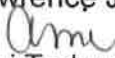


**MONTGOMERY TOWNSHIP
AGENDA
FINANCE COMMITTEE
Monday, June 25, 2018
6:00 pm**

1. Call to order
2. Approval of Meeting Minutes of April 16, 2018 Meeting
3. Updated and new business including review of:
 - May 2018 Financial Reports
 - Fund Balance Report
 - GF Cash Balance Report
 - Local Enabling Tax Revenue Comparison
 - Earned Income Tax Revenue
 - Business Tax Report
 - Investment Summary
 - CRC Update
4. Other Business
5. Adjournment

Montgomery Township
Inter-Office Memo

To: Lawrence J. Gregan, Township Manager

From: Ami Tarburton, Finance Director
Date: June 15, 2018
Subject: May 2018 Financial Reports Analysis

Attached you will find financial reports for the month ending May 31, 2018. This memo will serve as a brief analysis of the following reports and charts:

- Statement of Changes in Fund Balances Report for General Fund as of May 31, 2018.
- Chart comparing the Local Enabling Tax receipts year-to-date to the same time period in 2017.
- Chart showing the comparison of the General Fund's Projected Cash Balances in 2017 vs. 2018. Note that the year end fund balance projection for 2018 is based on actual revenues and expenditures as of May 2018 with the projected revenues and expenditures for June through December. The projected revenues/expenditures are based on the monthly revenue and expenditures percentages from 2017 applied to the 2018 Budget.
- Earned Income Tax Revenue comparison report.
- A copy of the Business Tax Monthly report, Investment Management Summary, and the Rec Center Operating Revenue and Expenditure Report for the month of May 2018.

Analysis of Statement of Changes in Fund Balance

General Fund

May 2018 vs May 2017

- Real Estate Tax Collections are up slightly, as compared to same period prior year. 92% of the 2018 budgeted revenues have been received as of May 31.
 - Earned Income Tax (EIT) collections in the General Fund are up \$37K above May of the prior year. Berkheimer EIT revenues are up 1% as compared to 2017.
 - Real Estate Transfer Tax Revenues are down 35% or \$74K as compared to same period prior year. Receipts reported in May are from April transactions. This decrease stems from limited transactions through the winter months and lack of commercial real estate transactions in January through April.
 - Mercantile Tax revenue collections are up 5.6% or \$110K as compared to same period prior year. The due date for this tax was March 15th. Revenue collections are highest during the months of February, March and April. We should see additional revenues trickling in as we push for compliance with our delinquent accounts throughout the summer.
 - Local Services Tax revenue collections for 2018 are down \$9.5K, or 3.3% as compared to 2017 revenues. The first due date for employer remittances for 2018 was April 30th.
 - Amusement tax receipts are down \$1800 as compared to same period prior year.
 - Business Privilege Tax (BPT) receipts are up 6.6% (\$52K) as compared to same period prior year. This increase has been enhanced by the finance department's business tax audit program, maintaining the goal of applying the township's ordinance fairly and consistently throughout the business community.
 - Overall, tax revenues are up 1.5%, about \$123K, as compared to the same period last year, resulting from an increase in most tax revenues, notably Business Privilege and Mercantile Tax, combined with a decrease in the transfer tax.
-

- Other Revenue Sources

- Building Permit revenues are up 28% (\$74K) as compared to same period 2017 due to numerous new construction homes and a clothing store relocation in the Mall. The primary season for this revenue source is spring into summer.
- Cable Franchise Fees are down 5% (\$16K) as compared to same period 2017.
- Overall revenues are up 2.4% or \$211K compared to May 2017. The biggest contributors to this increase are Business Privilege and Mercantile Tax Revenues along with the increased building permit activity.

- Expenditures

- Overall, year-to-date expenditures are up 11% as compared to same period prior year. Most of this increase can be attributed to the police retroactive salary payment issued in May, stemming from the recent police arbitration award.

Other item of Interest for Finance Committee
June 25, 2018

- Review of Police Arbitration award, received April 26, 2018.
-

MONTGOMERY TOWNSHIP
STATEMENT OF CHANGES IN FUND BALANCE
GENERAL FUND
AS OF MAY 31, 2018

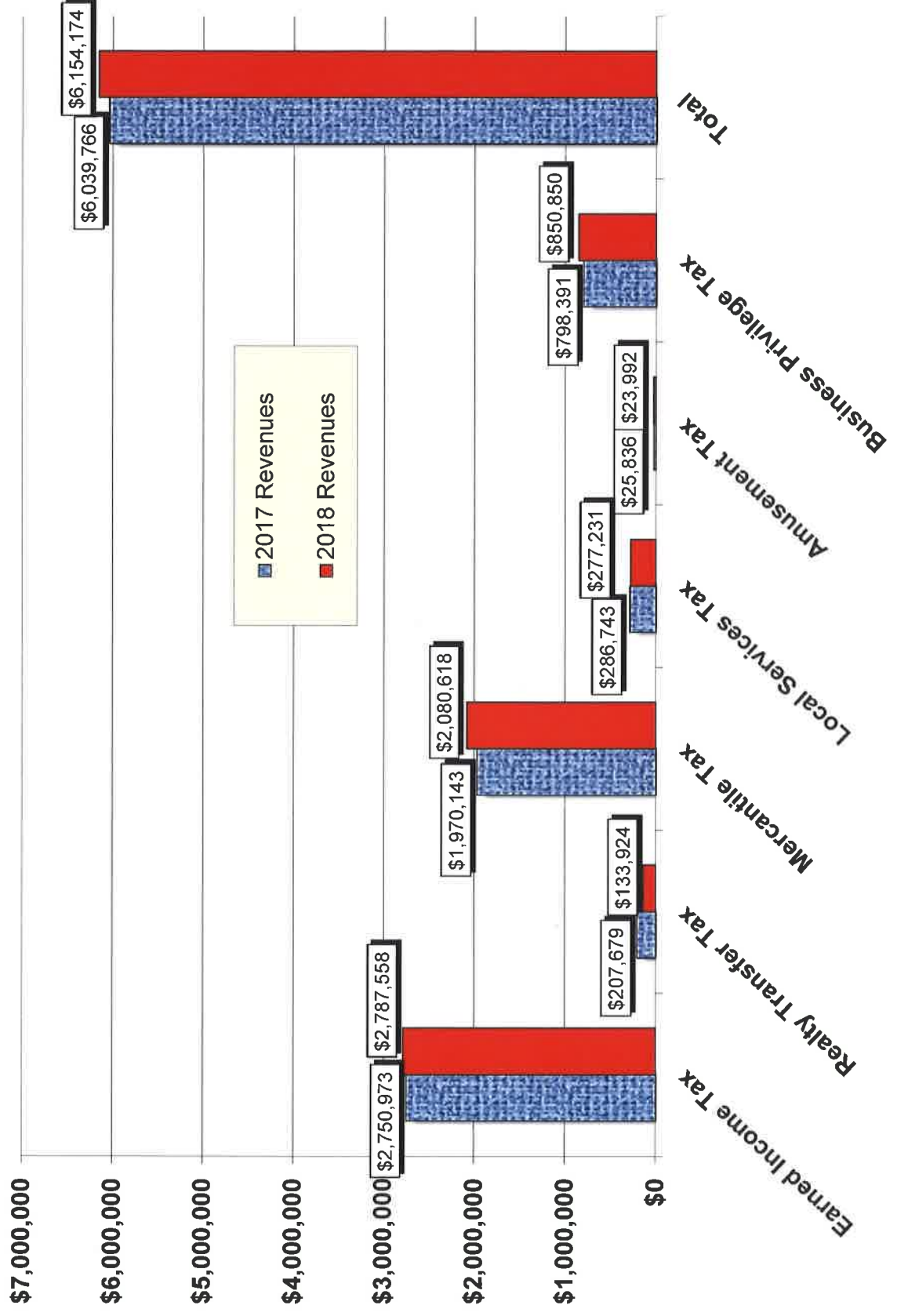
May

							DOLLAR	PERCENT
	2018 BUDGET (1)	2018 ACTUAL (2)	% of TOTAL (3)	2017 BUDGET (4)	2017 ACTUAL (5)	% of TOTAL (6)	VARIANCE 2017-2018 ACTUAL (2 - 5)	VARIANCE 2017-2018 ACTUAL (2 - 5)
REVENUES								
Taxes								
Real Estate Tax	2,196,412	2,031,252	22.6%	2,113,400	2,022,498	23.0%	8,754	0.4%
Earned Income Tax	5,350,000	2,787,558	31.0%	5,350,000	2,750,973	31.3%	36,585	1.3%
Real Estate Transfer Tax	850,000	133,924	1.5%	880,000	207,679	2.4%	(73,756)	-35.5%
Mercantile Tax	2,070,000	2,080,618	23.1%	2,120,000	1,970,143	22.4%	110,476	5.6%
Local Services Tax	577,500	277,231	3.1%	557,500	286,743	3.3%	(9,512)	-3.3%
Amusement Tax	63,000	23,992	0.3%	63,000	25,836	0.3%	(1,844)	-7.1%
Business Privilege Tax	850,000	850,850	9.4%	780,000	798,391	9.1%	52,459	6.6%
Total Taxes	11,956,912	8,185,426	90.9%	11,863,900	8,062,263	91.7%	123,162	1.5%
Permits and Licenses								
Building Permits	570,500	336,959	3.7%	550,500	263,114	3.0%	73,845	28.1%
Cable TV	610,000	291,353	3.2%	600,000	307,026	3.5%	(15,673)	-5.1%
All Others	93,000	55,740	0.6%	93,000	46,236	0.5%	9,504	20.6%
Total Permits and Licenses	1,273,500	684,052	7.6%	1,243,500	616,376	7.0%	67,676	11.0%
Other Sources								
Fines	175,000	65,045	0.7%	175,000	50,160	0.6%	14,885	29.7%
Interest	32,410	12,594	0.1%	40,000	9,475	0.1%	3,119	32.9%
Grants	572,000	6,091	0.1%	572,000	5,712	0.1%	379	6.6%
Department Services	81,900	52,436	0.6%	81,900	42,513	0.5%	9,923	23.3%
Other Financing Sources	80,000	360	0.0%	80,000	8,146	0.1%	(7,786)	-95.6%
	941,310	136,525	1.5%	948,900	116,006	1.3%	20,519	17.7%
TOTAL REVENUES	14,171,722	9,006,003	100.0%	14,056,300	8,794,645	100.0%	211,357	2.4%
EXPENSES								
Administration	1,396,311	520,113	11.0%	1,483,477	502,834	11.9%	17,279	3.4%
Finance & IT	972,160	420,117	8.9%	963,040	366,286	8.6%	53,831	14.7%
Police	6,979,053	2,637,159	55.9%	6,955,700	2,391,315	56.4%	245,844	10.3%
Code	874,270	301,938	6.4%	898,860	307,105	7.2%	(5,167)	-1.7%
Public Works	2,288,710	840,550	17.8%	2,188,442	670,312	15.8%	170,238	25.4%
Other Financing Uses	-	-	0.0%	-	-	0.0%	0	
TOTAL EXPENSES	12,510,503	4,719,876	100.0%	12,489,519	4,237,851	100.0%	482,025	11.4%
NET REVENUES/(EXPENSES)	1,661,219	4,286,127		1,566,781	4,556,795		(270,668)	-5.9%
INCOMING TRANSFERS	537,900	47,297		394,540	102,664		(55,368)	
OUTGOING TRANSFERS	(2,192,384)	(752,050)		(1,960,130)	(680,943)		(71,107)	10.4%
(DEFICIT)/SURPLUS	6,735	3,581,374		1,191	3,978,516		(397,142)	-10.0%
BEGINNING FUND BALANCE	3,019,533	3,019,533		2,974,172	2,974,172		45,361	1.5%
ENDING FUND BALANCE	3,026,267	6,600,906		2,975,362	6,952,687		(351,781)	-5.1%

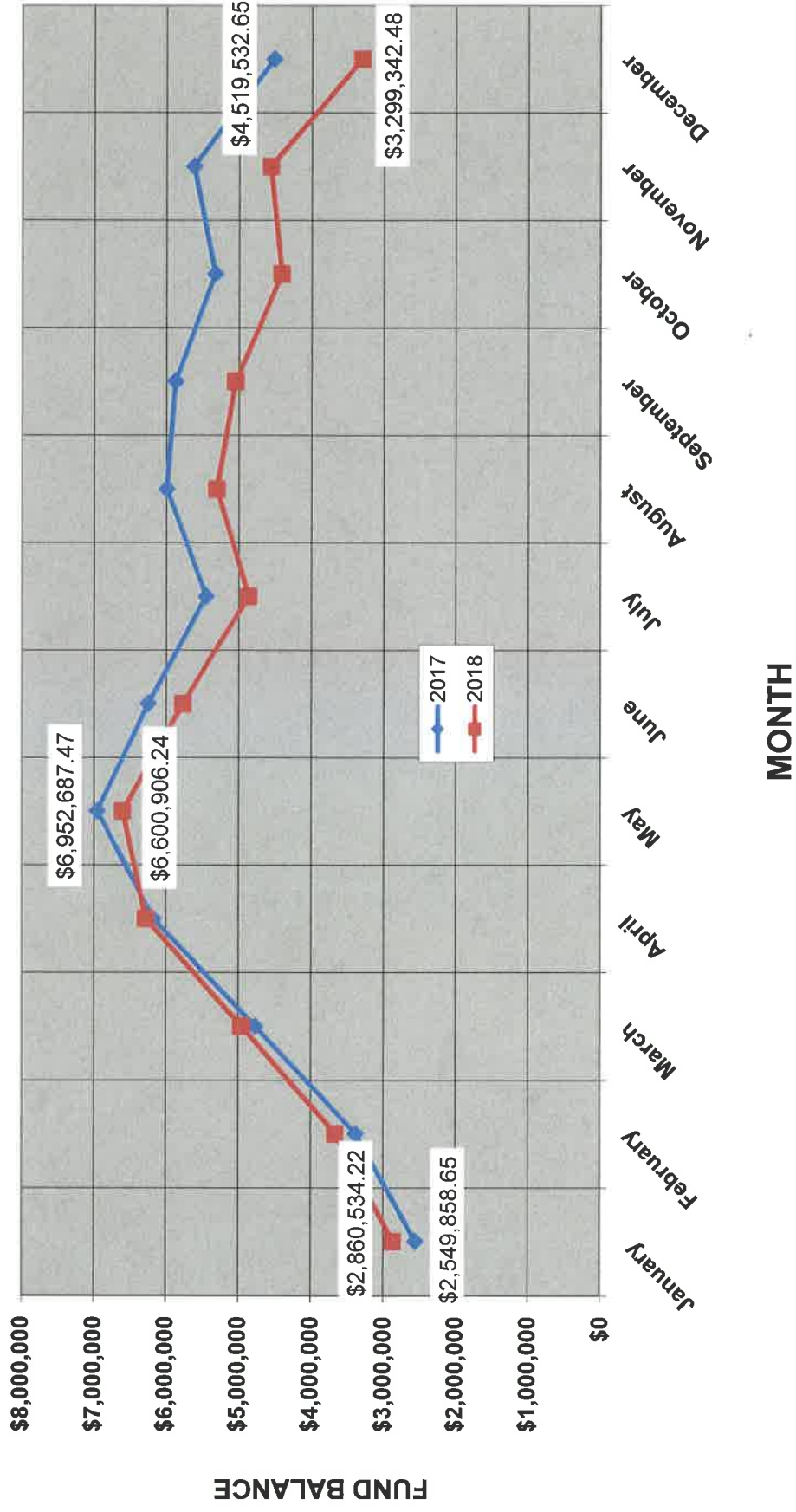
MONTGOMERY TOWNSHIP
STATEMENT OF CHANGES IN FUND BALANCE
GENERAL FUND
AS OF MAY 31, 2018

May				DOLLAR	PERCENT
	May 2018 Monthly Budget	2018 YTD BUDGET (1)	2018 ACTUAL (2)	VARIANCE Monthly Budget to Actual	VARIANCE Monthly Budget to Actual
REVENUES					
Taxes					
Real Estate Tax	1,981,893	2,196,412	2,031,252	49,359	2.2%
Earned Income Tax	2,733,051	5,350,000	2,787,558	54,508	1.0%
Real Estate Transfer Tax	226,053	850,000	133,924	(92,130)	-10.8%
Mercantile Tax	1,970,113	2,070,000	2,080,618	110,506	5.3%
Local Services Tax	287,217	577,500	277,231	(9,986)	-1.7%
Amusement Tax	20,233	63,000	23,992	3,759	6.0%
Business Privilege Tax	747,656	850,000	850,850	103,194	12.1%
Total Taxes	7,966,215	11,956,912	8,185,426	219,211	1.8%
Permits and Licenses					
Building Permits	283,999	570,500	336,959	52,960	9.3%
Cable TV	334,001	610,000	291,353	(42,648)	-7.0%
All Others	61,278	93,000	55,740	(5,538)	-6.0%
Total Permits and Licenses	679,278	1,273,500	684,052	4,774	0.4%
Other Sources					
Fines	84,195	175,000	65,045	(19,150)	-10.9%
Interest	7,422	32,410	12,594	5,172	16.0%
Grants	16,794	572,000	6,091	(10,704)	-1.9%
Department Services	28,454	81,900	52,436	23,982	29.3%
Other Financing Sources	3,804	80,000	360	(3,444)	-4.3%
Total Other Sources	140,668	941,310	136,525	(4,143)	-0.4%
TOTAL REVENUES	8,786,161	14,171,722	9,006,003	219,842	1.6%
EXPENSES					
Administration	465,517	1,396,311	520,113	54,596	3.9%
Finance & IT	339,641	972,160	420,117	80,476	8.3%
Police	2,385,296	6,979,053	2,637,159	251,863	3.6%
Code	270,492	874,270	301,938	31,446	3.6%
Public Works	736,116	2,288,710	840,550	104,434	4.6%
Other Financing Uses	-	-	-	-	-
TOTAL EXPENSES	4,197,062	12,510,503	4,719,876	522,814	4.2%
NET REVENUES/(EXPENSES)	4,589,098	1,661,219	4,286,127	(302,972)	-7.1%

Local Enabling Tax Revenue Comparison 2017 - 2018 As of May 31, 2018



GENERAL FUND CASH BALANCE
2017 ACTUAL VS 2018 PROJECTION
AS OF MAY 31, 2018



Cash Balance - General Fund 2017

	Beginning Bal	Revenues	Expenditures	Ending Balance
January	\$2,974,171.67	\$264,528.02	\$688,841.04	\$2,549,858.65
February	\$2,549,858.65	\$1,752,250.24	\$923,672.48	\$3,378,436.41
March	\$3,378,436.41	\$2,707,601.57	\$1,317,186.09	\$4,768,851.89
April	\$4,768,851.89	\$2,397,462.55	\$988,962.08	\$6,177,352.36
May	\$6,177,352.36	\$1,775,467.22	\$1,000,132.11	\$6,952,687.47
June	\$6,952,687.47	\$713,161.66	\$1,417,574.35	\$6,248,274.78
July	\$6,248,274.78	\$408,516.45	\$1,210,127.64	\$5,446,663.59
August	\$5,446,663.59	\$1,444,336.67	\$891,790.03	\$5,999,210.23
September	\$5,999,210.23	\$1,140,874.25	\$1,260,489.57	\$5,879,594.91
October	\$5,879,594.91	\$421,195.13	\$973,830.40	\$5,326,959.64
November	\$5,326,959.64	\$1,484,532.53	\$1,189,583.02	\$5,621,909.15
December (prior to surplus balance transfer)	\$5,621,909.15	\$721,288.36	\$1,823,664.86	\$4,519,532.65
	FINAL	\$15,231,214.65	\$13,685,853.67	
	FINAL BUDGET	\$14,450,840.00	\$14,449,649.25	
	OVER/(UNDER)	\$780,374.65	(\$763,795.58)	
	OVER/(UNDER)	5.40%	-5.29%	

General Fund Cash Balance Projection 2018

January	\$3,019,532.65	\$381,295.60	\$540,294.03	\$2,860,534.22
February	\$2,860,534.22	\$1,791,560.72	\$993,815.45	\$3,658,279.49
March	\$3,658,279.49	\$2,682,339.37	\$1,383,156.28	\$4,957,462.58
April	\$4,957,462.58	\$2,358,327.11	\$1,038,296.25	\$6,277,493.44
May	\$6,277,493.44	\$1,839,776.51	\$1,516,363.71	\$6,600,906.24
June	\$6,600,906.24	\$688,739.45	\$1,522,918.22	\$5,766,727.47
July	\$5,766,727.47	\$394,526.81	\$1,300,055.57	\$4,861,198.71
August	\$4,861,198.71	\$1,394,875.39	\$958,061.42	\$5,298,012.68
September	\$5,298,012.68	\$1,101,805.03	\$1,354,160.04	\$5,045,657.67
October	\$5,045,657.67	\$406,771.31	\$1,046,198.43	\$4,406,230.55
November	\$4,406,230.55	\$1,433,694.74	\$1,277,984.23	\$4,561,941.07
December	\$4,561,941.07	\$696,587.85	\$1,959,186.44	\$3,299,342.48
	PROJECTED	\$15,170,299.90	\$14,890,490.08	
	BUDGET	\$14,709,622.00	\$14,702,887.34	
	OVER/(UNDER)	\$460,677.90	\$187,602.74	
	OVER/(UNDER)	3.13%	1.28%	

EIT Revenues - All Funds 2013-2018

	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Projection	
January	\$ 535,759.55	\$ 249,949.20	\$ 138,265.04	\$ 138,457.99	\$ 154,038.34	\$ 204,878.37	A
February	\$ 397,017.02	\$ 813,824.55	\$ 906,222.69	\$ 954,271.37	\$ 960,043.66	\$ 911,999.88	A
March	\$ 666,263.64	\$ 292,691.28	\$ 401,711.77	\$ 455,774.99	\$ 262,112.84	\$ 271,329.43	A
April	\$ 381,095.99	\$ 315,738.21	\$ 272,582.32	\$ 277,769.41	\$ 264,906.10	\$ 268,728.57	A
May	\$ 320,503.58	\$ 380,377.66	\$ 1,031,984.60	\$ 1,131,146.20	\$ 1,222,372.10	\$ 1,243,122.05	A
June	\$ 653,590.27	\$ 708,867.46	\$ 378,503.55	\$ 270,744.99	\$ 291,948.88	\$ 291,948.88	E
July	\$ 390,585.66	\$ 318,251.22	\$ 188,684.52	\$ 103,934.80	\$ 122,752.55	\$ 122,752.55	E
August	\$ 297,611.83	\$ 564,576.40	\$ 752,386.09	\$ 890,739.12	\$ 909,422.14	\$ 909,422.14	E
September	\$ 443,941.20	\$ 533,453.92	\$ 456,139.99	\$ 254,262.14	\$ 244,795.18	\$ 244,795.18	E
October	\$ 240,987.76	\$ 172,392.63	\$ 127,735.05	\$ 148,233.40	\$ 133,769.81	\$ 133,769.81	E
November	\$ 604,921.93	\$ 680,190.01	\$ 628,963.75	\$ 900,021.95	\$ 904,467.46	\$ 904,467.46	E
December	\$ 414,332.39	\$ 479,479.59	\$ 569,028.17	\$ 332,696.79	\$ 263,872.85	\$ 263,872.85	E
Subtotal collections	\$ 5,346,610.82	\$ 5,509,792.13	\$ 5,852,207.54	\$ 5,858,053.15	\$ 5,734,501.91	\$ 5,771,087.17	

3.05%

6.21%

0.10%

-2.11%

0.64%

**BUSINESS TAX OFFICE
MONTHLY REPORT
May-18**

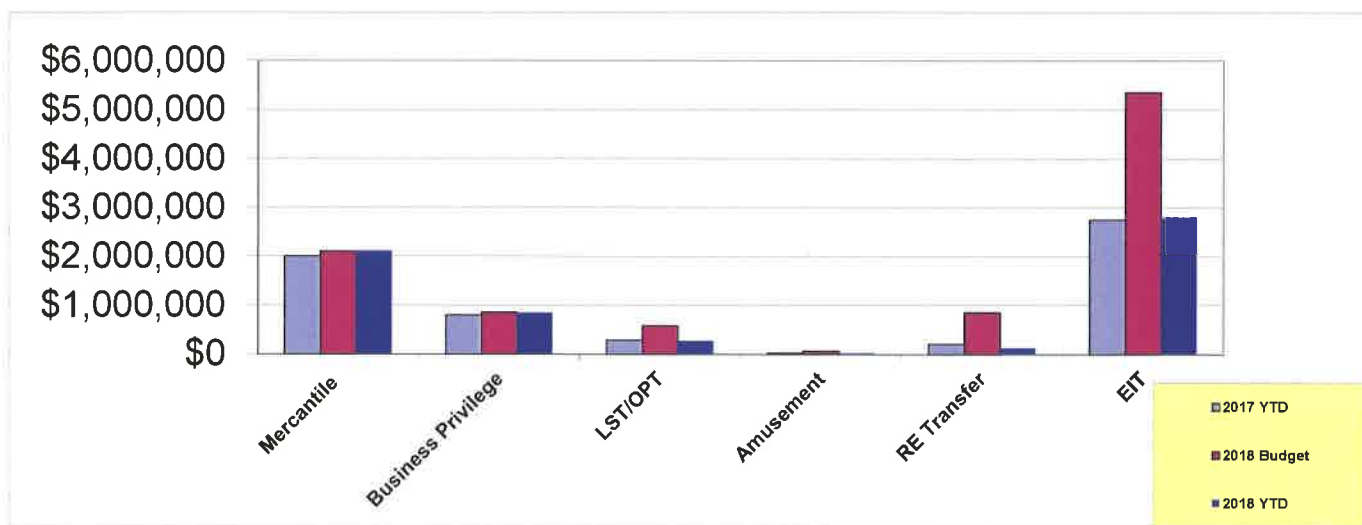
NEW BUSINESSES ADDED TO TAX ROLLS

NAME

J. Jin LLC
Klaiber Konsulting
Little Washington Fabricators
The Split Rail Fence Store
WB Homes Contracting LP

ACT 511 TAXES

	Mercantile	Business Privilege	LST/OPT	Amusement	RE Transfer	EIT	TOTALS
2017 YTD	\$2,001,732	\$798,391	\$286,743	\$25,836	\$207,679	\$2,750,973	\$6,071,355
2018 Budget	\$2,100,000	\$850,000	\$577,500	\$63,000	\$850,000	\$5,350,000	\$9,790,500
2018 YTD	\$2,112,751	\$850,850	\$277,231	\$23,992	\$133,924	\$2,787,558	\$6,186,307
Current Month	\$70,931	\$46,272	\$121,519	\$5,731	\$52,539	\$1,243,122	\$1,540,114
% of Budget	100.61%	100.10%	48.01%	38.08%	15.76%	52.10%	63.19%



REAL ESTATE DEED REGISTRATIONS

The Township ceased preregistration of Real Estate Deed Transfers in December 2008. The following information is based on Deed Transfer information provided by the Recorder of Deeds Office along with the monthly Real Estate Transfer Tax.

<u>TYPE</u>	<u># OF UNITS</u>	<u>AVG. PRICE</u>
NEW	4	\$388,702
RESALE	29	\$328,660
DEED CHGS	10	N/A
COMMERCIAL	0	\$0
INDUSTRIAL	0	\$0
LAND	0	\$0
SHERIFF	2	\$185,000
TRANSFER TAXES PAID		\$52,538.56

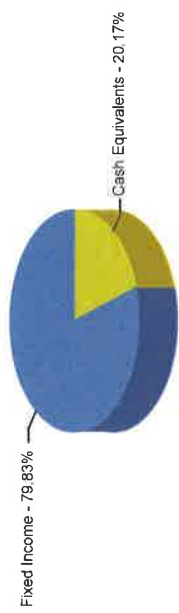
Account Name : Montgomery Township

Account No : 31277100

Investment Summary

May 01, 2018 To May 31, 2018

	Percent of Portfolio	Market Value
Fixed Income	79.83%	\$ 11,800,000.00
Cash Equivalents	20.17%	\$ 2,982,226.55
	100.00%	\$ 14,782,226.55



Account Summary

Statement Period
(05/01/2018-05/31/2018)

Year-To-Date
(01/01/2018-05/31/2018)

Beginning Market Value	\$ 14,773,156.90	\$ 14,715,365.70
Cash Deposits	0.00	0.00
Asset Deposits	0.00	0.00
Cash Withdrawals & Distributions	0.00	0.00
Asset Withdrawals & Distributions	0.00	0.00
Administrative Expenses	(1,506.25)	(7,881.22)
Tax Free Interest & Dividends	0.00	0.00
Taxable Interest & Dividends	10,575.90	74,742.07
Realized Gain/(Loss)	0.00	0.00
Unrealized Gain/(Loss)	0.00	0.00
Ending Market Value	\$ 14,782,226.55	\$ 14,782,226.55

Montgomery Township Recreation Fund

Operating Revenues and Expenditures

As of May 31, 2018

Account	2018 Budget	YTD Balance April 30, 2018	% of Budget
---------	-------------	-------------------------------	-------------

REVENUES:

EARNED INCOME TAX - Allocated from GF	140,000.00	58,333.33	41.67%
	140,000.00	58,333.33	41.67%
RENTAL	115,000.00	51,462.50	44.75%
	115,000.00	51,462.50	44.75%
RECREATION PROGRAM FEES	132,000.00	38,681.39	29.30%
KIDS U REVENUE	250,000.00	246,436.00	98.57%
MEMBERSHIPS	210,000.00	118,302.94	56.33%
SHOP REVENUE/SALES	1,000.00	402.68	40.27%
SILVER SNEAKER INS REV	15,000.00	10,125.00	67.50%
GIFT CERTIFICATE SALES	500.00	1,700.00	340.00%
	608,500.00	415,648.01	68.31%
FROM GENERAL FUND	200,000.00	83,333.33	41.67%
FROM CAPITAL RESERVE	69,200.00	1,400.00	2.02%
	269,200.00	84,733.33	31.48%
Total Revenues	1,132,700.00	610,177.18	53.87%

EXPENDITURES:

Administration:

CONSULTING SERVICES	1,000.00	767.77	76.78%
LEGAL SERVICES	1,000.00	0.00	0.00%
BANK FEES	14,000.00	9,120.78	65.15%
CAPITAL - NEW	67,702.00	1,400.00	2.07%
	83,702.00	11,288.55	13.49%

Montgomery Township Recreation Fund

Operating Revenues and Expenditures

As of May 31, 2018

Account	2018 Budget	YTD Balance April 30, 2018	% of Budget
Recreation Center:			
TO NON-UNIFORMED PENSION	17,240.00	6,124.35	35.52%
SALARIES	215,430.00	65,570.12	30.44%
WAGES	100,000.00	34,986.38	34.99%
OVERTIME	3,000.00	138.40	4.61%
MEDICAL	73,550.00	22,947.09	31.20%
SOCIAL SECURITY	24,360.00	7,650.77	31.41%
EMPLOYEE BENEFITS	7,830.00	2,866.84	36.61%
OFFICE SUPPLIES	4,500.00	1,423.43	31.63%
OPERATING SUPPLIES	9,500.00	2,474.95	26.05%
VEHICLE FUEL	500.00	0.00	0.00%
VEHICLE MAINTENANCE	500.00	47.25	9.45%
PROFESSIONAL SERVICES	140,000.00	47,738.65	34.10%
CONSULTING SERVICES	120,000.00	28,325.57	23.60%
INFORMATION SERVICES	12,450.00	10,498.89	84.33%
COMMUNICATION	14,800.00	5,363.38	36.24%
PUBLIC INFORMATION	31,500.00	8,077.87	25.64%
INSURANCE	23,410.00	11,702.00	49.99%
WORKERS COMPENSATION	16,260.00	8,130.00	50.00%
PUBLIC UTILITIES	42,000.00	18,165.78	43.25%
BUILDING MAINTENANCE	44,100.00	12,900.59	29.25%
EQUIPMENT MAINTENANCE	1,100.00	1,812.48	164.77%
RENTALS	4,500.00	1,509.67	33.55%
DUES AND SUBSCRIPTIONS	600.00	425.00	70.83%
MEETINGS AND CONFERENCES	1,650.00	0.00	0.00%
CAPITAL - REPLACEMENT	1,500.00	1,500.00	0.00%
	910,280.00	300,379.46	33.00%
Kids U:			
WAGES	77,000.00	0.00	0.00%
OVERTIME	1,000.00	0.00	0.00%
SOCIAL SECURITY	6,000.00	0.00	0.00%
CONSULTING SERVICES	35,000.00	9,635.43	27.53%
COMMUNICATION	1,000.00	0.00	0.00%
PUBLIC INFORMATION	1,000.00	0.00	0.00%
	121,000.00	9,635.43	7.96%
Total Expenditures	1,114,982.00	321,303.44	28.82%
Net Revenues/Expenditures	17,718.00	288,873.74	