


**MONTGOMERY TOWNSHIP  
AGENDA  
FINANCE COMMITTEE  
Monday, May 20, 2019  
6:00 pm**

1. Call to order
2. Approval of Meeting Minutes of April 15, 2019 Meeting
3. Updated and new business including review of:
  - April 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. Grogan, Township Manager  
**From:** Ami Tarburton, Finance Director   
**Date:** May 10, 2019  
**Subject:** April 2019 Financial Reports Analysis

Attached you will find financial reports for the month ending April 30, 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 April 30, 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 April 2019 with the projected revenues and expenditures for May 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 April 2019.

**Analysis of Statement of Changes in Fund Balance**  
**General Fund**  
**April 2019 vs April 2018**

- Real Estate Tax Collections are down \$337K compared to same period prior year due to the shifting of real estate millage of .15 mills from the General Fund back to the Debt Service Fund to fund scheduled debt service payments. 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 \$67K above April of the prior year.
  - Real Estate Transfer Tax Revenues are up 39% or \$31K as compared to same period prior year. Receipts reported in April are for March. This increase is due to limited activity in 2018 and the fact that there have been numerous commercial real estate transactions through April of 2019.
  - Mercantile Tax revenue collections are down 5% or \$94K as compared to same period prior year. The due date for this tax was March 15<sup>th</sup>. Revenue collections are highest during the months of February, March and April.
  - Local Services Tax revenue collections are down \$6K or 4%. 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 was April 30<sup>th</sup>.
  - Amusement tax receipts are down \$9K as compared to same period prior year.
  - Business Privilege Tax (BPT) receipts are up 9% (\$71K) as compared to same period prior year. The due date for this tax was March 15<sup>th</sup>. Revenue collections are highest during the months of February, March and April.
  - Overall, tax revenues are down 4%, about \$277K, as compared to the same period last year. This decrease is due to the real estate tax millage which was shifted back to the Debt Service fund for 2019.
- **Other Revenue Sources**
    - Building Permit revenues are up 16% (\$40K) 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 3% or \$203K compared to April 2018 due to the planned redirection of real estate tax millage revenue to the Debt Service Fund.

- Expenditures

- Overall, year-to-date expenditures are up 10% 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, along with an increase in capital replacement purchases.

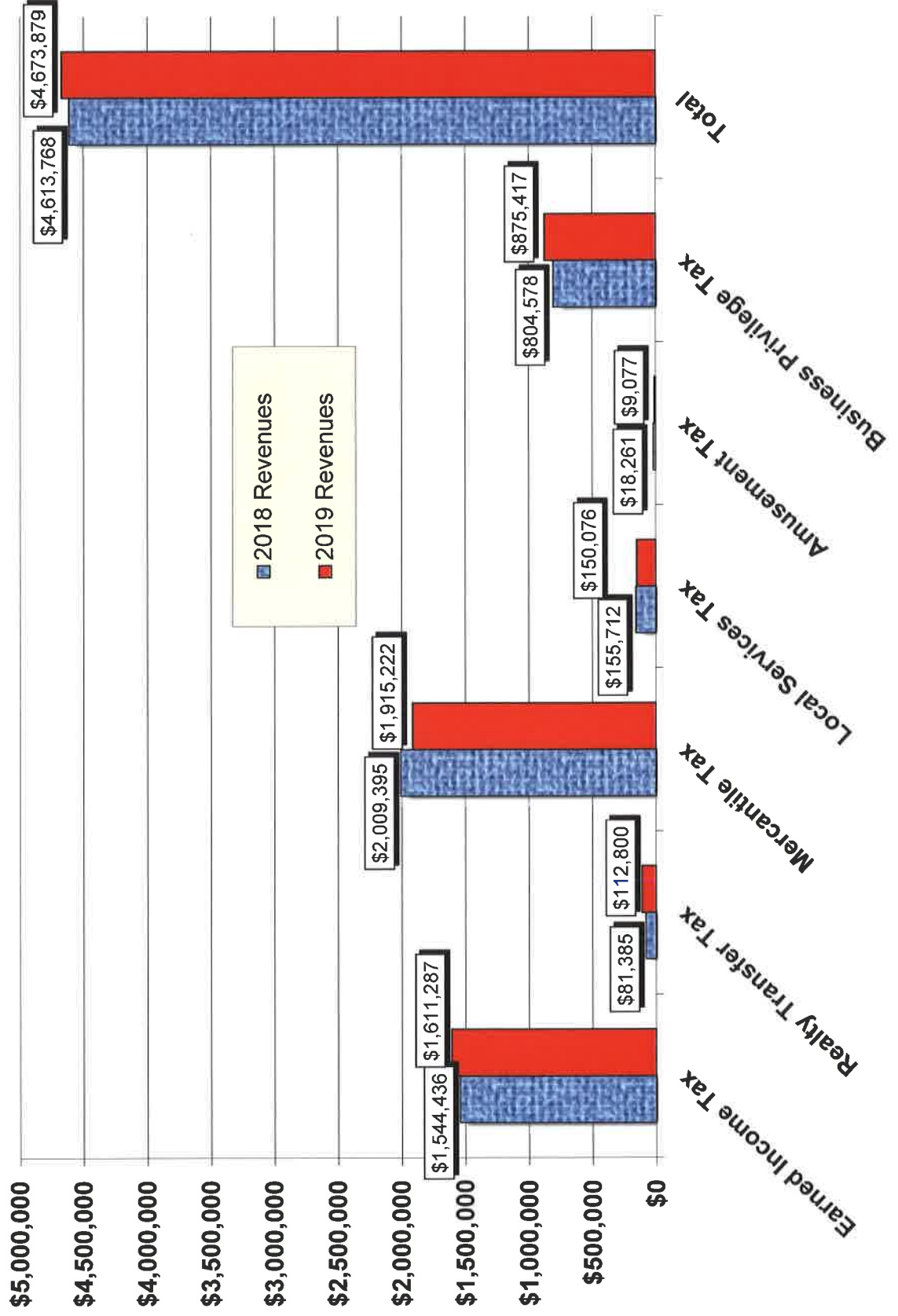
**MONTGOMERY TOWNSHIP**  
**STATEMENT OF CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**AS OF APRIL 30, 2019**

April							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)
<b>REVENUES</b>								
Taxes								
Real Estate Tax	1,816,700	1,660,651	23.8%	2,196,412	1,997,895	27.9%	(337,244)	-16.9%
Earned Income Tax	5,350,000	1,611,287	23.1%	5,350,000	1,544,436	21.6%	66,850	4.3%
Real Estate Transfer Tax	850,000	112,800	1.6%	850,000	81,385	1.1%	31,415	38.6%
Mercantile Tax	2,175,000	1,915,222	27.5%	2,070,000	2,009,395	28.0%	(94,174)	-4.7%
Local Services Tax	577,500	150,076	2.2%	577,500	155,712	2.2%	(5,636)	-3.6%
Amusement Tax	68,000	9,077	0.1%	63,000	18,261	0.3%	(9,184)	-50.3%
Business Privilege Tax	950,000	875,417	12.6%	850,000	804,578	11.2%	70,839	8.8%
Total Taxes	11,787,200	6,334,530	91.0%	11,956,912	6,611,663	92.3%	(277,133)	-4.2%
Permits and Licenses								
Building Permits	657,500	282,777	4.1%	570,500	243,248	3.4%	39,529	16.3%
Cable TV	610,000	147,849	2.1%	610,000	148,311	2.1%	(462)	-0.3%
All Others	100,000	72,176	1.0%	93,000	52,170	0.7%	20,006	38.3%
Total Permits and Licenses	1,367,500	502,802	7.2%	1,273,500	443,730	6.2%	59,072	13.3%
Other Sources								
Fines	175,000	56,678	0.8%	175,000	50,868	0.7%	5,810	11.4%
Interest	50,000	21,142	0.3%	32,410	10,677	0.1%	10,466	98.0%
Grants	662,790	4,038	0.1%	572,000	6,091	0.1%	(2,053)	-33.7%
Department Services	101,900	40,879	0.6%	81,900	42,839	0.6%	(1,960)	-4.6%
Other Financing Sources	80,000	3,351	0.0%	80,000	360	0.0%	2,991	831.0%
	1,069,690	126,088	1.8%	941,310	110,834	1.5%	15,255	13.8%
<b>TOTAL REVENUES</b>	<b>14,224,390</b>	<b>6,963,421</b>	<b>100.0%</b>	<b>14,171,722</b>	<b>7,166,226</b>	<b>100.0%</b>	<b>(202,806)</b>	<b>-2.8%</b>
<b>EXPENSES</b>								
Administration	1,385,641	374,526	10.1%	1,396,311	371,324	11.1%	3,202	0.9%
Finance & IT	989,990	272,198	7.4%	972,160	307,491	9.2%	(35,293)	-11.5%
Police	7,302,072	2,213,048	59.8%	6,979,053	1,784,560	53.4%	428,488	24.0%
Code	928,500	228,402	6.2%	874,270	231,705	6.9%	(3,303)	-1.4%
Public Works	2,612,814	613,825	16.6%	2,288,710	645,569	19.3%	(31,745)	-4.9%
Other Financing Uses	-	-	0.0%	-	-	0.0%	0	
<b>TOTAL EXPENSES</b>	<b>13,219,017</b>	<b>3,701,998</b>	<b>100.0%</b>	<b>12,510,503</b>	<b>3,340,649</b>	<b>100.0%</b>	<b>361,349</b>	<b>10.8%</b>
<b>NET REVENUES/(EXPENSES)</b>	<b>1,005,373</b>	<b>3,261,422</b>		<b>1,661,219</b>	<b>3,825,577</b>		<b>(564,155)</b>	<b>-14.7%</b>
<b>INCOMING TRANSFERS</b>	<b>608,120</b>	<b>252,804</b>		<b>537,900</b>	<b>47,297</b>		<b>205,508</b>	
<b>OUTGOING TRANSFERS</b>	<b>(1,789,680)</b>	<b>(658,634)</b>		<b>(2,192,384)</b>	<b>(614,913)</b>		<b>(43,721)</b>	<b>7.1%</b>
<b>{DEFICIT}/SURPLUS</b>	<b>(176,187)</b>	<b>2,855,593</b>		<b>6,735</b>	<b>3,257,961</b>		<b>(402,368)</b>	<b>-12.4%</b>
<b>BEGINNING FUND BALANCE</b>	<b>3,048,640</b>	<b>3,048,640</b>		<b>3,019,533</b>	<b>3,019,533</b>		<b>29,107</b>	<b>1.0%</b>
<b>ENDING FUND BALANCE</b>	<b>2,872,453</b>	<b>5,904,233</b>		<b>3,026,267</b>	<b>6,277,493</b>		<b>(373,261)</b>	<b>-5.9%</b>

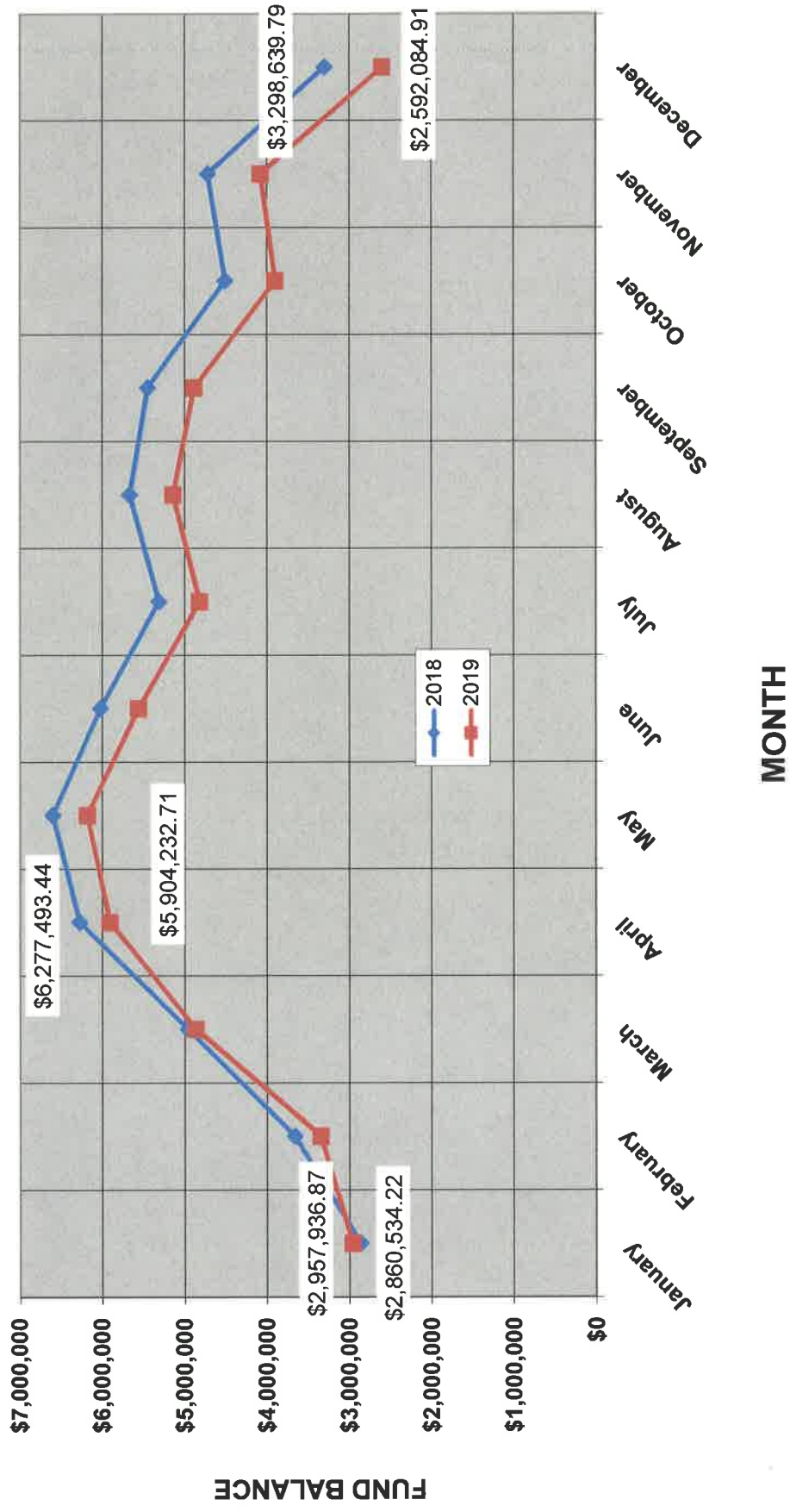
**MONTGOMERY TOWNSHIP**  
**STATEMENT OF CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**AS OF APRIL 30, 2019**

April				DOLLAR	PERCENT
	April 2019 Monthly Budget	2019 YTD BUDGET (1)	2019 ACTUAL (2)	VARIANCE Monthly Budget to Actual	VARIANCE Monthly Budget to Actual
<b>REVENUES</b>					
Taxes					
Real Estate Tax	1,591,913	1,816,700	1,660,651	68,738	3.8%
Earned Income Tax	2,046,678	5,350,000	1,611,287	(435,392)	-8.1%
Real Estate Transfer Tax	159,437	850,000	112,800	(46,636)	-5.5%
Mercantile Tax	2,042,196	2,175,000	1,915,222	(126,974)	-5.8%
Local Services Tax	259,212	577,500	150,076	(109,135)	-18.9%
Amusement Tax	15,835	68,000	9,077	(6,758)	-9.9%
Business Privilege Tax	829,879	950,000	875,417	45,538	4.8%
Total Taxes	6,945,149	11,787,200	6,334,530	(610,619)	-5.2%
Permits and Licenses					
Building Permits	260,900	657,500	282,777	21,877	3.3%
Cable TV	244,640	610,000	147,849	(96,791)	-15.9%
All Others	55,865	100,000	72,176	16,310	16.3%
Total Permits and Licenses	561,406	1,367,500	502,802	(58,604)	-4.3%
Other Sources					
Fines	68,711	175,000	56,678	(12,033)	-6.9%
Interest	8,411	50,000	21,142	12,732	25.5%
Grants	14,984	662,790	4,038	(10,946)	-1.7%
Department Services	29,365	101,900	40,879	11,514	11.3%
Other Financing Sources	2,993	80,000	3,351	359	0.4%
Total Other Sources	124,462	1,069,690	126,088	1,626	0.2%
<b>TOTAL REVENUES</b>	<b>7,631,018</b>	<b>14,224,390</b>	<b>6,963,421</b>	<b>(667,597)</b>	<b>-4.7%</b>
<b>EXPENSES</b>					
Administration	358,186	1,385,641	374,526	16,339	1.2%
Finance & IT	269,257	989,990	272,198	2,941	0.3%
Police	1,986,421	7,302,072	2,213,048	226,627	3.1%
Code	223,000	928,500	228,402	5,401	0.6%
Public Works	631,333	2,612,814	613,825	(17,508)	-0.7%
Other Financing Uses	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>3,468,198</b>	<b>13,219,017</b>	<b>3,701,998</b>	<b>233,801</b>	<b>1.8%</b>
<b>NET REVENUES/(EXPENSES)</b>	<b>4,162,820</b>	<b>1,005,373</b>	<b>3,261,422</b>	<b>(901,398)</b>	<b>-27.6%</b>

# Local Enabling Tax Revenue Comparison 2018 - 2019 As of April 30, 2019



**GENERAL FUND CASH BALANCE  
2018 ACTUAL VS 2019 PROJECTION  
AS OF APRIL 30, 2019**



### Cash Balance - General Fund 2018

	<b>Beginning Bal</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Ending Balance</b>
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	\$578,356.14	\$1,998,279.39	\$3,298,639.79
	FINAL	\$14,824,033.80	\$14,544,926.66	
	FINAL BUDGET	\$14,709,622.00	\$14,702,887.34	
	OVER/(UNDER)	\$114,411.80	(\$157,960.68)	
	OVER/(UNDER)	0.78%	-1.07%	

### General Fund Cash Balance Projection 2019

January	\$3,048,639.79	\$402,937.52	\$493,640.44	\$2,957,936.87
February	\$2,957,936.87	\$1,611,663.86	\$1,227,654.08	\$3,341,946.65
March	\$3,341,946.65	\$3,169,933.95	\$1,650,742.78	\$4,861,137.82
April	\$4,861,137.82	\$2,031,689.46	\$988,594.57	\$5,904,232.71
May	\$5,904,232.71	\$1,840,828.48	\$1,564,904.68	\$6,180,156.52
June	\$6,180,156.52	\$718,206.74	\$1,339,661.69	\$5,558,701.56
July	\$5,558,701.56	\$425,356.81	\$1,168,414.49	\$4,815,643.89
August	\$4,815,643.89	\$1,374,528.17	\$1,052,616.90	\$5,137,555.15
September	\$5,137,555.15	\$1,017,628.33	\$1,273,495.22	\$4,881,688.27
October	\$4,881,688.27	\$316,472.12	\$1,299,422.75	\$3,898,737.64
November	\$3,898,737.64	\$1,343,155.10	\$1,166,499.41	\$4,075,393.33
December	\$4,075,393.33	\$578,686.84	\$2,061,995.26	\$2,592,084.91
	PROJECTED	\$14,831,087.39	\$15,287,642.27	
	BUDGET	\$14,832,510.00	\$15,008,696.94	
	OVER/(UNDER)	(\$1,422.61)	\$278,945.33	
	OVER/(UNDER)	-0.01%	1.86%	

# EIT Revenues - All Funds

## 2014 - 2019

	2014	2015	2016	2017	2018	2019
	Actual	Actual	Actual	Actual	Actual	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	\$ 284,057.09 A
April	\$ 315,738.21	\$ 272,582.32	\$ 277,769.41	\$ 264,906.10	\$ 268,728.57	\$ 299,824.88 A
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	\$ 5,799,562.41

6.21%      0.10%      -2.11%      -0.03%      1.17%

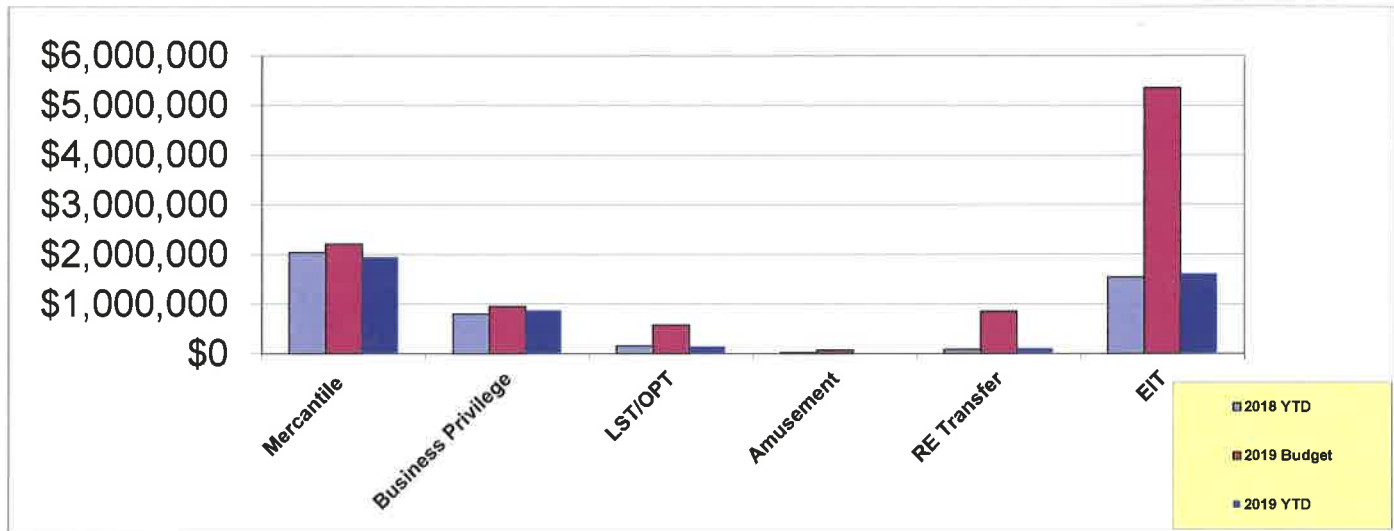
**BUSINESS TAX OFFICE**  
**MONTHLY REPORT**  
**Apr-19**

**NEW BUSINESSES ADDED TO TAX ROLLS**

NAME	
Balaji Supermarket Inc.	Intelius
Christian Brothers Automotive	New Era Travel
Gamers Vault	Redline Athletics
Integrated Image, Inc.	Xfinity

**ACT 511 TAXES**

	Mercantile	Business Privilege	LST/OPT	Amusement	RE Transfer	EIT	TOTALS
2018 YTD	\$2,041,820	\$804,578	\$155,712	\$18,261	\$81,385	\$1,544,436	\$4,646,193
2019 Budget	\$2,207,000	\$950,000	\$577,500	\$68,000	\$850,000	\$5,350,000	\$10,002,500
2019 YTD	\$1,947,972	\$875,417	\$150,076	\$9,077	\$112,800	\$1,611,287	\$4,706,629
Current Month	\$52,542	\$54,189	\$15,150	\$2,715	\$50,912	\$299,825	\$475,332
% of Budget	88.26%	92.15%	25.99%	13.35%	13.27%	30.12%	47.05%



**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	0	\$0	
RESALE	24	\$341,254	
DEED CHGS	9	N/A	
COMMERCIAL	1	\$2,200,000	422 Stump Road
INDUSTRIAL	0	\$0	
LAND	2	\$0	
SHERIFF	0	\$0	
TRANSFER TAXES PAID		\$50,911.51	

# Montgomery Township Recreation Fund

## Operating Revenues and Expenditures

### As of April 30, 2019

Account	2019 Budget	YTD Balance April 30, 2019	% of Budget
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#### REVENUES:

EARNED INCOME TAX - Allocated from GF	140,000.00	46,666.67	33.33%
	140,000.00	46,666.67	33.33%
RENTAL	115,790.00	48,258.75	41.68%
	115,790.00	48,258.75	41.68%
RECREATION PROGRAM FEES	131,000.00	44,024.31	33.61%
KIDS U REVENUE	252,000.00	243,403.25	96.59%
MEMBERSHIPS	221,000.00	96,948.00	43.87%
SHOP REVENUE/SALES	1,000.00	151.04	15.10%
SILVER SNEAKER INS REV	25,000.00	11,421.00	45.68%
GIFT CERTIFICATE SALES	2,000.00	3,200.00	160.00%
	632,000.00	399,147.60	63.16%
FROM GENERAL FUND	200,000.00	66,666.67	33.33%
FROM CAPITAL RESERVE	39,160.00	899.97	2.30%
	239,160.00	67,566.64	28.25%
<b>Total Revenues</b>	<b>1,126,950.00</b>	<b>561,639.65</b>	<b>49.84%</b>

#### 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	7,993.60	49.96%
CAPITAL - NEW	34,700.00	1,399.97	4.03%
	52,700.00	9,393.57	17.82%

# Montgomery Township Recreation Fund

## Operating Revenues and Expenditures

### As of April 30, 2019

Account	2019 Budget	YTD Balance April 30, 2019	% of Budget
<b>Recreation Center:</b>			
TO NON-UNIFORMED PENSION	17,700.00	5,028.57	28.41%
SALARIES	221,890.00	56,496.06	25.46%
WAGES	105,060.00	26,436.38	25.16%
OVERTIME	1,540.00	0.00	0.00%
MEDICAL	69,920.00	20,282.26	29.01%
SOCIAL SECURITY	25,100.00	6,309.18	25.14%
EMPLOYEE BENEFITS	7,940.00	2,522.00	31.76%
OFFICE SUPPLIES	4,300.00	580.07	13.49%
OPERATING SUPPLIES	9,000.00	1,577.91	17.53%
VEHICLE FUEL	200.00	54.65	27.33%
VEHICLE MAINTENANCE	500.00	305.75	61.15%
PROFESSIONAL SERVICES	140,000.00	33,273.96	23.77%
CONSULTING SERVICES	111,000.00	34,736.62	31.29%
INFORMATION SERVICES	8,220.00	455.43	5.54%
COMMUNICATION	14,800.00	4,816.59	32.54%
PUBLIC INFORMATION	29,500.00	8,674.48	29.41%
INSURANCE	23,340.00	11,669.64	50.00%
WORKERS COMPENSATION	16,440.00	8,924.00	54.28%
PUBLIC UTILITIES	46,800.00	10,899.83	23.29%
BUILDING MAINTENANCE	41,600.00	12,933.75	31.09%
EQUIPMENT MAINTENANCE	14,200.00	3,679.32	25.91%
RENTALS	4,500.00	1,292.62	28.72%
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	251,339.07	27.31%
<b>Kids U:</b>			
WAGES	90,260.00	94.88	0.11%
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	5,602.74	10.57%
COMMUNICATION	1,950.00	61.70	3.16%
PUBLIC INFORMATION	500.00	0.00	0.00%
	154,090.00	5,759.32	3.74%
<b>Total Expenditures</b>	<b>1,126,950.00</b>	<b>266,491.96</b>	<b>23.65%</b>
<b>Net Revenues/Expenditures</b>	<b>0.00</b>	<b>295,147.69</b>	

Account Name : Montgomery Township

Account No : 31277100

## Investment Summary

April 01, 2019 through April 30, 2019

	Percent of Portfolio	Market Value
Fixed Income	96.45%	\$ 14,497,000.00
Cash Equivalents	3.55%	\$ 532,968.26
	100.00%	\$ 15,029,968.26



## Account Summary

Statement Period  
(04/01/2019-04/30/2019)

Year-To-Date  
(01/01/2019-04/30/2019)

Beginning Market Value	\$ 15,011,370.98	\$ 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	(1,761.53)	(6,344.89)
Tax Free Interest & Dividends	0.00	0.00
Taxable Interest & Dividends	20,358.81	106,586.51
Realized Gain/(Loss)	0.00	0.00
Unrealized Gain/(Loss)	0.00	0.00
Ending Market Value	\$ 15,029,968.26	\$ 15,029,968.26