

2017
Lower Makefield Township
Mid-Year
Finance Report

To: Board of Supervisors
Thru: Terry Fedorchak
From: Anne Vidunas-Gladwell *AVG*
Date: August 9, 2017
Subject: 2017 LMT Mid-Year Finance Report

This Mid-Year Finance Report highlights financial data from both the governmental and business operations of the Township.

The 2017 budget includes a 2.35 mill property tax increase, only the second property tax increase in the last eight years. This increase results in a property tax increase of \$98.11 annually for the average Lower Makefield taxpayer. LMT does not have an earned income tax. Of the 2.35 mill increase, .75 mills are applied to the General Fund to cover personnel expenses and to maintain our Fund Balance, 1.6 mills are allocated to paying off the \$15 million bond issue and covering increases in Park and Recreation expenses.

- The 2017 budget includes \$1.5 million for resurfacing roads, this is more than any previous budget and will allow us to resurface nearly twice as many roads as in the past. The Public Works crew has been preparing for the paving by making repairs to the stormwater inlet boxes on the roads that will be paved.
- The 2017 budget includes \$4 million for open space purchases.
- The Community Center construction is nearing completion and the center will be open before the end of the year.
- The Dog Park construction will begin in August and is expected to be completed by year's end.

Township Totals	Actual 6/30/17	2017 Budget	Available	Percentage Earned/Used
Revenues	\$23,087,957	\$36,546,687	\$13,458,730	58%
Expenses	\$14,962,684	\$37,778,075	\$22,815,391	40%

At the mid-year point in our fiscal year, most of our accounts are in line with the budgeted amounts with few exceptions. The following two pages show the Revenue and Expense Analysis for the period ending June 30, 2017 compared to the Revenue and Expense analysis for 2016.

Lower Makefield Township
Revenue Analysis
Mid-Year Report

Fund	2017			2016		
	Budgeted Revenue 6/30/2017	Actual Revenue 6/30/2017	Variance	Budgeted Revenue 12/31/2016	Actual Revenue 12/31/2016	Variance
General Fund	11,456,353	8,867,133	2,599,220	10,626,328	11,491,928	865,600
Street Light	64,000	65,409	(1,409)	62,360	64,313	1,953
Fire Protection Fund	1,081,025	482,114	598,911	819,800	824,479	4,679
Hydrant Fund	173,962	159,245	14,717	172,400	161,737	(10,663)
Park and Recreation	1,345,611	1,131,999	213,612	862,701	984,359	121,658
P&R Fee in Lieu	100,000	25,498	74,502	55,200	120,751	65,551
Library	150	1	149	-	212	212
Sewer	6,022,000	2,936,893	3,085,107	5,999,500	5,945,613	(53,887)
Pool	965,290	910,894	54,396	880,860	995,575	114,715
Traffic Impact	500	150	350	500	603	103
Golf Course	3,045,603	815,817	2,229,786	2,962,992	3,003,979	40,987
Special Capital Reserve	1,516,000	2,895,225	(1,379,225)	518,000	2,517,226	1,999,226
Debt Service	3,840,000	935,294	2,904,706	1,100,000	4,616,896	3,516,896
Capital Reserve	1,517,971	1,349,685	168,286	1,102,971	1,113,258	10,287
Pool Capital Reserve	4,021,000	1,188,001	2,832,999	450,000	1,750,000	1,300,000
Tree Bank	100	177	(77)	-	220,104	220,104
Liquid Fuels	-	164	(164)	-	250,113	250,113
Garden of Reflection	1,019,070	1,039,788	(20,718)	969,160	995,271	26,111
Patterson Farm	61,012	382	60,630	1,200	50,625	49,425
Ambulance	62,765	41,409	21,356	45,540	54,915	9,375
TOTAL REVENUES	254,275	252,679	1,596	127,975	130,017	2,042
	36,546,687	23,087,957	13,458,730	26,757,487	35,291,974	8,534,487
Business Enterprise Funds	11,548,993	7,559,006	3,989,987	10,361,352	12,682,497	2,321,145
Government Funds	24,997,694	15,528,951	9,468,743	16,396,135	22,609,477	6,213,342

Lower Makefield Township
Expense Analysis
Mid-Year Report

Fund	2017			2016		
	Budgeted Expense	Actual Expense 6/30/2017	Variance	Budgeted Expense	Actual Expense 12/31/2017	Variance
General Fund	11,548,624	5,321,189	6,227,435	10,994,903	11,278,291	(283,388)
Street Light	49,200	25,036	24,164	42,745	52,651	(9,906)
Fire Protection Fund	1,112,352	83,766	1,028,586	891,020	850,999	40,021
Hydrant Fund	151,400	84,813	66,587	151,400	165,117	(13,717)
Park and Recreation	1,193,137	775,680	417,457	909,491	1,441,246	(531,755)
P&R Fee in Lieu	50,000	30,904	19,096	90,000	84,677	5,323
Library	-	-	-	-	89,622	(89,622)
Sewer	6,328,187	3,413,524	2,914,663	6,033,000	6,937,943	(904,943)
Pool	887,996	473,340	414,656	1,065,360	1,082,894	(17,534)
Traffic Impact Fund	30,000	60,871	(30,871)	10,000	59,995	(49,995)
Golf Course	3,079,584	1,546,163	1,533,421	2,978,810	3,216,319	(237,509)
Sewer Capital Reserve	3,140,000	79,576	3,060,424	1,215,000	1,152,141	62,859
Special Projects	3,575,009	251,381	3,323,628	1,035,009	4,589,423	(3,554,414)
Debt Service	1,783,879	915,672	868,207	1,331,758	1,329,497	2,261
Capital Reserve	3,062,000	1,743,391	1,318,609	2,705,000	1,381,265	1,323,735
Pool Capital Reserve	330,000	24,750	305,250	-	-	-
Tree Bank	50,000	18,380	31,620	-	50,117	(50,117)
Liquid Fuels	1,122,675	91,596	1,031,079	913,490	856,306	57,184
Garden of Reflection	41,509	11,699	29,810	40,725	40,648	77
Patterson Farm	63,200	8,791	54,409	32,000	41,832	(9,832)
Ambulance	179,323	2,162	177,161	129,823	254,823	(125,000)
TOTAL EXPENSES	37,778,075	14,962,684	22,815,391	30,569,534	34,955,806	(4,386,272)
Business Enterprise Funds	13,765,767	5,537,353	8,228,414	11,292,170	12,389,297	(1,097,127)
Government Funds	24,012,308	9,425,331	14,586,977	16,450,991	6,671,989	9,779,002

The General Fund

The General Fund is the largest of Township Funds with a tax millage of 11.60 mills. The .75 mill tax increase was the first in eight years for the General Fund. The budgetary comparison on the following page details the revenues and expenses through June 30, 2017.

General Fund Revenues are at 77% of the annual figure. This is due in large part to the collection of Real Estate Taxes which happens in the first half of the year. Collections are at 97%.

Also included in this report is a schedule for the Real Estate Transfer Tax from 2013-2017. You will see that the amount collected to date in 2017 is over \$200,000 higher than 2016. Based on the strong real estate market in our area, it is expected that we will meet our budgeted target.

General Fund Expenses are at 46% of the budgeted amount, which is consistent with prior years. It is expected we will finish the year close to what was budgeted barring any unforeseen emergencies.

Business Enterprise Funds

The Township's Business Enterprise Funds consist of the Community Pool, the Pool Capital Reserve Fund, the Sewer Fund, the Sewer Capital Reserve Fund and the Makefield Highlands Golf Course.

Pool

The Pool revenues are approximately \$55,000 less than budgeted for 2017, but \$9,000 higher than this time last year. Resident family memberships are stable, while individual memberships saw a slight decline. Individual senior memberships were offered for the first time this year and were very popular with 211 being purchased. Significant repairs are needed for the Olympic Swimming pool to repair the concrete wall to prevent collapse, water leakage and long term damage. Attached you will find a schedule detailing pool memberships from 2013-2017.

Sewer

Sewer bills are sent out quarterly and the revenue collected to date is on target with the budgeted amount. Dependent upon the decision made by the Morrisville Municipal Authority regarding the sewer plant, an increase in Sewer Fees may be needed in 2018.

Makefield Highlands Golf Course

Although the total rounds through June 30 were significantly less than 2016, the revenue is almost the same as last year. The course was closed for 16 days in March due to weather. Due to the course being closed, expenses were under budget. Attached you will find a schedule detailing golf rounds from 2013-2017.

**LOWER MAKEFIELD TOWNSHIP
GENERAL FUND
2017 BUDGET SUMMARY**

DEPARTMENT	2017 BUDGET	2017 YTD - 06/30/17	Percentage of Budget	Variance from Final Budget
BEGINNING FUND BALANCE	2,130,570	2,652,625		
REVENUES				
301 REAL ESTATE TAXES	6,294,000	6,083,897	97%	210,103
310 LOCAL ACT 511 TAXES	1,411,000	1,035,494	73%	375,506
321 LICENSES AND PERMITS	794,200	213,398	27%	580,802
322 PERMITS/NON-BUS. LIC	5,000	3,732	75%	1,268
331 FINES AND FORFEITS	93,500	35,307	38%	58,193
341 INTEREST EARNINGS	10,000	2,394	24%	7,606
342 RENTS AND ROYALTIES	340,300	156,821	46%	183,479
351 FEDERAL GRANTS	4,800	3,360	70%	1,440
354 STATE GRANTS	146,000	0	0%	146,000
355 STATE SHARED REVENUES	463,325	0	0%	463,325
361 CHARGES FOR SERVICES	673,000	344,185	51%	328,815
380 MISCELLANEOUS REVENUES	32,000	48,560	152%	(16,560)
383 LEAF ASSESSMENTS	675,000	635,020	94%	39,980
387 CONTRIBUTIONS-PRIVATE SOURCES	1,500	500	33%	1,000
391 SALE OF FIXED ASSETS	0	0		0
392 INTERFUND OPERATING TRANSFERS	412,728	276,469	67%	136,259
395 REBATE FROM PRIOR YEAR	100,000	17,996	18%	82,004
TOTAL REVENUES	11,456,353	8,857,133	77%	2,599,220
EXPENDITURES				
400 CENTRAL GOVERNMENT	599,400	483,708	81%	115,693
401 GENERAL EXPENDITURES	2,490,300	1,211,609	49%	1,278,691
402 FINANCE	290,000	152,128	52%	137,872
403 TAX COLLECTION	21,300	20,546	96%	754
407 INFORMATION TECHNOLOGY	99,300	43,462	44%	55,838
410 POLICE	4,990,684	2,323,416	47%	2,667,268
414 PLANNING AND ZONING	413,000	285,232	69%	127,768
PUBLIC WORKS	1,694,640	793,301	47%	901,339
492 OPERATIONAL TRANSFERS	950,000	7,788	1%	942,212
TOTAL EXPENDITURES	11,548,624	5,321,189	46%	6,227,435
EXCESS (DEFICIENCY) OPERATIONAL REVENUES OVER EXPENDITURES	(92,271)	3,535,944	-3832%	(3,628,215)
492 INTERFUND TRANSFERS	125,000	125,000	100%	0
ENDING FUND BALANCE (DEFICIT)	1,913,299	6,063,569	317%	(4,150,270)

**Lower Makefield Township
Real Estate Transfer Tax
01310-100**

	2017		2016		2015		2014		2013	
	MONTH	YTD	MONTH	YTD	MONTH	YTD	MONTH	YTD	MONTH	YTD
JAN	\$ 78,375	\$ 78,375	\$ 98,203	\$ 98,203	\$ 104,056	\$ 104,056	\$ 70,525	\$ 70,525	\$ 57,424	\$ 57,424
FEB	\$ 115,311	\$ 193,686	\$ 37,081	\$ 135,285	\$ 60,472	\$ 164,528	\$ 45,274	\$ 115,799	\$ 44,272	\$ 101,696
MAR	\$ 84,596	\$ 278,282	\$ 78,267	\$ 213,552	\$ 75,077	\$ 239,605	\$ 26,522	\$ 142,321	\$ 75,394	\$ 177,090
APR	\$ 77,618	\$ 355,900	\$ 90,680	\$ 304,231	\$ 83,413	\$ 323,018	\$ 51,561	\$ 193,882	\$ 136,428	\$ 313,518
MAY	\$ 150,342	\$ 506,242	\$ 99,391	\$ 403,622	\$ 292,977	\$ 615,995	\$ 86,478	\$ 280,360	\$ 107,544	\$ 421,062
JUNE	\$ 313,368	\$ 819,610	\$ 182,075	\$ 585,697	\$ 139,112	\$ 755,107	\$ 126,138	\$ 406,498	\$ 111,395	\$ 532,457
JULY	\$ 819,610	\$ 819,610	\$ 143,007	\$ 728,704	\$ 146,804	\$ 901,911	\$ 134,408	\$ 540,906	\$ 168,183	\$ 700,640
AUG	\$ 819,610	\$ 819,610	\$ 143,566	\$ 872,270	\$ 247,184	\$ 1,149,094	\$ 111,401	\$ 652,307	\$ 119,219	\$ 819,859
SEPT	\$ 819,610	\$ 819,610	\$ 137,050	\$ 1,009,320	\$ 149,911	\$ 1,299,006	\$ 203,416	\$ 855,723	\$ 115,627	\$ 935,486
OCT	\$ 819,610	\$ 819,610	\$ 307,938	\$ 1,317,258	\$ 125,303	\$ 1,424,308	\$ 299,351	\$ 1,155,074	\$ 81,485	\$ 1,016,971
NOV	\$ 819,610	\$ 819,610	\$ 192,007	\$ 1,509,265	\$ 101,243	\$ 1,525,551	\$ 72,921	\$ 1,227,995	\$ 58,630	\$ 1,075,601
DEC	\$ 819,610	\$ 819,610	\$ 79,973	\$ 1,589,238	\$ 90,548	\$ 1,616,099	\$ 156,867	\$ 1,384,862	\$ 79,112	\$ 1,154,713
YTD	\$ 819,610		\$ 1,589,238		\$ 1,616,099		\$ 1,384,862		\$ 1,154,713	
BUDGET	\$ 1,200,000		\$ 1,150,000		\$ 1,100,000		\$ 1,050,000		\$ 1,045,000	
	Feb - 1 Stony Hill LOD - \$53,813 June - TPP Lwr Mak LLC - \$102,029		Oct - Stonerfield Apt Inc - \$212,500		May - Polo Run - \$216,000 Aug - 1000 Floral Vale - \$112,500					

LOWER MAKEFIELD TOWNSHIP
POOL MEMBERSHIP 2013-2017

MEMBERSHIP DEPOSITS:

	2017-YTD		2016		2015		2014		2013	
	Month	Aggregate								
JAN	\$ 27,120	\$ 27,120	\$ 26,835	\$ 26,835	\$ 11,445	\$ 11,445	\$ 29,215	\$ 29,215	\$ 29,505	\$ 29,505
FEB	\$ 191,890	\$ 219,010	\$ 155,895	\$ 182,730	\$ 113,970	\$ 125,415	\$ 83,510	\$ 112,725	\$ 147,885	\$ 177,390
MAR	\$ 229,485	\$ 448,495	\$ 248,025	\$ 430,755	\$ 230,055	\$ 355,470	\$ 266,575	\$ 379,300	\$ 198,090	\$ 375,480
APR	\$ 51,570	\$ 500,065	\$ 48,645	\$ 479,400	\$ 57,960	\$ 413,430	\$ 31,525	\$ 410,825	\$ 21,885	\$ 397,365
MAY	\$ 176,370	\$ 676,435	\$ 219,450	\$ 698,850	\$ 200,955	\$ 614,385	\$ 116,240	\$ 527,065	\$ 87,780	\$ 485,145
JUNE	\$ 158,465	\$ 834,900	\$ 127,330	\$ 826,180	\$ 120,160	\$ 724,545	\$ 111,695	\$ 638,760	\$ 70,200	\$ 556,345
(as of June 30, 2017)										
JULY			\$ 19,215	\$ 845,395	\$ 15,000	\$ 749,545	\$ 24,315	\$ 663,075	\$ 17,870	\$ 573,215
AUG			\$ 6,565	\$ 851,960	\$ 7,185	\$ 756,730	\$ 4,790	\$ 667,865	\$ 4,175	\$ 577,390
SEPT			\$ -	\$ 851,960	\$ -	\$ 756,730	\$ -	\$ 667,865	\$ -	\$ 577,390
OCT			\$ -	\$ 851,960	\$ -	\$ 756,730	\$ -	\$ 667,865	\$ -	\$ 577,390
NOV			\$ -	\$ 851,960	\$ -	\$ 756,730	\$ -	\$ 667,865	\$ -	\$ 577,390
DEC			\$ -	\$ 851,960	\$ -	\$ 756,730	\$ -	\$ 667,865	\$ -	\$ 577,390
TOTAL FEES		\$ 834,900		\$ 851,960		\$ 756,730		\$ 667,865		\$ 577,390
Membership Budget	\$ 855,280		\$ 772,105		\$ 681,675		\$ 646,290		\$ 638,155	
Percent of Budget	97.62%		110.34%		111.01%		103.34%		90.48%	
Y-T-D Actual	\$ 834,900		\$ 851,960		\$ 756,730		\$ 667,865		\$ 577,390	
Y-T-D Change	-2.00%		12.58%		13.31%		15.67%		-6.42%	

MEMBERSHIP NUMBERS:

	2017 - YTD		2016		2015		2014		2013	
	2017	YTD	2016	2015	2015	2014	2014	2013	2013	2013
Family	332		399	468	366	308				
Family - Discounted	905		848	725	788	854				
Total Res/Family Mbrships	1,237		1,247	1,193	1,144	1,162				
Family - Non-Resident	447		465	358	247	71				
Family - LMT Fire Dept	7		5	5	7	6				
Total Family Mbrships	1,691		1,717	1,556	1,398	1,239				
Individual	92		122	108	106	83				
Individual - Discounted	113		125	111	116	134				
Individual - Non-Resident	76		67	51	29	0				
Individual -LMT Fire Dept	0		0	0	2	1				
Total Individual Mbrships	281		314	270	253	218				
Senior - Limited	92		157	134	148	128				
Senior - Individual	198		0	0	0	0				
Caregiver	75		88	69	56	54				
Misc. Unpaid Mbrships	1		0	2	0	1				
Other Memberships	1		0	2	1	0				
August - Family	5		54	77	64	65				
August - Family/Non-Res	0		0	0	0	6				
August - Individual	0		21	20	11	13				
Total August Mbrships	5		75	97	75	84				
Season Totals	2,344		2,351	2,130	1,931	1,724				
CC Fee \$15										
Mbrships via Credit Card/15 Fee:	534	\$ 8,010	373	7,460	272	-				
Guest Books Sold:	143	\$ 11,440	272	20,400	258	\$ 185	\$ 13,875	209	\$ 15,675	
CC Fee \$20										
CC Fee \$25										

**LOWER MAKEFIELD TOWNSHIP
GOLF COURSE ANALYSIS
2013-2017**

	2017 YTD				2016				2015				2014				2013			
	Monthly Rounds	Monthly Revenue	Aggregate Revenue	Monthly Rounds	Monthly Revenue	Aggregate Revenue	Monthly Rounds	Monthly Revenue	Aggregate Revenue	Monthly Rounds	Monthly Revenue	Aggregate Revenue	Monthly Rounds	Monthly Revenue	Aggregate Revenue	Monthly Rounds	Monthly Revenue	Aggregate Revenue		
JAN	761	\$ 39,313	\$ 39,313	641	\$ 38,439	\$ 38,439	168	\$ 7,447	\$ 7,447	175	\$ 20,314	\$ 20,314	754	\$ 39,472	\$ 39,472					
FEB	1,402	\$ 67,826	\$ 107,139	660	\$ 41,825	\$ 80,264	0	\$ 4,201	\$ 11,648	0	\$ 6,929	\$ 27,243	262	\$ 16,803	\$ 56,275					
MAR	775	\$ 53,573	\$ 160,712	3,082	\$ 178,223	\$ 258,487	420	\$ 22,454	\$ 34,102	833	\$ 59,838	\$ 87,081	1,348	\$ 98,712	\$ 154,987					
APR	4,171	\$ 277,562	\$ 438,274	4,183	\$ 293,692	\$ 552,179	3,780	\$ 263,815	\$ 297,917	3,418	\$ 235,497	\$ 322,578	3,963	\$ 255,239	\$ 410,226					
MAY	5,014	\$ 377,543	\$ 815,817	4,550	\$ 344,674	\$ 896,853	6,415	\$ 437,861	\$ 735,778	5,289	\$ 395,730	\$ 718,308	5,181	\$ 395,221	\$ 805,447					
JUNE	5,913	\$ 546,316	\$ 1,362,133	6,179	\$ 465,649	\$ 1,362,502	6,228	\$ 428,509	\$ 1,164,287	6,009	\$ 451,135	\$ 1,169,443	5,729	\$ 446,400	\$ 1,261,847					
JULY				6,013	\$ 402,133	\$ 1,764,635	6,511	\$ 418,132	\$ 1,582,419	6,313	\$ 420,086	\$ 1,589,529	6,370	\$ 407,630	\$ 1,659,477					
AUG				6,275	\$ 410,254	\$ 2,174,889	7,023	\$ 438,333	\$ 2,020,752	6,481	\$ 410,093	\$ 1,999,622	6,171	\$ 406,307	\$ 2,065,784					
SEPT				4,007	\$ 307,975	\$ 2,482,864	4,819	\$ 327,284	\$ 2,348,036	4,396	\$ 314,249	\$ 2,313,871	4,902	\$ 336,208	\$ 2,401,992					
OCT				3,623	\$ 285,339	\$ 2,768,203	3,856	\$ 301,151	\$ 2,649,187	3,821	\$ 270,092	\$ 2,583,963	3,975	\$ 270,845	\$ 2,672,837					
NOV				2,422	\$ 160,179	\$ 2,928,382	2,603	\$ 160,477	\$ 2,809,664	1,267	\$ 80,836	\$ 2,664,799	1,725	\$ 108,607	\$ 2,781,444					
DEC				890	\$ 75,665	\$ 3,004,047	2,093	\$ 122,158	\$ 2,931,822	991	\$ 73,087	\$ 2,737,886	541	\$ 58,380	\$ 2,839,824					
TOTAL	18,036	\$ 1,362,133		42,525	\$ 3,004,047		43,916	\$ 2,931,822		38,993	\$ 2,737,886		40,921	\$ 2,839,824						
Total Revenue Budget	\$ 3,119,300			\$ 3,066,120		\$ 2,942,104		\$ 2,844,440		\$ 2,756,078										
YTD Rev as % of Budget	43.67%			44.44%		39.57%		41.11%		45.42%										
Monthly Revenue- JUNE	\$ 546,316			\$ 465,649		\$ 428,509		\$ 451,135		\$ 446,400										
Month Change	17.32%			8.67%		-5.02%		1.06%		1.96%										
Total Rounds - YTD	18,036			19,295		17,011		15,724		17,237										
Y-T-D Change	-6.53%			13.43%		8.18%		-8.78%		-23.21%										
Monthly Rounds- JUNE	5,913			6,179		6,228		6,009		5,729										