



WHITPAIN TOWNSHIP
 MONTGOMERY COUNTY
 COMMONWEALTH OF PENNSYLVANIA

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To: Roman M. Pronczak, Township Manager

From: John B. Nagel, Director of Finance



Date: July 24, 2014

Re: Treasurer's Report & Cash Statement – **June 30, 2014**

FINANCIAL REPORT CARD

CATEGORY	CONDITION	PAGE
General Fund		
Real Estate Taxes	Meets or Exceeds	2
Transfer Taxes	Meets or Exceeds	2
Earned Income Taxes	Meets or Exceeds	2
Local Services Taxes	Meets or Exceeds	2
Cable Franchise Fees	Caution & Monitor	2
State Aid (Pensions)	Meets or Exceeds	2
Licenses, Permits & Fees	Meets or Exceeds	2
Park & Recreation Fees	Meets or Exceeds	2
Operating Costs	Meets or Exceeds	2
Salaries	Meets or Exceeds	2
Health Insurance	Meets or Exceeds	3
Pensions	Meets or Exceeds	3
Overtime	Meets or Exceeds	3
Interfund Transfers	Meets or Exceeds	3
Ending Cash Balance	Meets or Exceeds	3
Sewer Fund		
Sewer Charges	Meets or Exceeds	3
Sewer Operating Expenses	Meets or Exceeds	3
Ending Cash Balance	Meets or Exceeds	3
Debt Service Fund		
Debt Service Expenses	Meets or Exceeds	3

Meets or Exceeds
Caution & Monitor
Action Needed

**WHITPAIN TOWNSHIP
TREASURER'S REPORT
EXECUTIVE SUMMARY
FOR THE MONTH ENDED JUNE 30, 2014**

Revenue or Expense Category

General Fund

Real Estate Taxes - Real estate tax revenues (93.8%) are slightly behind last year's pace (94.4%). These collections include current (\$3,629,682 or 94.3%) and delinquent (\$19,429) collections and are net of assessment appeal refunds (\$0). Real estate taxes paid in protest placed in restricted funds total \$291,736 (or 25% of \$1,166,944). These properties include Sentry Park West (\$183,363), 980 Harvest Drive (\$45,383) and Latham Realty (\$17,932).

Real Estate Transfer Taxes - We are significantly behind of last year's pace (47.0% vs. 58.6%) as we anticipate the Spring and Summer transfer activities. In May, US Healthcare sold one of its properties to 930 Harvest Drive LLC (Aetna), resulting in taxes of \$84,600.

Earned Income Taxes - EIT collections (57.9%) are on par with last year's pace (58.8%). For 2014, we estimate a further increase in our projection (from \$5,450,000 budgeted) to a higher range of \$5,700,000 to \$5,900,000. Now that Act 32 is fully implemented, we can expect that our core EIT revenues will be more stable and predictable. At the April 2014 Montgomery County Tax Collection Committee (MCTCC) meeting, Berkheimer reported that, of the EIT revenue remitted to Whitpain in 2013, a significant portion included taxes based on 2012 earnings. This was due in part to recognizing past collections of Centax, the tax collection firm chosen by Delaware County, which failed and was subsequently absorbed into Berkheimer during 2013. It was at the July MCTCC meeting that for Montgomery County, core collections are up 7.0% (January-June). This number represents only the "current" tax dollars collected in the period and factors out all prior years. For Whitpain specifically, current collections are up 12.0%, from \$2,951,757 to \$3,306,744. While Berkheimer states that it is a great sign, it is not the whole picture. Berkheimer is going to do a more detailed budget projection for Whitpain, which will consist of much more direct analysis of our collections. The MCTCC Management Committee met in June and recommended a 3 year contract extension (with a 2 year renewal option) with Berkheimer at a rate of 1.3% (previous rate 1.39%). We are especially pleased because we are unaware of any lower percentage rate in the State. The next step is to bring the extension to a vote at the next meeting. Berkheimer continues to monitor collections for each tax year to better project core collections.

Local Services Taxes (LST) - We are on par with (50.0%) last year's pace (49.9%).

Cable Franchise Fees – These fees are remitted quarterly. We are at (22.2%) compared with last year's pace (92.5%). Fees received from Comcast and Verizon in 1Q2014 represent revenue from 2Q2013. Fees received in 2Q2014 were received in May 2014.

State Aid (Pensions) – These pension grants are remitted in October of each year. We are at (0.0%) last year's pace (0.0%).

Licenses, Permits & Fees – We are slightly behind (46.7%) budget but significantly behind last year's pace (56.7%) as we anticipate the Spring and Summer building activities.

Park & Recreation Fees – We are significantly ahead (66.2%) of last year's pace (52.7%) as we anticipate Summer recreation season.

Operating Expenses – These departmental expenses include salaries (separately reported below) represent 50% of our annual budget to date. We are significantly under budget (45.9%) but on par with last year's pace (45.0%). For some departments, we need to reimburse expenses from our Sewer Fund.

Salaries – Personnel includes wages and salaries for full time, part time and seasonal employees. The 2014 budget includes 89 full time employees. Personnel expenses remain relatively flat on a month-to-month basis. As these wage and salary expenses represent 50% of our annual budget to date, we are under budget (49.2%) and on par with last year's pace (45.4%). For some departments, we need to reimburse wages from our Sewer Fund. We are nearing hiring expectations as we currently have 87 of 89 positions filled.

Health Insurance - We are over budget and ahead (54.5%) of last year's pace (49.8%). Currently, we recognize various health insurance credits in revenue accounts. In summary, these credits total \$121,500 through June 2014, resulting in a net expense (\$702,961) on par (47.1%) with budget. Going forward, Finance will adjust these expenses monthly to reflect these credits.

Pension – We are on par (50.5%) with last year's pace (51.7%). We now include employer payments to our defined contribution plan in our pension category. We generally pay our pension expenses on an every other month cycle to gain the value of dollar cost averaging.

Overtime – We are slightly ahead (40.7%) of last year's pace (37.7%) and for the time being, we are have some room in our overtime budget after incurring significant overtime from the February 2014 weather. We are under budget for Sewer (42.1%) and Police (25.6%) but significantly over budget for Road Maintenance (63.4%) and Snow Removal (76.1%).

Transfers Out – Transfers to Capital Reserve Fund are made on a semi-annual basis. Currently, we are on par (0%) with last year's pace (0%).

Ending Cash Balance - Starting in July 2013, this balance includes both our primary TD Bank and our primary PLGIT account balances for a more accurate picture of our Ending Cash Balances. Please see attached Cash Statement as of June 30, 2014.

<i>June 30, 2014</i>	<i>June 30, 2013</i>
\$7,908,150	\$7,983,389

Sewer Fund

Sewer Charges - We are on par (46.7%) with last year's pace (48.1%) and on budget. Starting with the 3Q2014 sewer bills, residential customers' consumption habits will be monitored and excessive consumption will result in sewer usage charges. 14% of residential customers (770 of 5,823) paid the usage charge, resulting in revenues of \$16,362. A full summary of the 3Q2014 billing was included in a July 11 email to the Board. Through June, \$240,599 in delinquent sewer collections (principal, interest and legal) are recorded as credits to receivables not income. As such, these collections do not appear on the automated report.

Sewer Operating Expenses - We are on par (42.4%) with last year's pace (44.6%) and under budget. For some departments, we need to reimburse General Fund expenses from our Sewer Fund.

Ending Cash Balance - Please see attached Cash Statement as of June 30, 2014. We projected a \$168,247 operating deficit (after transfers) in 2013, explaining the year end variance between 2012 and 2013. For some departments, we need to reimburse General Fund expenses from our Sewer Fund. We also need to make our mid year transfer to the Sewer Capital Fund (\$125,000).

<i>June 30, 2014</i>	<i>June 30, 2013</i>
\$1,233,311	\$640,884

Debt Service Fund

Debt Service Expenses - We are on par (15.5%) with last year's pace (16.2%).

Whitpain Township

Treasurer's Report

Department	For the Month Ended 6/30/2014			YTD Actual Actual	Current Year Budget	YTD Actual to Budget (%)	Prior YTD Actual	Prior Year Budget	Prior YTD Actual to Budget (%)
GENERAL FUND									
REVENUES									
REAL ESTATE TAXES		3,649,111	3,888,500	93.84%	3,663,409	3,878,500		94.45%	
TRANSFER TAXES		225,384	480,000	46.95%	263,815	450,000		58.63%	
EARNED INCOME TAXES		3,157,195	5,450,000	57.93%	2,940,344	5,000,000		58.81%	
LOCAL SERVICES TAXES		374,962	750,000	49.99%	361,816	725,000		49.91%	
CABLE FRANCHISE FEES		77,728	350,000	22.21%	203,419	220,000		92.46%	
STATE AID-PENSIONS		0	427,280	0.00%	0	278,250		0.00%	
LICENSES, PERMITS & FEES		155,728	333,500	46.69%	197,154	347,600		56.72%	
PARK & RECREATION FEES		271,973	410,700	66.22%	245,402	465,550		52.71%	
	TOTAL REVENUES	7,912,082	12,089,980	65.44%	7,875,360	11,364,900		69.30%	
EXPENSES									
TRANSFERS OUT		0	1,000,000	0.00%	125,000	500,000		25.00%	
SALARIES									
OFFICIALS		10,313	20,625	50.00%	10,313	20,625		50.00%	
EXECUTIVE		179,244	309,957	57.83%	150,952	319,030		47.32%	
FINANCE		148,307	264,470	56.08%	120,329	243,872		49.34%	
TAX COLLECTION		11,667	25,000	46.67%	6,250	15,000		41.67%	
INFORMATION TECHNOLOGY		36,217	70,231	51.57%	29,782	59,965		49.67%	
ENGINEERING		158,625	196,640	80.67%	92,550	185,030		50.02%	
PUBLIC WORKS		560,287	1,054,573	53.13%	471,180	1,061,030		44.41%	
POLICE		1,570,723	3,464,713	45.33%	1,543,246	3,427,876		45.02%	
FIRE		70,940	133,061	53.31%	62,857	151,589		41.47%	
CODE ENFORCEMENT		152,022	287,805	52.82%	155,390	290,233		53.54%	
ZONING		0	10,060	0.00%	3,848	14,998		-25.65%	
PARK & RECREATION		101,635	264,884	38.37%	98,369	263,548		37.32%	
	TOTAL SALARY EXPENSES	2,999,978	6,102,019	49.16%	2,745,065	6,052,796		45.35%	
OVERTIME									
POLICE		19,314	75,600	25.55%	27,942	64,480		43.33%	
SEWER		15,111	35,866	42.13%	11,004	40,000		27.51%	
PW SNOW REMOVAL		20,324	26,711	76.09%	10,611	26,795		39.60%	
PW ROAD MAINTENANCE		4,123	6,500	63.43%	2,472	6,609		37.40%	
	TOTAL OVERTIME EXPENSES	58,872	144,677	40.69%	52,028	137,884		37.73%	
HEALTH INSURANCE									
SUPERVISORS		37,056	63,888	58.00%	32,030	61,682		51.93%	
ADMINISTRATION		31,924	54,574	58.50%	28,097	57,289		49.04%	
FINANCE		25,391	43,505	58.36%	19,783	48,935		40.43%	
INFORMATION TECHNOLOGY		12,565	22,703	55.35%	11,658	21,769		53.55%	
ENGINEERING		41,356	46,143	89.63%	23,906	44,294		53.97%	
POLICE		364,124	666,935	54.60%	337,184	673,172		50.09%	
FIRE		16,600	30,161	55.04%	14,986	29,286		51.17%	
CODE ENFORCEMENT		41,427	68,742	60.26%	38,200	71,141		53.70%	
ZONING		983	2,380	41.28%	772	1,927		-40.04%	
SEWER		110,008	272,680	40.34%	129,431	280,997		46.06%	
PUBLIC WORKS ADMINISTRATION		183,165	319,167	57.39%	158,510	306,247		51.76%	
RECREATION ADMINISTRATION		29,543	48,954	60.35%	27,370	49,385		55.42%	
	TOTAL HEALTH INSURANCE EXPENSES	894,142	1,639,832	54.53%	820,383	1,646,124		49.84%	

Whitpain Township

Treasurer's Report

PENSIONS

NON-UNIFORM	181,967	363,932	50.00%	199,730	370,500	53.91%
DEFINED CONTRIBUTION	20,748	31,677	65.50%	0	0	0.00%
POLICE	205,252	410,503	50.00%	225,000	450,000	50.00%
SEWER	60,657	121,311	50.00%	63,500	123,500	51.42%
TOTAL PENSION EXPENSES	468,624	927,423	50.53%	488,230	944,000	51.72%

EXPENSES

SUPERVISORS	5,346	10,578	50.54%	5,291	14,578	36.29%
ADMINISTRATION	120,184	307,915	39.03%	155,684	313,383	49.68%
FINANCE	48,144	77,681	61.98%	31,514	80,341	39.22%
TAX COLLECTION	46,681	96,693	48.28%	45,957	89,148	51.55%
COMPUTER & INFO, SERVICES	21,754	48,718	44.65%	22,386	45,339	49.38%
PLANNING & ENGINEERING	31,723	82,379	38.51%	37,232	76,385	48.74%
BUILDING MAINTENANCE	132,032	209,867	62.91%	86,278	217,736	39.62%
POLICE EXPENSES	269,791	739,784	36.47%	393,755	732,089	53.79%
FIRE	16,767	45,205	37.09%	16,235	51,940	31.26%
CODE ENFORCEMENT	46,617	96,098	48.51%	50,951	90,313	56.42%
ZONING	21,820	65,554	33.29%	16,206	61,862	26.20%
PUBLIC WORKS ADMINISTRATION	93,204	185,413	50.27%	95,509	182,235	52.41%
PUBLIC WORKS STREET CLEANING	3,182	4,000	79.56%	354	3,907	9.06%
PUBLIC WORKS SNOW REMOVAL	10,702	4,500	237.82%	1,837	4,500	40.82%
PUBLIC WORKS TRAFIC SIGNALS	29,602	81,000	36.55%	28,669	84,915	33.76%
PUBLIC WORKS STREET LIGHTING & MARKING	8,456	21,500	39.33%	13,263	21,500	61.69%
PUBLIC WORKS SIDEWALKS & CURBS	10,365	37,000	28.01%	11,963	37,000	32.33%
PUBLIC WORKS STORM SEWER MAINTENANCE	10,280	9,600	107.08%	1,267	9,679	13.09%
PUBLIC WORKS EQUIPMENT MAINTENANCE	136,395	218,079	62.54%	74,618	210,448	35.46%
PUBLIC WORKS ROAD MAINTENANCE	29,364	500,001	5.87%	63,976	484,637	13.20%
RECREATION AND ADMINISTRATION	55,505	89,225	62.21%	63,886	100,015	63.88%
RECREATION AND PROGRAMS	42,448	251,301	16.89%	55,327	222,362	24.88%
PUBLIC WORKS PARK MAINTENANCE	65,754	156,100	42.12%	76,131	156,710	48.58%

SEWER FUND

REVENUES

SEWER RENT - CURRENT	1,607,848	3,450,000	46.60%	1,633,673	3,400,000	48.05%
SEWER RENT - PEN & INT	15,886	30,000	52.95%	16,834	130,000	12.95%
TOTAL SEWER CHARGES	1,623,734	3,480,000	46.66%	1,650,508	3,530,000	46.76%
TRANSFERS IN	0	0	0.00%	0	0	0.00%

EXPENSES

TRANSFERS OUT	0	250,000	0.00%	0	250,000	0.00%
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DEBT SERVICE FUND

EXPENSES

DEBT PRINCIPAL	0	861,000	0.00%	0	829,000	0.00%
DEBT PRINCIPAL CAPITAL PROJECTS	0	80,000	0.00%	0	55,000	0.00%
DEBT INTEREST	167,296	327,722	51.05%	227,929	361,564	63.04%
DEBT INTEREST CAPITAL PROJECTS	43,273	86,545	50.00%	0	162,645	0.00%
TOTAL DEBT SERVICE EXPENSES	210,569	1,355,267	15.54%	227,929	1,408,209	16.19%

Whitpain Township Operating Expense Report

Department	For the Month Ended 6/30/2014		YTD Actual to Budget (%)	Prior YTD Actual	Prior Year Budget	Prior YTD Actual to Budget (%)
	YTD Actual	Current Year Budget				
SUPERVISORS	52,715	95,091	55.44%	47,633	96,885	49.16%
ADMINISTRATION	534,067	1,068,055	50.00%	534,463	1,060,202	50.41%
FINANCE	221,841	385,656	57.52%	171,626	373,148	45.99%
TAX COLLECTION	58,348	121,693	47.95%	52,207	104,148	50.13%
LEGAL	131,647	306,000	43.02%	125,835	270,000	46.61%
INFORMATION TECHNOLOGY	70,535	141,652	49.79%	63,827	127,073	50.23%
PLANNING & ENGINEERING	231,704	325,162	71.26%	153,688	305,709	50.27%
PUBLIC WORKS	1,297,234	2,834,011	45.77%	1,096,635	2,813,947	38.97%
POLICE	2,429,204	5,357,535	45.34%	2,527,127	5,347,617	47.26%
FIRE	104,307	208,427	50.05%	94,079	232,815	40.41%
CODE ENFORCEMENT	240,066	452,645	53.04%	244,541	451,687	54.14%
ZONING	22,803	77,994	29.24%	11,587	78,787	14.71%
SEWER	1,326,189	3,126,226	42.42%	1,413,851	3,168,528	44.62%
PARK AND RECREATION	229,131	654,364	35.02%	244,951	635,310	38.56%
TOTAL OPERATING EXPENSES	6,949,791	15,154,511	45.86%	6,782,050	15,065,856	45.02%

JUNE 30, 2014

ACCOUNT	PURCHASE DATE	DUE DATE	PRINCIPAL	INVESTED WITH	INTEREST RATE	TOTAL
GENERAL FUND	VARIOUS	OPEN	1,059,439	PLGIT	0.01	1,059,438.80
	VARIOUS	OPEN	6,925	PLGIT PLUS	0.02	6,925.27
	VARIOUS	OPEN	24,062	PLGIT PR	0.01	24,061.72
	VARIOUS	OPEN	3	PLGIT PR PLUS	0.02	3.34
	VARIOUS	OPEN	6,848,711	TD GENERAL FUND	0.10	6,848,710.84
	VARIOUS	OPEN	88,759	TD-E PAYMENTS	0.10	88,759.37
	VARIOUS	OPEN	17,771	TD-PR	0.10	17,770.74
	VARIOUS	OPEN	4,849	PLGIT PROCUREMENT	0.01	4,849.10
	VARIOUS	OPEN	1,771	DRUG ENFORCEMENT	0.10	1,771.02
	VARIOUS	OPEN	571,843	OPERATING RESERVE	0.10	571,842.55
	VARIOUS	OPEN	571,843	POLICE SPECIAL EQUIPMENT	0.10	1,288.74
FIRE CAPITAL FUND	VARIOUS	OPEN	5,284	PLGIT - ARBITRAGE	0.01	5,284.00
DEBT SERVICE	VARIOUS	OPEN	1,292,233	TD BANK	0.10	1,292,233.10
FIRE PROTECTION TAX	VARIOUS	OPEN	781,913	TD BANK	0.10	781,912.98
FIRE CAPITAL FUND	VARIOUS	OPEN	654,767	TD BANK	0.10	654,766.82
FIRE HYDRANT	VARIOUS	OPEN	184,666	TD BANK	0.10	184,666.35
CAPITAL RESERVE	VARIOUS	OPEN	5,317,062	TD BANK	0.10	5,317,061.60
CAPITAL RES - SIDEWALK GRANT	VARIOUS	OPEN	189,746	TD BANK	0.10	189,746.21
MANOR HOUSE	VARIOUS	OPEN	509,617	TD BANK	0.10	509,616.60
OPEN SPACE ACQUISITION	VARIOUS	OPEN	867,744	TD BANK	0.10	867,744.27
OPEN SPACE RESERVE	VARIOUS	OPEN	459,708	TD BANK	0.10	459,708.38
HIGHWAY AID FUND	VARIOUS	OPEN	407,212	TD BANK	0.10	407,212.15
POLICE MED INS RETIREE	VARIOUS	OPEN	352,008	TD BANK	0.10	352,008.16
NON UNIFORM MED INS RETIREE	VARIOUS	OPEN	11,545	TD BANK	0.10	11,545.09
ESCROW	VARIOUS	OPEN	1,255,084	TD BANK	0.10	1,255,083.75
RESERVE FOR OUTFALL STORM WT	VARIOUS	OPEN	35,334	TD BANK	0.10	35,334.38
FEE-IN-LIEU OF STORMWATER MNT	VARIOUS	OPEN	63,345	TD BANK	0.10	63,345.41
TRAFFIC IMPROVEMENTS	VARIOUS	OPEN	573,851	TD BANK	0.10	573,850.86
SEWER FUND	VARIOUS	OPEN	281,312	PLGIT PLUS	0.02	281,312.16
	VARIOUS	OPEN	951,999	TD BANK	0.10	951,998.98
SEWER CAPITAL	VARIOUS	OPEN	434,744	TD BANK	0.10	434,744.13
June 30, 2013				PLGIT	0.01	
General Fund TD Bank	\$6,646,430.84			PLGIT PLUS	0.02	
General Fund PLGIT	\$1,336,958.08			TD BANK	0.10	
Sewer TD Bank	\$359,640.76					
Sewer PLGIT	\$281,243.01					