$4,200.00	\$2,980.00	\$4,200.00	0.00%	40.94%
459.00	All Other Cultural & Recreation	\$5,955.00	\$0.00	\$5,955.00	9.67%	
TOTAL CULTURE & RECREATION		\$23,055.00	\$15,300.00	\$25,055.00	8.67%	63.76%
DEBT SERVICE						
471.00	Debt Principal	\$17,447.00	\$17,413.00	\$18,095.00	3.71%	3.92%
472.00	Debt Interest	\$3639.00	\$2,822.00	\$13,437.00	269.25%	376.15%
TOTAL DEBT SERVICE		\$21,086.00	\$20,235.00	\$31,532.00	49.54%	55.83%
INSURANCE						
486.00	Insurance, Casualty, and Surety	\$9,630.00	\$10674.00	\$12,194.00	26.63%	14.24%
TOTAL INSURANCE		\$9,630.00	\$10,674.00	\$12,194.00	26.63%	14.24%
TOTAL EXPENDITURES		\$476,158.00	\$440,794.00	\$466,423.00	3.54%	
OTHER FINANCING USES						
492.00	INTERFUND OPERATING TRANSFERS	\$100,932.00	\$146,964.00	\$130,051.00	29.0%	-11.5%
TOTAL OTHER FINANCING USES		\$100,932.00	146,964.00	\$130,051.00	29.0%	-11.5%
TOTAL EXPENDITURES & OTHER FINANCING USES		\$577,090.00	\$587,758.00	\$596,474.00	1.32%	14.74%
Net Change to Fund Balance		\$0.00	\$6,867	\$0.00		

Discussion

The 2019 proposed budget will be advertised pursuant to Section 1308 of the Commonwealth of Pennsylvania Borough Code. Public Notice was given of a ten (10) day public comment period and Council's intent to adopt the Budget as advertised. Public Comments will be accepted until Council votes on the Budget at the December 13, 2019 Council Meeting. **The Total Budget is \$2,273,490.00. There are no tax increases proposed.**

New in 2019

I. Volunteer Tax Credit Program

At the end of 2017 Chris Melville, the Borough's Fire Marshall and Emergency Management Coordinator as well as a Lower Frederick Fire Department Captain, asked if Council would consider establishing a volunteer service tax credit program under Act No. 172 of 2016 whereby Council would adopt an Ordinance setting forth and establishing eligibility criteria as well as type and limits of a tax credit for active volunteers serving the Lower Frederick Fire Company which cover's Schwenksville Borough.

Considerations:

1. Who is eligible and the criteria for eligibility. Does it only apply to Borough Residents serving in the Lower Frederick Fire Company? Or, any Fire Company. Does it apply to Fire Police members?
2. What type of credit (Real Estate Tax or Earned Income Tax) and how much of a credit would have the least amount of impact on the Borough's finances?
3. How many eligible fire fighters are there that could apply for this credit for 2018. This number could increase in the future; however the Ordinance could be amended or repealed.
4. If a Real Estate Tax Credit would it come off the General Fund Tax Liability only or off the total Schwenksville Borough Tax Liability?

Real Estate Tax Credit

The act provides that a tax credit shall apply to tax levied on a residential real property owned and occupied by an active volunteer who is certified under the Law. The amount of the tax credit authorized by an ordinance shall not exceed 20% of the tax liability of the active volunteer.

Example: Fire Fighter A owns and occupies real property assessed at \$112,370 and has a tax liability to Schwenksville Borough of 6.4 mills or \$719.17. A 2% discount is applied to anyone who pays their tax bill in full during the discount period which ends April 30th.

a) 20% - Maximum permitted = \$143.83 discount

b) 15% = \$107.88 discount

c) 10% = \$71.92 discount

Earned Income Tax Credit

The act provides another option for a tax credit and that is to be granted against a qualified individuals earned income tax obligation. Schwenksville Borough levies a .5% earned income tax. The median income in the Borough is approximately \$44,500 per year. A chart below indicates different income levels and how much people pay in earned income taxes. The Borough can establish any amount of discount; the cap is the amount of obligation. So, if the credit is \$100.00 and the eligible volunteer only is obligated to pay \$85 in earned income tax, the credit would become \$85.00

1) \$40,000 - \$160

2) \$60,000- \$240

3)\$80,000 - \$320

4)\$100,000 - \$400

At the October 11th Regular Council Meeting Schwenksville Borough Council established a Volunteer Tax Credit Program with the adoption of Ordinance No. 394 and Resolution No. 2018-18. The Ordinance authorizes an Earned Income Tax Credit of a maximum \$500 or 100% (whichever is less) of the Schwenksville Borough EIT liability for a qualified individual Lower Frederick Fire Company Volunteer. It is estimated that there are five (5) qualified individuals for 2018, making the maximum liability for the Borough \$2,500.00.

II. 300 Main Street Renovation Project

At their September 13, 2018 Regular Meeting, Borough Council authorized a \$125,000 line of credit from Univest Bank for the purpose of financing the Design, Legal and Financing Costs of the 300 Main Street Renovation Project. Once the project has been bid and actual costs are known, an Interim Bank Construction Loan will be taken out to a) pay off the line of credit, and b) finance the construction. At the end of the construction, the USDA will pay off the Interim Construction Loan with a General Obligation Note/Bond that has been obligated for a 35 year loan period at an interest rate of 3.875% and an amortization factor of 4.36 which provides for a monthly payment of \$4,578 (Interest & Principal). What is unknown at this point, is how much of the estimated \$1, 069,897.00 total cost will be financed. This depends on several factors:

1) If Additional Grant Funds are pledged (Keystone Community Development Grant)

2) How much money the Borough receives for the sale of 140 Main Street.

3) If any of the scope is reduced, or deferred.

For the 2019 Budget, a new Construction Fund was created and a “construction account” was opened up at Univest (authorized at the September 13, 2018 Council meeting). All financial transactions for the 300 Main Street Renovation Project will be funneled through this fund. The Borough transferred \$20,007 to the new account which represents the amount of matching funds the Borough has obligated for this project. The new Fund is the New Municipal Building Construction Fund 18. Interest only payments on the Line of Credit and the Interim Construction Loan are required. Estimated Principal and interest payments for the USDA Loan after closing is budgeted in the General Fund.

III. Cost Shifting

Due to the additional costs in 2019 related to the 300 Main Street renovations and the additional debt service that we will incur until our existing Notes are retired in 2021 and 2023, I’ve moved Street Light Expenses (Maintenance & Debt Service) and reduced capital road improvement costs from the General Fund to the Liquid Fuels Fund. We have been wise to save up our Liquid Fuels funds the past few years and will have sufficient funds to absorb these costs and lighten the load for General Fund.

IV. Capital Projects

In addition to the 300 Main Street Renovation Project, the Borough will be completing the 2017 CDBG Sidewalk Improvements to the 100 Block of Main Street; the Observation Deck and Drainage Improvements to Meadow Park; Phase 1 Design of the TA-Set-Aside PennDot Sidewalk Improvement Project (Maple to Walnut Street) and will choose a road or two to make small scale repairs.

V. Planning ahead

1. Due to the failing stormwater pipe on Centennial Street, I am recommending that we make our 2019 CDBG application a Stormwater and Road Repair Project for portions of Centennial Street. Dave Leh is working on identifying a scope and preparing cost estimates. This would be funded in 2019 but most likely would not be completed until 2020.
2. The Regional Police Department Feasibility Study has been completed and is being presented to representatives of the participating municipalities on November 2nd. Schwenksville’s participation in a Regional Police Department in the future will require a tax increase of an amount to be determined.

General Fund 01: Fund Balance Analysis**GENERAL FUND: FUND BALANCE ANALYSIS**

December 31, 2017 Cash in the Bank[excluding escrow cash]	\$352,905.74
Estimated 2018 Revenue	\$594,625.00
Estimated Other Financing Sources (OFS)	\$0
Total Estimated Revenues & OFS	\$594,625.00
Estimated 2018 Expenditures	\$440,794.00
Estimated Other Financing Uses (OFU)	
Transfer to Capital Project Fund	\$126,957.00
Transfer to 300 Main Street Construction Fund 18	\$20,007.00
Total Estimated Expenditures and OFU	\$587,758.00
2018 Year End Estimated Cash Surplus	\$6,867.00
Use of Cash Reserves in 2018 – Meadow Park & Plaza	\$182,162.00
December 31, 2018 Est Fund Balance/Cash Reserves [excluding escrow cash]	\$177,610.74

*Fund Balance Breakdown***Reserves/Designations - Estimated**

Short Term Operations [GF Checking & Payroll & Petty Cash]	\$20,855.00
Operating Reserves [PLGIT Savings-General Funds]	75,174.90
GF Capital Savings/PLGIT Budget Reserve	81,580.84
Assigned Fund Balance (3 month operating reserve)	\$130,500.00
Unassigned FB- Discretionary Reserves	\$1,275.74
Committed Capital Savings	\$24,980.00
	\$177,610.74
December 31, 2018 Total Estimated Fund Balance/Cash Reserves	\$177,610.74

2018 Budgeted Use of Fund Balance	\$24,980.00
Estimated December 31, 2019 Fund Balance	152,630.74

The proposed capital projects in the Capital Project Fund have had a significant impact on capital reserves accounted for the two PLGIT Accounts – PLGIT Savings – General Funds and PLGIT Budget Reserve.

It is estimated that by the end of the year the discretionary reserves will be reduced to a mere \$1,275.74 if the Borough breaks even in 2018 and cash reserves will be down to \$152,630.74. This number would increase if we finish in the black and decrease if we finish in the red.