

**MONTGOMERY TOWNSHIP
AGENDA
FINANCE COMMITTEE
Thursday, February 24, 2011
7:30 pm**

1. Call to order
2. Approval of Meeting Minutes of November 18, 2010, December 9, 2010 and January 27, 2011 Meetings
3. 2011 Reorganization Agenda
 - Appoint Temporary Chair
 - Temporary Chairman entertains nominations for Chairman
 - Entertain nominations for Chairman
 - Close the nominations
 - Conduct the vote
 - Newly elected Chairman entertains nominations for Vice-Chairman
 - Entertain nominations
 - Close the nominations
 - Conduct the vote
4. Updated and new business including review of:
 - January 2011 Financial Reports
 - Business Tax Report
 - Real Estate Report
 - Investment Report
 - Fund Balance Report
 - IT Report
5. Other Business
6. Adjournment

Montgomery Township Inter-Office Memo

To: Lawrence J. Gregan, Township Manager
From: Shannon Q. Drosnock, Interim Finance Director
Date: February 18, 2011
Subject: January 2011 Finance Department Report

Following is a list of significant activities for the Finance Department for the Months of January 2011:

- The bulk of the department work in January involved completion of year end entries to GL including AP and Payroll accrual, preparation of Trial Balances and General Ledgers for funds for the auditors and completing the 60 item pre audit list of documents and schedules request by the Auditors. Completed processing, printing and distribution of 1099's and W-2's for 2010. All were distributed prior to January 31st.
- During the month of January staff prepared and mailed out the tax forms to over 1,200 businesses in the Township. This was divided into two mailings: Business Privilege and Mercantile, and the new Local Services Tax (LST). The LST forms are new this year and have four payment stubs instead of three because the tax will now be collected quarterly; therefore additional work was required to set the forms up correctly in the Pentamation Software System and with the printer.
- Various annual reports for the Department of Community and Economic Development (DCED) were filed by staff on or before January 31st. These filings report elected and appointed officials, floodplain expenditures, and the financial stability of the Township to the State and are filed on-line via the State's website.
- The Liquid Fuels reports (MS 999 and MS 965) were filed with PennDot by January 31st via their online website DotGrants. These reports have subsequently been reviewed and approved by the Township's/County's PennDot representative. These reports are used to verify the Township's proper use of Liquid Fuel's funds and to ensure participation in the program for the upcoming year.
- Patricia Gallagher is in the process of sending out the 2011 Real Estate Tax bills for the Township and County taxes. These bills also include the annual Street Light Assessment charges which are used for payment of street light charges in various developments throughout the Township. Representatives of the Tax Collector will be on site at the Township Building on specific dates prior to the end of the discount period at the end of April. A secure box is available in the Finance Department for depositing payments when representatives of the Tax Collector are not available on site.

The following reports and charts are included with this report:

- Statement of Changes in Fund Balances Report for General Fund as of January 31, 2011 with notes.
- Chart showing the comparison of the General Fund's Projected Cash Balances in 2010 vs. 2011. The balance in the General Fund as of the end of January 2011 is approximately \$2.48 as compared to \$2.15M at the end of January 2010. Note that this comparison is based on actual revenues and expenditures as of January 2011 with the projected revenues and expenditures for February through December based on monthly revenue and expenditures percentages from 2010 applied to the 2011 Budget.
- Side by Side Fund Balance report showing the fund balances currently available in each of the Township's twenty (20) funds and the change in the fund balances since the beginning of the year. Note that the balance figures for the funds are before any adjusting entries resulting from the 2010 Audit.
- A copy of the Technology Managers Report for the Month of January is attached.
- The Business Tax Collection Report, Real Estate Tax Collectors Report and the Chart comparing the Local Enabling Tax receipts.

Notes to Statement of Changes in Fund Balance
Report- General Fund
January 2011 vs. January 2010

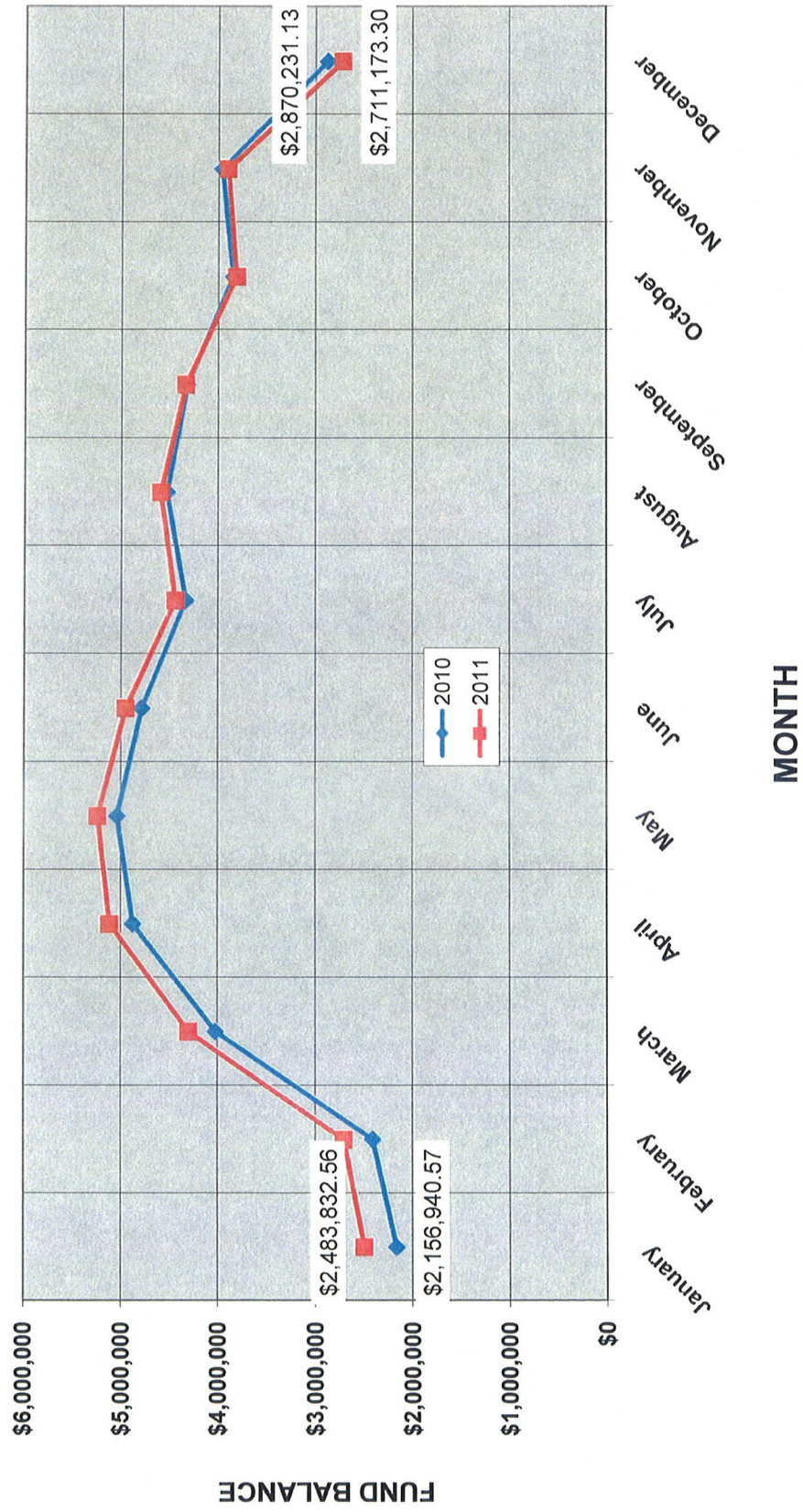
- Tax Revenues - These revenues represent just slightly less than 85% of all General Fund revenues.
 - Earned Income Tax revenues for January are \$158,257 which represents a slight increase (1.9% or \$2,962) over receipts from January of 2010.
 - Mercantile Tax revenues are up 146.7% (\$38,739) and Business Privilege revenues are up 59.1% (\$8,842) from January 2010. The due date for these taxes is not until March 15th so the significant increase could be related to the timing of the early filed returns. The March 31st report will provide a more accurate indication of the trend for 2011.
 - OPT/LST revenues are down 50% from January 2010; however this was expected because of the changes in collection procedures going from the \$10 OPT tax to the \$52 LST tax. In prior years 55% of the annual OPT receipts were collected by March 31st. It is expected that with the new LST tax the revenue stream will be equal throughout the four quarters of the year.
- Permits and License Fees – This collective group of revenues is reporting 30.6% (\$26,802) below the prior year related solely to the timing of the Cable TV Franchise Fee receipts which represent approximately \$70,000. These receipts were received in February.
- Other Revenue Sources include fines, interest, grants, etc. These revenues are 10.6% (\$33,703) above prior year revenues for January; however it is too early in the year to determine a trend as only 3.2% of annual receipts have been received.
- Expenditures

Overall expenditures for January are down 22.2% (\$73,270) compared to January 2010 despite the \$39,000 in additional labor costs resulting from the weather events of 2011. The majority of this decrease is seen in the Police Department line item which represents \$54,144 of the \$73,270 mentioned above.

MONTGOMERY TOWNSHIP
STATEMENT OF CHANGES IN FUND BALANCE
GENERAL FUND
AS OF JANUARY 31, 2011

	2011 BUDGET (1)	2011 ACTUAL (2)	% of TOTAL (3)	2010 BUDGET (4)	2010 ACTUAL (5)	% of TOTAL (6)	DOLLAR VARIANCE 2010-2011 ACTUAL (2 - 5)	PERCENT VARIANCE 2010-2011 ACTUAL (2 - 5)
REVENUES								
Taxes								
Real Estate Tax	1,575,600	49	0.0%	1,585,600	132	0.0%	(83)	-62.8%
Earned Income Tax	3,770,000	158,257	44.9%	3,890,000	155,296	48.8%	2,962	1.9%
Real Estate Transfer Tax	600,000	-	0.0%	450,000	-	0.0%	0	#DIV/0!
Mercantile Tax	1,840,000	65,140	18.5%	1,840,000	26,401	8.3%	38,739	146.7%
Occupation Privilege Tax/ Local Services Tax	470,000	7,240	2.1%	235,000	14,830	4.7%	(7,590)	-51.2%
Amusement Tax	78,000	3,638	1.0%	119,000	4,046	1.3%	(408)	-10.1%
Business Privilege Tax	775,000	23,762	6.7%	875,000	14,938	4.7%	8,824	59.1%
Total Taxes	9,108,600	258,086	73.3%	8,994,600	215,642	67.7%	42,444	19.7%
Permits and Licenses								
Building Permits	520,700	56,094	15.9%	453,000	13,195	4.1%	42,899	325.1%
Cable TV	425,000	-	0.0%	390,000	69,273	21.8%	(69,273)	-100.0%
All Others	78,300	4,765	1.4%	87,900	5,194	1.6%	(429)	-8.3%
Total Permits and Licenses	1,024,000	60,859	17.3%	930,900	87,661	27.5%	(26,802)	-30.6%
Other Sources								
Fines	127,000	20,128	5.7%	114,000	9,061	2.8%	11,067	122.1%
Interest	25,000	1,030	0.3%	40,000	811	0.3%	219	27.1%
Grants	411,000	-	0.0%	418,000	2,166	0.7%	(2,166)	-100.0%
Department Services	78,875	11,990	3.4%	78,875	3,049	1.0%	8,940	293.2%
Other Financing Sources	55,000	-	0.0%	55,000	-	0.0%	0	#DIV/0!
	696,875	33,148	9.4%	705,875	15,087	4.7%	18,061	
TOTAL REVENUES	10,829,475	352,094	100.0%	10,631,375	318,390	100.0%	33,703	10.6%
EXPENSES								
Administration	1,194,954	34,532	13.4%	1,228,960	28,793	8.7%	5,739	19.9%
Finance	791,150	1,002	0.4%	780,060	11,172	3.4%	(10,170)	-91.0%
Police	5,585,320	165,119	64.2%	5,549,540	219,262	66.3%	(54,144)	-24.7%
Code	823,822	13,622	5.3%	784,135	19,826	6.0%	(6,204)	-31.3%
Public Works	2,091,304	42,929	16.7%	1,962,895	51,421	15.6%	(8,492)	-16.5%
Other Financing Uses	-	-	0.0%	-	-	0.0%	0	
TOTAL EXPENSES	10,486,550	257,204	100.0%	10,305,590	330,474	100.0%	(73,270)	-22.2%
NET REVENUES/(EXPENSES)	342,925	94,890		325,785	(12,084)		106,974	-885.3%
INCOMING TRANSFERS	402,540	-		417,275	-		0	#DIV/0!
OUTGOING TRANSFERS	(665,100)	(88,289)		(630,060)	(110,936)		22,648	-20.4%
{DEFICIT}/SURPLUS	80,365	6,601		113,000	(123,020)		129,622	-105.4%
BEGINNING FUND BALANCE	2,477,231	2,477,231		2,279,961	2,279,961		197,270	8.7%
ENDING FUND BALANCE	2,557,596	2,483,833		2,392,961	2,156,941		326,892	15.2%

GENERAL FUND CASH BALANCE
2010 ACTUAL VS 2011 PROJECTION
AS OF JANUARY 31, 2011



Cash Balance - General Fund 2010

	Beginning Bal	Revenues	Expenditures	Ending Balance
January	\$2,279,960.70	\$318,390.23	\$441,410.36	\$2,156,940.57
February	\$2,156,940.57	\$947,498.99	\$703,286.78	\$2,401,152.78
March	\$2,401,152.78	\$2,499,091.78	\$883,383.44	\$4,016,861.12
April	\$4,016,861.12	\$1,960,830.52	\$1,107,412.52	\$4,870,279.12
May	\$4,870,279.12	\$992,693.02	\$828,252.56	\$5,034,719.58
June	\$5,034,719.58	\$467,593.28	\$716,472.62	\$4,785,840.24
July	\$4,785,840.24	\$466,643.57	\$919,682.19	\$4,332,801.62
August	\$4,332,801.62	\$1,114,595.93	\$919,684.15	\$4,527,713.40
September	\$4,527,713.40	\$750,808.85	\$959,188.58	\$4,319,333.67
October	\$4,319,333.67	\$381,405.52	\$856,206.88	\$3,844,532.31
November	\$3,844,532.31	\$677,838.01	\$563,706.80	\$3,958,663.52
December (prior to surplus balance transfer)	\$3,958,663.52	\$472,583.31	\$1,561,015.70	\$2,870,231.13
	PROJECTED	\$11,049,973.01	\$10,459,702.58	
	FINAL BUDGET	\$11,048,650.00	\$10,935,650.00	
	OVER/(UNDER)	\$1,323.01	(\$475,947.42)	
	OVER/(UNDER)	0.01%	-4.35%	

General Fund Cash Balance Projection 2011

January	\$2,477,231.13	\$352,093.62	\$345,492.19	\$2,483,832.56
February	\$2,483,832.56	\$963,108.49	\$749,811.76	\$2,697,129.29
March	\$2,697,129.29	\$2,540,262.89	\$941,822.47	\$4,295,569.71
April	\$4,295,569.71	\$1,993,134.08	\$1,180,671.89	\$5,108,031.90
May	\$5,108,031.90	\$1,009,047.07	\$883,044.48	\$5,234,034.49
June	\$5,234,034.49	\$475,296.61	\$763,869.89	\$4,945,461.21
July	\$4,945,461.21	\$474,331.26	\$980,522.52	\$4,439,269.95
August	\$4,439,269.95	\$1,132,958.26	\$980,524.61	\$4,591,703.60
September	\$4,591,703.60	\$763,178.00	\$1,022,642.40	\$4,332,239.20
October	\$4,332,239.20	\$387,688.96	\$912,848.08	\$3,807,080.07
November	\$3,807,080.07	\$689,005.00	\$600,998.06	\$3,895,087.02
December	\$3,895,087.02	\$480,368.85	\$1,664,282.57	\$2,711,173.30
	PROJECTED	\$11,260,473.09	\$11,026,530.93	
	BUDGET	\$11,232,015.00	\$11,151,650.00	
	OVER/(UNDER)	\$28,458.09	(\$125,119.07)	
	OVER/(UNDER)	0.25%	-1.12%	

- FUND ACCOUNTING
DATE: 02/22/11
TIME: 10:51:59

MONTGOMERY TOWNSHIP
SIDE BY SIDE BALANCE SHEET

PAGE NUMBER: 1
GENRPT41.4GL
REPORT ID: 00498

SELECTION CRITERIA: Yr='11'

LINE	DESCRIPTION	FUND 01 JANUARY 2011	FUND 04	FUND 05	FUND 06	FUND 07	FUND 19
5	ASSETS						

10	SHORT TERM ASSETS						

15	CASH & CASH EQUIVALENTS	1,799,907.64	131,567.46	465,461.13	306,882.72	625,518.25	-2,355.24
17	INVESTMENTS	0.00	0.00	0.00	0.00	0.00	0.00
20	DUE TO/FROM	606,245.75	0.00	0.00	0.00	0.00	0.00
25	ACCOUNTS RECEIVABLE	984,540.79	12,546.49	9,467.89	0.00	0.00	0.00
30	PREPAID ASSETS	3,200.00	0.00	0.00	0.00	0.00	0.00
35	SUBTOTAL SHORT TERM ASSETS	3,393,894.18	144,113.95	474,929.02	306,882.72	625,518.25	-2,355.24
40	LONG TERM ASSETS						

45	FIXED ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
50	ACCUMULATED DEPRECIATION FI	0.00	0.00	0.00	0.00	0.00	0.00
55	INFRASTRUCTURE	0.00	0.00	0.00	0.00	0.00	0.00
57	ACCUMULATED DEPRECIATION IN	0.00	0.00	0.00	0.00	0.00	0.00
60	SUBTOTAL LONG TERM ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
65							
67	TOTAL ASSETS	3,393,894.18	144,113.95	474,929.02	306,882.72	625,518.25	-2,355.24

75	LIABILITIES						

80	SHORT TERM LIABILITIES						

85	ACCOUNTS PAYABLE	14,060.50	9.00	36.00	0.00	0.00	0.00
90	ACCRUALS AND OTHER PAYABLES	122,141.03	0.00	0.00	0.00	0.00	0.00
95	DEPOSITS	0.00	0.00	0.00	0.00	0.00	0.00
100	DEFERRED REVENUE	773,860.09	4,367.87	4,880.74	0.00	0.00	0.00
105	SUBTOTAL SHORT TERM LIABILI	910,061.62	4,376.87	4,916.74	0.00	0.00	0.00
110	FUND BALANCE						

115	BEGINNING FUND BALANCE	2,477,231.13	141,997.51	479,126.10	309,074.47	626,167.35	-2,355.24
120	CURRENT YEAR REVENUE/LOSS	6,601.43	-2,360.43	-9,113.82	-2,191.75	-649.10	0.00
125	SUBTOTAL FUND BALANCE	2,483,832.56	139,737.08	470,012.28	306,882.72	625,518.25	-2,355.24
130	TOTAL LIABILITIES AND FUND	3,393,894.18	144,113.95	474,929.02	306,882.72	625,518.25	-2,355.24

- FUND ACCOUNTING
DATE: 02/22/11
TIME: 10:51:59

MONTGOMERY TOWNSHIP
SIDE BY SIDE BALANCE SHEET

PAGE NUMBER: 2
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REPORT ID: 00498

SELECTION CRITERIA: Yr='11'

LINE	DESCRIPTION	FUND 23	FUND 30	FUND 31	FUND 35	FUND 50	FUND 91
5	ASSETS						
10	SHORT TERM ASSETS						
15	CASH & CASH EQUIVALENTS	522,686.16	11,938,153.59	213,950.65	561,321.36	0.00	1,082,704.04
17	INVESTMENTS	0.00	0.00	0.00	0.00	0.00	0.00
20	DUE TO/FROM	0.00	0.00	0.00	0.00	0.00	0.00
25	ACCOUNTS RECEIVABLE	7,864.64	0.00	0.00	0.00	0.00	-55,023.53
30	PREPAID ASSETS	0.00	0.00	0.00	0.00	0.00	-861,105.54
35	SUBTOTAL SHORT TERM ASSETS	530,550.80	11,938,153.59	213,950.65	561,321.36	0.00	166,574.97
40	LONG TERM ASSETS						
45	FIXED ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
50	ACCUMULATED DEPRECIATION FI	0.00	0.00	0.00	0.00	0.00	0.00
55	INFRASTRUCTURE	0.00	0.00	0.00	0.00	0.00	0.00
57	ACCUMULATED DEPRECIATION IN	0.00	0.00	0.00	0.00	0.00	0.00
60	SUBTOTAL LONG TERM ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
65	-						
67	TOTAL ASSETS	530,550.80	11,938,153.59	213,950.65	561,321.36	0.00	166,574.97
75	LIABILITIES						
80	SHORT TERM LIABILITIES						
85	ACCOUNTS PAYABLE	0.00	2,516.25	0.00	0.00	0.00	13,304.50
90	ACCRUALS AND OTHER PAYABLES	0.00	-0.01	0.00	0.00	0.00	0.00
95	DEPOSITS	0.00	0.00	0.00	0.00	0.00	0.00
100	DEFERRED REVENUE	6,166.41	0.00	0.00	0.00	0.00	0.00
105	SUBTOTAL SHORT TERM LIABILI	6,166.41	2,516.24	0.00	0.00	0.00	13,304.50
110	FUND BALANCE						
115	BEGINNING FUND BALANCE	586,410.25	11,923,918.43	185,889.40	561,160.67	0.00	158,752.62
120	CURRENT YEAR REVENUE/LOSS	-62,025.86	11,718.92	28,061.25	160.69	0.00	-5,482.15
125	SUBTOTAL FUND BALANCE	524,384.39	11,935,637.35	213,950.65	561,321.36	0.00	153,270.47
130	TOTAL LIABILITIES AND FUND	530,550.80	11,938,153.59	213,950.65	561,321.36	0.00	166,574.97

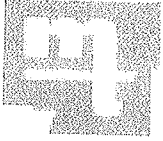
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MONTGOMERY TOWNSHIP
SIDE BY SIDE BALANCE SHEET

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LINE	DESCRIPTION	FUND 92	FUND 93	FUND 94	FUND 95	FUND 96	TOTAL
5	ASSETS						
10	SHORT TERM ASSETS						
15	CASH & CASH EQUIVALENTS	20,979.34	600,711.27	569,453.66	22,791.07	59,476.37	19,019,209.47
17	INVESTMENTS	0.00	0.00	0.00	0.00	0.00	0.00
20	DUE TO/FROM	0.00	0.00	0.00	0.00	0.00	551,222.22
25	ACCOUNTS RECEIVABLE	0.00	0.00	0.00	0.00	0.00	153,314.27
30	PREPAID ASSETS	0.00	0.00	0.00	0.00	0.00	3,200.00
35	SUBTOTAL SHORT TERM ASSETS	20,979.34	600,711.27	569,453.66	22,791.07	59,476.37	19,726,945.96
40	LONG TERM ASSETS						
45	FIXED ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
50	ACCUMULATED DEPRECIATION FI	0.00	0.00	0.00	0.00	0.00	0.00
55	INFRASTRUCTURE	0.00	0.00	0.00	0.00	0.00	0.00
57	ACCUMULATED DEPRECIATION IN	0.00	0.00	0.00	0.00	0.00	0.00
60	SUBTOTAL LONG TERM ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
65							
67	TOTAL ASSETS	20,979.34	600,711.27	569,453.66	22,791.07	59,476.37	19,726,945.96
75	LIABILITIES						
80	SHORT TERM LIABILITIES						
85	ACCOUNTS PAYABLE	0.00	0.00	0.00	0.00	0.00	29,926.25
90	ACCRUALS AND OTHER PAYABLES	0.00	0.00	0.00	0.00	0.00	122,141.02
95	DEPOSITS	0.00	0.00	0.00	0.00	0.00	0.00
100	DEFERRED REVENUE	0.00	0.00	0.00	0.00	0.00	789,275.11
105	SUBTOTAL SHORT TERM LIABILI	0.00	0.00	0.00	0.00	0.00	941,342.38
110	FUND BALANCE						
115	BEGINNING FUND BALANCE	20,363.33	601,811.22	669,447.01	22,786.55	59,459.34	18,821,240.14
120	CURRENT YEAR REVENUE/LOSS	616.01	-1,099.95	6.65	4.52	17.03	-35,636.56
125	SUBTOTAL FUND BALANCE	20,979.34	600,711.27	669,453.66	22,791.07	59,476.37	18,785,603.58
130	TOTAL LIABILITIES AND FUND	20,979.34	600,711.27	669,453.66	22,791.07	59,476.37	19,726,945.96



Montgomery Township Inter-Office Memo

To: Lawrence J. Gregan, Township Manager
Shannon Drosnock, Interim Finance Director
From: Richard Grier, Technology Manager
Date: February 3, 2011
Subject: January 2011 IT activities

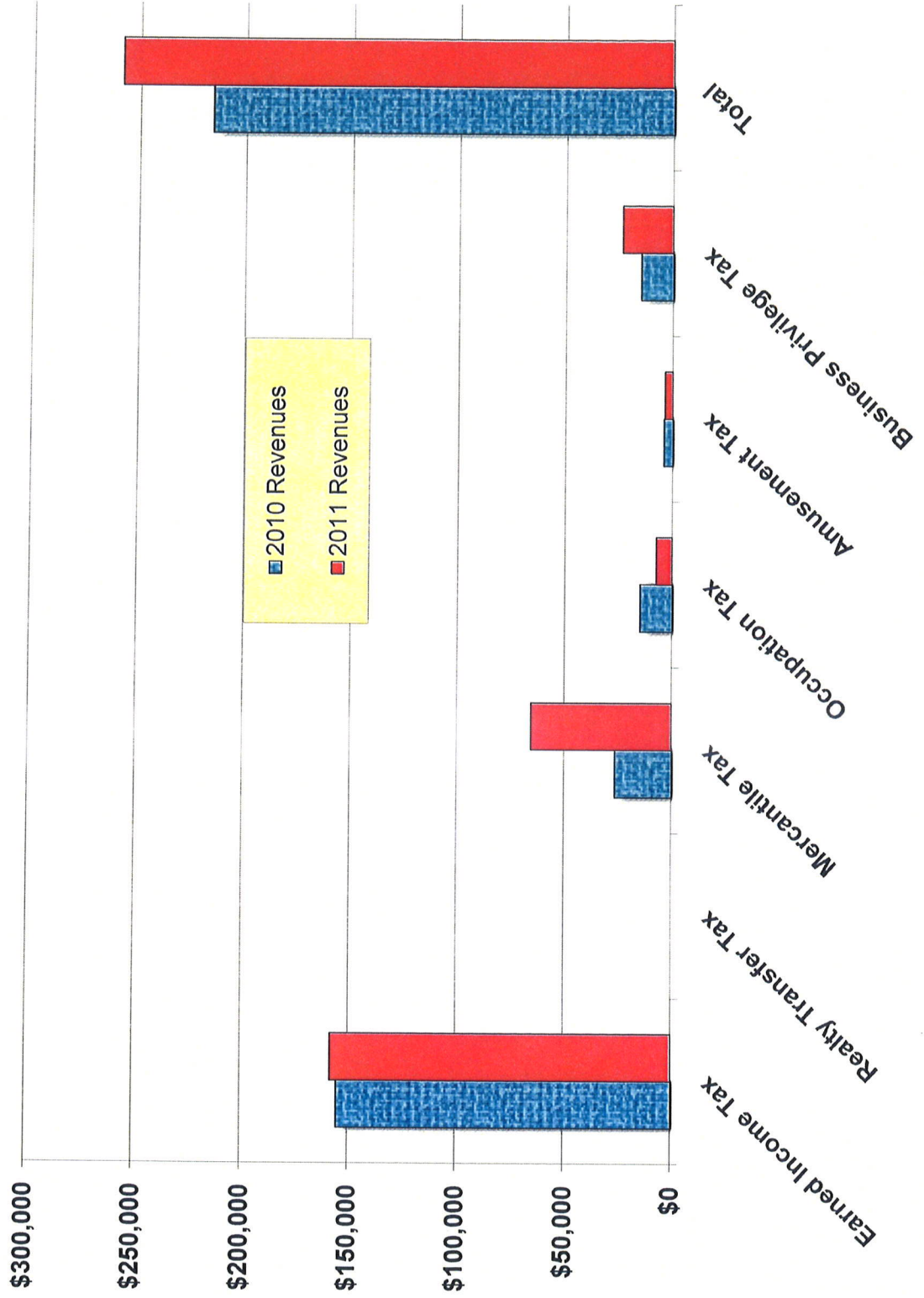
The following are the activities of the Technology Manager for the Month of January, 2011.

- Assisted Police on major network upgrades
- Moved Interim Finance Director to new office
- Purchased IT equipment for 2011 PC and laptop upgrades
- Deactivated account log-ins, Kronos and PCs for winter interns/staff
- Worked with SunGardPS to resolve Finance Training database import issue
- Multiple follow up calls/emails to Verizon Enterprise to resolve billing issue on new voice line contract
 - Overbilling \$4000
- Imported Holiday schedule for Firehouse door access
- Setup Public Folder for Police Roll call process
- Updated LST information on Township Website
- Attended conference call with SunGardPS in regards to poor support
- Configured update approval process on Purchase Order process and StapleLink.com
- Attended major support call with SunGardPS in regards to LST issues
- Completed several conference calls in regards to Business Continuity project

Scheduled work for February 2011 and beyond

- Complete Department Head Kronos Training and complete export to Pentamotion
- Business Continuity project
- Email retention policy
- Completed Kronos Stipend payroll close process

Local Enabling Tax Revenue Comparison 2010 - 2011 As of January 31, 2011



Tax Collector's Monthly Report to Taxing Districts
For the Month of January 2011
Montgomery Township Taxing District

	Real Estate	Interim 2010	Interim 2011	Street Light
A. Collections				
1. Balance Collectable - Beginning of Month		\$ 1,501.64		
2A. Additions: During the Month (*)				
2B. Deductions: Credits During the Month - (from line 17)				
3. Total Collectable	\$ -	\$ 1,501.64	\$ -	\$ -
4. Less: Face Collections for the Month		\$ 87.96		
5. Less: Deletions from the List (*)				
6. Less: Exonerations (*)				
7. Less: Liens/Non-Lienable Installments (*)	\$ -			\$ -
8. Balance Collectable - End of Month	\$ -	\$ 1,413.68	\$ -	\$ -
B. Reconciliation of Cash Collected				
9. Face Amount of Collections - (must agree with line 4)		\$ 87.96		
10. Plus: Penalties		\$ 2.13		
11. Less: Discounts	\$ -	\$ 1.33		\$ -
12. Total Cash Collected per Column	\$ -	\$ 88.76	\$ -	\$ -
13. Total Cash Collected - (12A + 12B + 12C + 12D)				\$ 88.76

(*) ATTACH ANY SUPPORTING DOCUMENTATION REQUIRED BY YOUR TAXING DISTRICT

C. Payment of Taxes			
14. Amount Remitted During the Month (*)			
Date	Transaction #	Amount	TOTAL ALL TAXES

Date	Transaction #	Amount	TOTAL ALL TAXES
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TOTAL ALL TAXES

88.76

Total \$	88.76
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Transaction #

\$	88.76
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Parcel #	Name	Amount
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Amount

Total	\$
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Total \$	
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6

TAXING DISTRICT USE (OPTIONAL)

Amount Collected This Month

Ending Balance

Received by (taxing district):

Title:

Date:

I acknowledge the receipt of this report.