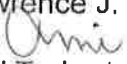


**MONTGOMERY TOWNSHIP
AGENDA
FINANCE COMMITTEE
Tuesday, March 18, 2019
6:00 pm**

1. Call to order
2. Approval of Meeting Minutes of January 21, 2019 Meeting
3. Updated and new business including review of:
 - February 2019 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. Gegan, Township Manager

From: Ami Tarburton, Finance Director
Date: March 12, 2019
Subject: February 2019 Financial Reports Analysis

Attached you will find financial reports for the month ending February 28, 2019. 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 February 28, 2019.
- Chart comparing the Local Enabling Tax receipts year-to-date to the same time period in 2018.
- Chart showing the comparison of the General Fund's Projected Cash Balances in 2018 vs. 2019. Note that the year end fund balance projection for 2019 is based on actual revenues and expenditures as of February 2019 with the projected revenues and expenditures for March through December. The projected revenues/expenditures are based on the monthly revenue and expenditures percentages from 2018 applied to the 2019 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 February 2019.

Analysis of Statement of Changes in Fund Balance
General Fund
February 2019 vs February 2018

- Real Estate Tax Collections are down slightly, as compared to same period prior year. Tax bills were mailed to residents in February and as such, minimal tax revenue is expected in February. March through April is known as the 'discount period' where residents receive a 2% discount for payment during that time, and the bulk of these tax revenues will be collected during these months.
- Earned Income Tax (EIT) collections in the General Fund are up \$23K above February of the prior year.
- Real Estate Transfer Tax Revenues are up 35% or \$9K as compared to same period prior year. Receipts reported in February are for January. This increase is due to limited activity in 2018 and the fact that there was a commercial real estate transaction in February of 2019.
- Mercantile Tax revenue collections are down 48% or \$209K as compared to same period prior year. This decrease is due to the timing of receiving some of our larger taxpayers' remittances. The due date for this tax is March 15th. Revenue collections are highest during the months of February, March and April.
- Local Services Tax revenue collections are down \$3K or 2%. This decrease is largely due to the reduction of employees at the Township's Teva Pharmaceuticals. The first due date for employer remittances for 2019 is April 30th.
- Amusement tax receipts are down \$3,500 as compared to same period prior year.
- Business Privilege Tax (BPT) receipts are up 2% (\$2K) as compared to same period prior year. This increase is due to the timing of receiving some of our larger taxpayers' remittances. The due date for this tax is March 15th. Revenue collections are highest during the months of February, March and April.
- Overall, tax revenues are down 10%, about \$182K, as compared to the same period last year. This decrease is due mainly to the timing of Business Privilege and Mercantile Tax receipts, and we will have a clearer picture of our tax revenues in April.

- Other Revenue Sources

- Building Permit revenues are up 24% (\$28K) as compared to same period 2018 due to numerous ongoing commercial projects. The primary season for this revenue source is spring into summer.
- Cable Franchise Fees are down slightly by \$500 as compared to same period 2018.
- Overall revenues are down 7% or \$158K compared to February 2018. The biggest contributor to this decrease are the timing of Business Privilege and Mercantile Tax Revenues.

- Expenditures

- Overall, year-to-date expenditures are up 2.6% as compared to same period prior year. This increase can be attributed to the police department, stemming from the delay of 2018 salary/wage increases due to the police arbitration.

Other items of Interest for Finance Committee
March 18, 2019

- Annual Audit – Auditors from Maillie have completed their audit field work for the 2018 annual audit. A draft financial statement will be distributed soon. We will be finalizing the Comprehensive Annual Financial Report and hope to have accountants from Maillie here at our April meeting to review the information.

**MONTGOMERY TOWNSHIP
STATEMENT OF CHANGES IN FUND BALANCE
GENERAL FUND
AS OF FEBRUARY 28, 2019**

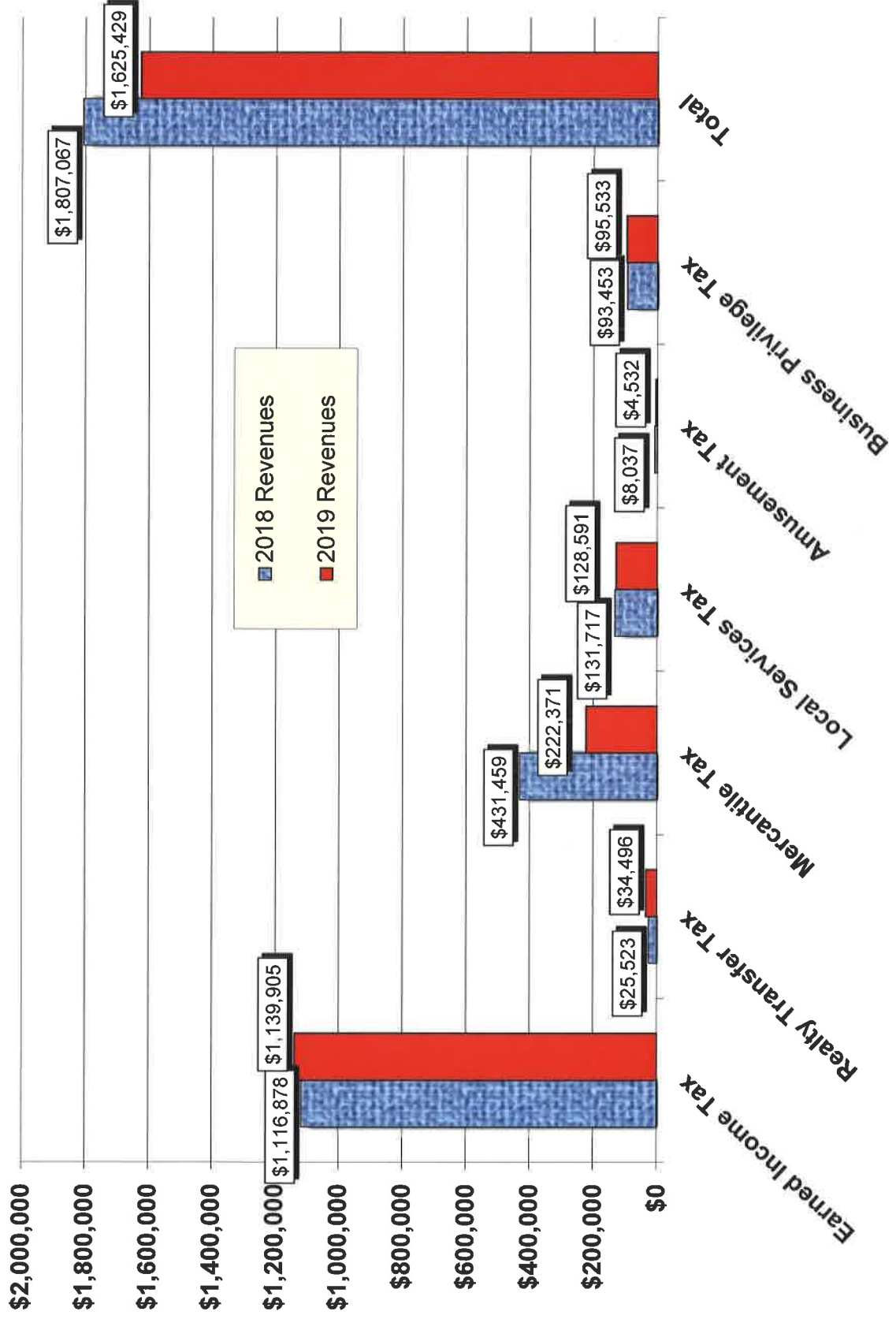
February

							DOLLAR	PERCENT
	2019 BUDGET (1)	2019 ACTUAL (2)	% of TOTAL (3)	2018 BUDGET (4)	2018 ACTUAL (5)	% of TOTAL (6)	VARIANCE 2018-2019 ACTUAL (2 - 5)	VARIANCE 2018-2019 ACTUAL (2 - 5)
REVENUES								
Taxes								
Real Estate Tax	1,816,700	774	0.0%	2,196,412	1,646	0.1%	(872)	-53.0%
Earned Income Tax	5,350,000	1,139,905	56.6%	5,350,000	1,116,878	51.4%	23,026	2.1%
Real Estate Transfer Tax	850,000	34,496	1.7%	850,000	25,523	1.2%	8,973	35.2%
Mercantile Tax	2,175,000	222,371	11.0%	2,070,000	431,459	19.9%	(209,087)	-48.5%
Local Services Tax	577,500	128,591	6.4%	577,500	131,717	6.1%	(3,126)	-2.4%
Amusement Tax	68,000	4,532	0.2%	63,000	8,037	0.4%	(3,505)	-43.6%
Business Privilege Tax	950,000	95,533	4.7%	850,000	93,453	4.3%	2,080	2.2%
Total Taxes	11,787,200	1,626,202	80.7%	11,956,912	1,808,713	83.2%	(182,511)	-10.1%
Permits and Licenses								
Building Permits	657,500	144,253	7.2%	570,500	116,021	5.3%	28,232	24.3%
Cable TV	610,000	147,849	7.3%	610,000	148,311	6.8%	(462)	-0.3%
All Others	100,000	42,051	2.1%	93,000	37,772	1.7%	4,279	11.3%
Total Permits and Licenses	1,367,500	334,153	16.6%	1,273,500	302,104	13.9%	32,049	10.6%
Other Sources								
Fines	175,000	26,483	1.3%	175,000	22,458	1.0%	4,025	17.9%
Interest	50,000	10,462	0.5%	32,410	7,187	0.3%	3,275	45.6%
Grants	662,790	2,019	0.1%	572,000	3,355	0.2%	(1,336)	-39.8%
Department Services	101,900	15,283	0.8%	81,900	28,679	1.3%	(13,396)	-46.7%
Other Financing Sources	80,000	-	0.0%	80,000	360	0.0%	(360)	-100.0%
	1,069,690	54,246	2.7%	941,310	62,039	2.9%	(7,793)	-12.6%
TOTAL REVENUES	14,224,390	2,014,601	100.0%	14,171,722	2,172,856	100.0%	(158,255)	-7.3%
EXPENSES								
Administration	1,385,641	129,225	9.0%	1,396,311	140,508	10.1%	(11,283)	-8.0%
Finance & IT	989,990	109,276	7.6%	972,160	127,458	9.1%	(18,183)	-14.3%
Police	7,302,072	857,913	59.8%	6,979,053	777,488	55.7%	80,425	10.3%
Code	928,500	87,538	6.1%	874,270	93,944	6.7%	(6,406)	-6.8%
Public Works	2,612,814	249,589	17.4%	2,288,710	257,574	18.4%	(7,985)	-3.1%
Other Financing Uses	-	-	0.0%	-	-	0.0%	0	
TOTAL EXPENSES	13,219,017	1,433,541	100.0%	12,510,503	1,396,973	100.0%	36,568	2.6%
NET REVENUES/(EXPENSES)	1,005,373	581,060		1,661,219	775,883		(194,823)	-25.1%
INCOMING TRANSFERS	608,120	-		537,900	-		0	
OUTGOING TRANSFERS	(1,789,680)	(283,952)		(2,192,384)	(137,137)		(146,816)	107.1%
{DEFICIT}/SURPLUS	(176,187)	297,108		6,735	638,747		(341,639)	-53.5%
BEGINNING FUND BALANCE	3,068,822	3,068,822		3,019,533	3,019,533		49,289	1.6%
ENDING FUND BALANCE	2,892,635	3,365,930		3,026,267	3,658,279		(292,350)	-8.0%

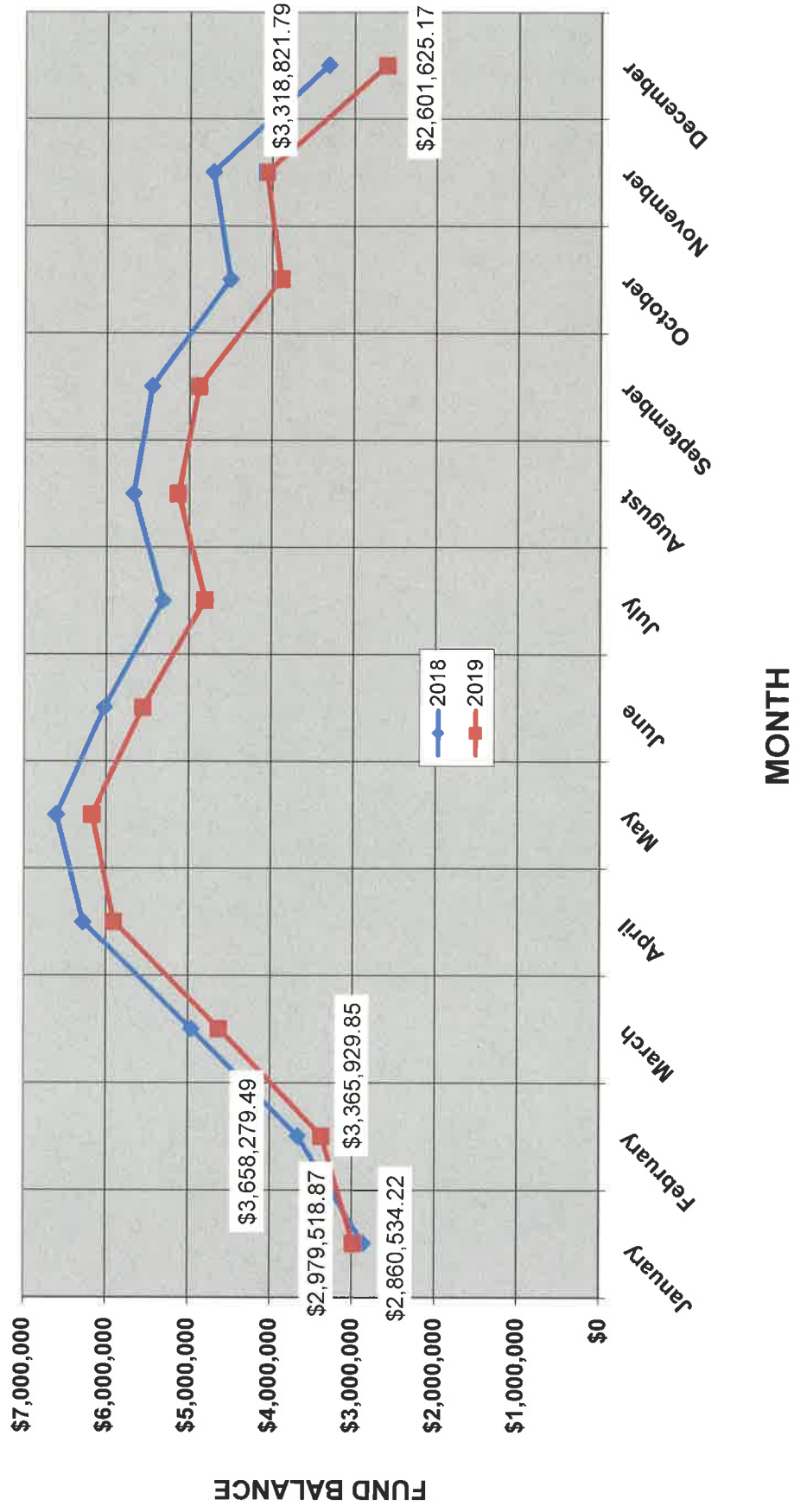
**MONTGOMERY TOWNSHIP
STATEMENT OF CHANGES IN FUND BALANCE
GENERAL FUND
AS OF FEBRUARY 28, 2019**

February				DOLLAR	PERCENT
	February 2019 Monthly Budget	2019 YTD BUDGET (1)	2019 ACTUAL (2)	VARIANCE Monthly Budget to Actual	VARIANCE Monthly Budget to Actual
REVENUES					
Taxes					
Real Estate Tax	(3,715)	1,816,700	774	4,489	0.2%
Earned Income Tax	1,081,365	5,350,000	1,139,905	58,539	1.1%
Real Estate Transfer Tax	67,707	850,000	34,496	(33,210)	-3.9%
Mercantile Tax	316,414	2,175,000	222,371	(94,042)	-4.3%
Local Services Tax	153,334	577,500	128,591	(24,742)	-4.3%
Amusement Tax	7,720	68,000	4,532	(3,188)	-4.7%
Business Privilege Tax	95,606	950,000	95,533	(73)	0.0%
Total Taxes	1,718,430	11,787,200	1,626,202	(92,228)	-0.8%
Permits and Licenses					
Building Permits	114,353	657,500	144,253	29,900	4.5%
Cable TV	166,822	610,000	147,849	(18,973)	-3.1%
All Others	17,522	100,000	42,051	24,528	24.5%
Total Permits and Licenses	298,698	1,367,500	334,153	35,455	2.6%
Other Sources					
Fines	32,503	175,000	26,483	(6,020)	-3.4%
Interest	2,689	50,000	10,462	7,772	15.5%
Grants	2,250	662,790	2,019	(230)	0.0%
Department Services	13,720	101,900	15,283	1,563	1.5%
Other Financing Sources	4,343	80,000	-	(4,343)	-5.4%
Total Other Sources	55,505	1,069,690	54,246	(1,259)	-0.1%
TOTAL REVENUES	2,072,633	14,224,390	2,014,601	(58,032)	-0.4%
EXPENSES					
Administration	133,831	1,385,641	129,225	(4,606)	-0.3%
Finance & IT	88,623	989,990	109,276	20,653	2.1%
Police	788,113	7,302,072	857,913	69,800	1.0%
Code	82,252	928,500	87,538	5,286	0.6%
Public Works	234,335	2,612,814	249,589	15,254	0.6%
Other Financing Uses	-	-	-	-	-
TOTAL EXPENSES	1,327,153	13,219,017	1,433,541	106,388	0.8%
NET REVENUES/(EXPENSES)	745,480	1,005,373	581,060	(164,419)	-28.3%

Local Enabling Tax Revenue Comparison 2018 - 2019 As of February 28, 2019



GENERAL FUND CASH BALANCE
2018 ACTUAL VS 2019 PROJECTION
AS OF FEBRUARY 28, 2019



Cash Balance - General Fund 2018

	Beginning Bal	Revenues	Expenditures	Ending Balance
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	\$1,839,776.52	\$1,516,548.96	\$6,600,721.00
June	\$6,600,721.00	\$717,796.31	\$1,298,266.01	\$6,020,251.30
July	\$6,020,251.30	\$425,113.74	\$1,132,310.36	\$5,313,054.68
August	\$5,313,054.68	\$1,373,742.68	\$1,020,090.93	\$5,666,706.43
September	\$5,666,706.43	\$1,017,046.80	\$1,234,144.09	\$5,449,609.14
October	\$5,449,609.14	\$316,291.27	\$1,259,270.45	\$4,506,629.96
November	\$4,506,629.96	\$1,342,387.54	\$1,130,454.46	\$4,718,563.04
December (prior to surplus balance transfer)	\$4,718,563.04	\$598,538.14	\$1,998,279.39	\$3,318,821.79
	FINAL	\$14,844,215.80	\$14,544,926.66	
	FINAL BUDGET	\$14,709,622.00	\$14,702,887.34	
	OVER/(UNDER)	\$134,593.80	(\$157,960.68)	
	OVER/(UNDER)	0.92%	-1.07%	

General Fund Cash Balance Projection 2019

January	\$3,068,821.79	\$402,937.52	\$492,240.44	\$2,979,518.87
February	\$2,979,518.87	\$1,611,663.86	\$1,225,252.88	\$3,365,929.85
March	\$3,365,929.85	\$2,680,224.14	\$1,427,258.72	\$4,618,895.27
April	\$4,618,895.27	\$2,356,467.39	\$1,071,402.70	\$5,903,959.95
May	\$5,903,959.95	\$1,838,325.72	\$1,564,904.68	\$6,177,380.99
June	\$6,177,380.99	\$717,230.27	\$1,339,661.69	\$5,554,949.57
July	\$5,554,949.57	\$424,778.51	\$1,168,414.49	\$4,811,313.59
August	\$4,811,313.59	\$1,372,659.38	\$1,052,616.90	\$5,131,356.07
September	\$5,131,356.07	\$1,016,244.78	\$1,273,495.22	\$4,874,105.62
October	\$4,874,105.62	\$316,041.85	\$1,299,422.75	\$3,890,724.73
November	\$3,890,724.73	\$1,341,328.96	\$1,166,499.41	\$4,065,554.28
December	\$4,065,554.28	\$598,066.15	\$2,061,995.26	\$2,601,625.17
	PROJECTED	\$14,675,968.52	\$15,143,165.14	
	BUDGET	\$14,832,510.00	\$15,008,696.94	
	OVER/(UNDER)	(\$156,541.48)	\$134,468.20	
	OVER/(UNDER)	-1.06%	0.90%	

EIT Revenues - All Funds 2014 - 2019

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Projection	
January	\$ 249,949.20	\$ 138,265.04	\$ 138,457.99	\$ 154,038.34	\$ 204,878.37	\$ 194,158.87	A
February	\$ 813,824.55	\$ 906,222.69	\$ 954,271.37	\$ 960,043.66	\$ 911,999.88	\$ 945,745.66	A
March	\$ 292,691.28	\$ 401,711.77	\$ 455,774.99	\$ 262,112.84	\$ 271,329.43	\$ 271,329.43	E
April	\$ 315,738.21	\$ 272,582.32	\$ 277,769.41	\$ 264,906.10	\$ 268,728.57	\$ 268,728.57	E
May	\$ 380,377.66	\$ 1,031,984.60	\$ 1,131,146.20	\$ 1,222,372.10	\$ 1,243,122.05	\$ 1,243,122.05	E
June	\$ 708,867.46	\$ 378,503.55	\$ 270,744.99	\$ 291,948.88	\$ 281,972.97	\$ 281,972.97	E
July	\$ 318,251.22	\$ 188,684.52	\$ 103,934.80	\$ 122,752.55	\$ 148,680.16	\$ 148,680.16	E
August	\$ 564,576.40	\$ 752,386.09	\$ 890,739.12	\$ 909,422.14	\$ 904,282.89	\$ 904,282.89	E
September	\$ 533,453.92	\$ 456,139.99	\$ 254,262.14	\$ 244,795.18	\$ 260,769.75	\$ 260,769.75	E
October	\$ 172,392.63	\$ 127,735.05	\$ 148,233.40	\$ 133,769.81	\$ 138,146.16	\$ 138,146.16	E
November	\$ 680,190.01	\$ 628,963.75	\$ 900,021.95	\$ 904,467.46	\$ 895,613.00	\$ 895,613.00	E
December	\$ 479,479.59	\$ 569,028.17	\$ 332,696.79	\$ 263,872.85	\$ 203,188.93	\$ 203,188.93	E
Subtotal collections	\$ 5,509,792.13	\$ 5,852,207.54	\$ 5,858,053.15	\$ 5,734,501.91	\$ 5,732,712.16	\$ 5,755,738.44	

6.21% 0.10% -2.11% -0.03% 0.40%

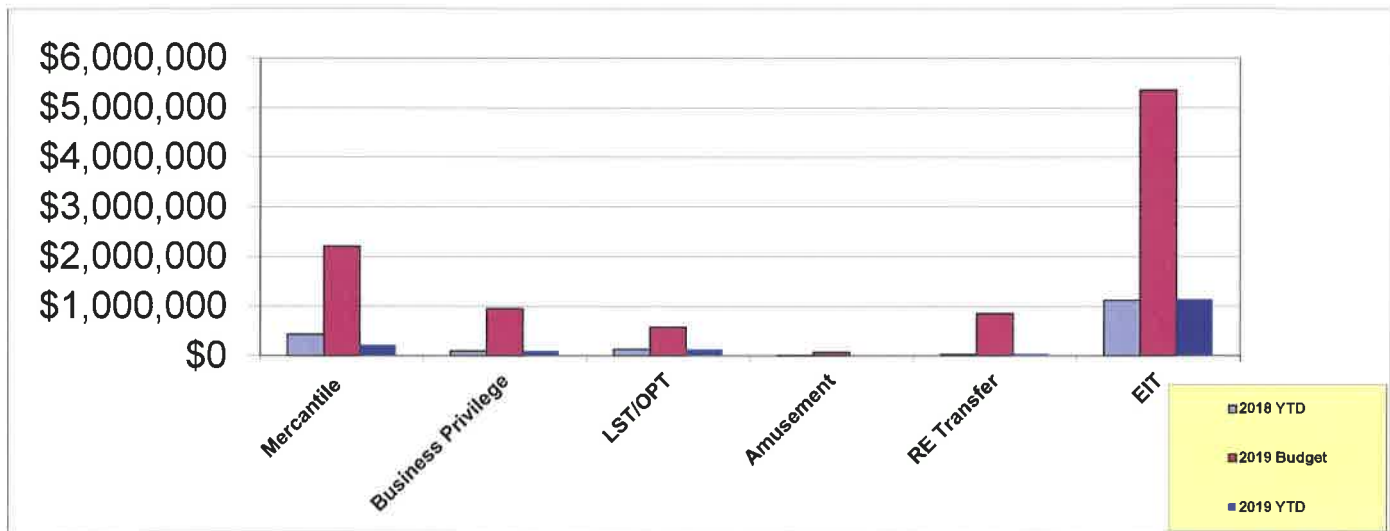
BUSINESS TAX OFFICE
MONTHLY REPORT
Feb-19

NEW BUSINESSES ADDED TO TAX ROLLS

NAME	
Beller Fabrication Corp.	Jun's Natural Food Inc.
BLB&B Advisors LLC	Lasership, Inc.
BLB&B Holding LLC	Mary Jane Prior, PhD.
BLB&B Plan Services LLC	MLH Company LLC
CP Rankin Inc.	Pro Real Ventures LLC
CQH Settlement Planning LLC	Trademark Drywall
Integrated Systems Forward	Venture Construction Company

ACT 511 TAXES

	Mercantile	Business Privilege	LST/OPT	Amusement	RE Transfer	EIT	TOTALS
2018 YTD	\$431,459	\$93,453	\$131,717	\$8,037	\$25,523	\$1,116,878	\$1,807,067
2019 Budget	\$2,207,000	\$950,000	\$577,500	\$68,000	\$850,000	\$5,350,000	\$10,002,500
2019 YTD	\$222,371	\$95,533	\$128,591	\$4,532	\$34,496	\$1,139,905	\$1,625,429
Current Month	\$221,480	\$75,234	\$111,996	\$2,702	\$34,496	\$945,746	\$1,391,655
% of Budget	10.08%	10.06%	22.27%	6.66%	4.06%	21.31%	16.25%



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	2	\$462,206	
RESALE	17	\$331,040	
DEED CHGS	4	N/A	
COMMERCIAL	1	\$855,264	160 Commerce Drive
INDUSTRIAL	0	\$0	
LAND	1	\$0	
SHERIFF	1	\$2,208	
TRANSFER TAXES PAID		\$34,496.46	

Account Name : Montgomery Township

Investment Summary

Account No : 31277100

February 01, 2019 through February 28, 2019

	Percent of Portfolio	Market Value
Fixed Income	88.36%	\$ 13,247,000.00
Cash Equivalents	11.64%	\$ 1,744,349.98
	100.00%	\$ 14,991,349.98



Account Summary

Statement Period
(02/01/2019-02/28/2019)

Year-To-Date
(01/01/2019-02/28/2019)

Beginning Market Value	\$ 14,971,354.74	\$ 14,929,726.64
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	(1,532.44)	(3,160.88)
Tax Free Interest & Dividends	0.00	0.00
Taxable Interest & Dividends	21,527.68	64,784.22
Realized Gain/(Loss)	0.00	0.00
Unrealized Gain/(Loss)	0.00	0.00
Ending Market Value	\$ 14,991,349.98	\$ 14,991,349.98

Montgomery Township Recreation Fund

Operating Revenues and Expenditures

As of February 28, 2019

Account	2019 Budget	YTD Balance February 28, 2019	% of Budget
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REVENUES:

EARNED INCOME TAX - Allocated from GF	140,000.00	23,333.33	16.67%
	140,000.00	23,333.33	16.67%
RENTAL	115,790.00	16,930.50	14.62%
	115,790.00	16,930.50	14.62%
RECREATION PROGRAM FEES	131,000.00	19,642.75	14.99%
KIDS U REVENUE	252,000.00	0.00	0.00%
MEMBERSHIPS	221,000.00	54,077.50	24.47%
SHOP REVENUE/SALES	1,000.00	151.04	15.10%
SILVER SNEAKER INS REV	25,000.00	5,348.50	21.39%
GIFT CERTIFICATE SALES	2,000.00	3,200.00	160.00%
	632,000.00	82,419.79	13.04%
FROM GENERAL FUND	200,000.00	33,333.33	16.67%
FROM CAPITAL RESERVE	39,160.00	0.00	0.00%
	239,160.00	33,333.33	13.94%
Total Revenues	1,126,950.00	156,016.96	13.84%

EXPENDITURES:

Administration:

CONSULTING SERVICES	1,000.00	0.00	0.00%
LEGAL SERVICES	1,000.00	0.00	0.00%
BANK FEES	16,000.00	1,843.30	11.52%
CAPITAL - NEW	34,700.00	899.97	2.59%
	52,700.00	2,743.27	5.21%

Montgomery Township Recreation Fund

Operating Revenues and Expenditures

As of February 28, 2019

Account	2019 Budget	YTD Balance February 28, 2019	% of Budget
Recreation Center:			
TO NON-UNIFORMED PENSION	17,700.00	2,556.05	14.44%
SALARIES	221,890.00	21,271.50	9.59%
WAGES	105,060.00	12,278.38	11.69%
OVERTIME	1,540.00	0.00	0.00%
MEDICAL	69,920.00	10,143.01	14.51%
SOCIAL SECURITY	25,100.00	2,547.38	10.15%
EMPLOYEE BENEFITS	7,940.00	1,152.75	14.52%
OFFICE SUPPLIES	4,300.00	236.42	5.50%
OPERATING SUPPLIES	9,000.00	1,178.80	13.10%
VEHICLE FUEL	200.00	25.20	12.60%
VEHICLE MAINTENANCE	500.00	305.75	61.15%
PROFESSIONAL SERVICES	140,000.00	15,639.84	11.17%
CONSULTING SERVICES	111,000.00	13,677.77	12.32%
INFORMATION SERVICES	8,220.00	423.64	5.15%
COMMUNICATION	14,800.00	2,317.45	15.66%
PUBLIC INFORMATION	29,500.00	0.00	0.00%
INSURANCE	23,340.00	5,834.82	25.00%
WORKERS COMPENSATION	16,440.00	4,813.00	29.28%
PUBLIC UTILITIES	46,800.00	4,743.50	10.14%
BUILDING MAINTENANCE	41,600.00	8,059.25	19.37%
EQUIPMENT MAINTENANCE	14,200.00	3,679.32	25.91%
RENTALS	4,500.00	581.50	12.92%
DUES AND SUBSCRIPTIONS	600.00	0.00	0.00%
MEETINGS AND CONFERENCES	1,550.00	390.00	25.16%
CAPITAL - REPLACEMENT	4,460.00	0.00	0.00%
	920,160.00	111,855.33	12.16%
Kids U:			
WAGES	90,260.00	0.00	0.00%
OVERTIME	1,030.00	0.00	0.00%
SOCIAL SECURITY	7,100.00	0.00	0.00%
OFFICE SUPPLIES	250.00	0.00	0.00%
CONSULTING SERVICES	53,000.00	2,796.00	5.28%
COMMUNICATION	1,950.00	61.70	3.16%
PUBLIC INFORMATION	500.00	0.00	0.00%
	154,090.00	2,857.70	1.85%
Total Expenditures	1,126,950.00	117,456.30	10.42%
Net Revenues/Expenditures	0.00	38,560.66	