
2014 MID YEAR
FINANCE REPORT
SUMMARY

DATE: August 7, 2014
TO: Board of Supervisors
FROM: Terry Fedorchak
RE: **Mid-Year Finance Report**

Here is the Mid-Year Finance report, highlighting various financial data within both the governmental and business operations of the Township. At this point in our fiscal year and budget, we are at or near expectations for most of our major accounts and funds, with a few exceptions that are noted here and in the accompanying schedules. See below.

Total – All Funds

For the quarter ending June 30, 2014, total Revenues and Expenses were as follows, in thousands, as compared to their respective budget:

<u>TOWNSHIP TOTALS</u>	<u>Actual</u> <u>6/30/14</u>	<u>Budget</u> <u>FY2014</u>	<u>Available</u>	<u>Percentage</u> <u>Used</u>
Revenues	\$16,573	\$24,745	\$ 8,171	67%
Expenses	\$11,249	\$26,517	\$15,267	42%

While revenues are recognized at over 67% of budget, it is important to note that our revenues are received in such a way that the majority, especially in our government funds, are received in the 2nd quarter whereas our expenses are spread more evenly throughout the year. Revenues are trending higher than last year (63%) in total, slightly higher in the General Fund, significantly higher in Pool, while slightly lower in others, such as Golf.

Expenses for the government funds are trending very close to last year (44%). It is important to note that certain major capital items, such as the road resurfacing program, have yet to hit the expense sheet.

The following two pages detail Revenue and Expense Analysis for the period ending June 30, 2014 and 2013:

Lower Makefield Township
 Revenue Analysis
 Quarter Ending 6/30/14

Fund	FY2014			FY2013		
	Budgeted Revenue	June Revenue	Remaining Revenue	Budgeted Revenue	June Revenue	Remaining Revenue
General Fund	10,291,657	7,735,304	2,556,353	10,051,858	7,509,073	2,542,785
Street Lights	43,000	32,394	10,606	35,120	31,950	3,170
Fire Fund	815,220	470,598	344,622	809,710	469,097	340,613
Hydrant Fund	141,600	136,198	5,402	138,995	135,647	3,348
Park and Recreation	870,146	745,697	124,449	873,845	763,925	109,920
P&R Fee in Lieu	15,130	6,510	8,620	10,070	16,005	(5,935)
Library	100	108	(8)	130	52	78
Sewer	5,455,500	2,645,472	2,810,028	5,506,203	2,648,423	2,857,780
Pool	730,225	675,651	54,574	731,105	581,016	150,089
Traffic Impact	1,100	4,054	(2,954)	7,800	7,142	658
Golf Course	2,844,440	1,163,896	1,680,544	2,755,078	1,210,380	1,544,698
Golf Construction Fund	-	483	(483)	-	-	-
Sewer Capital Reserve	532,370	250,883	281,487	528,000	252,008	275,992
Streets Projects	410,000	214,716	195,284	395,300	63,447	331,853
Debt Service	1,109,971	926,782	183,189	1,211,296	1,058,206	153,090
Regency Bridge	-	15,005	(15,005)	-	26,446	-26,446
Capital Reserve	618,600	647,496	(28,896)	970,600	90,555	880,045
Liquid Fuels	737,767	778,103	(40,336)	701,999	721,801	(19,802)
Garden of Reflection	100	43	57	40	743	(703)
Patterson Farm	766,100	32,567	733,533	-	-	-
Ambulance	128,650	124,818	3,832	300,995	124,408	176,587
Unemployment	-	56	(56)	-	30	(30)
TOTAL REVENUES	24,745,576	16,573,784	8,171,792	25,028,144	15,710,354	9,317,790
Business Functions	9,562,535	4,735,902	4,826,633	9,520,386	4,691,827	4,828,559
Government Funds	15,183,041	11,837,882	3,345,159	15,507,758	11,018,527	4,489,231

Lower Makefield Township
Expense Analysis
Quarter Ending 6/30/14

Fund	2014			2013		
	Current Budget	June Actual	Balance Available	Current Budget	June Actual	Balance Available
General Fund	10,370,516	3,946,203	6,424,313	10,221,659	4,430,852	5,790,807
Street Lights	41,745	21,344	20,401	44,167	21,995	22,172
Fire Fund	848,020	83,371	764,649	815,535	398,952	416,583
Hydrant Fund	153,864	81,832	72,032	154,327	80,038	74,289
Park and Recreation	859,400	350,733	508,667	869,792	437,860	431,932
P&R Fee in Lieu Of Library	50,000	62,015	(12,015)	10,000	10,000	-
Sewer	-	-	-	-	-	-
Pool	5,528,800	2,635,834	2,892,966	5,452,522	2,368,247	3,084,275
Traffic Impact	718,160	359,854	358,306	709,026	363,318	345,708
Golf Course	-	-	-	25,000	-	25,000
Golf Construction Fund	2,858,062	1,546,595	1,311,467	2,889,872	1,439,915	1,449,957
Street Capital Reserve	-	49,871	(49,871)	-	-	-
Street Projects	1,115,000	208,215	906,785	820,000	304,438	515,562
Debt Service	440,009	209,878	230,131	434,009	51,888	382,121
Capital Reserve	1,301,636	580,801	720,835	1,371,132	587,988	783,144
Liquid Fuels	944,142	525,565	418,577	932,000	211,719	720,281
Garden of Reflection	1,096,970	613,560	483,410	1,199,570	293,241	906,329
Patterson Farm	61,300	15,584	45,716	72,800	22,806	49,994
Ambulance	469,300	2,755	466,545	-	-	-
Unemployment	129,823	2,162	127,661	301,000	124,650	176,350
	-	6,279	(6,279)	-	-	-
TOTAL EXPENSES	26,517,447	11,249,825	15,267,622	26,322,411	11,147,907	15,174,504
Business Enterprises	10,220,022	4,750,498	5,469,524	9,871,420	4,475,918	5,395,502
Government Funds	16,297,425	6,499,327	9,798,098	16,450,991	6,671,989	9,779,002

The General Fund

The General Fund is the largest of Township Funds, either governmental or business, with a tax millage of 10.85 mills or around 70% of the total property tax millage. The total millage has remained the same since 2009 (15.12).

The Budgetary Comparison Schedule on the page 5 details all revenues and expenses as of June 30th.

As a whole, General Fund Revenues year to date are tracking as expected with a few exceptions.

Real Estate Tax.

Tax revenues have historically been collected in the 98+% range and this year is no exception, as detailed on page 6.

Deed Transfer Tax.

Page 7 provides a comparison of Deed Transfer Tax receipts from 2009 to present. The first six months of 2014 are trending significantly less than last year, the best year we had in quite some time. If current trending continues, I anticipate we will receive about \$950,000 by year's end.

Permit Fees.

Building, Electrical, Plumbing and Mechanical Permit fee receipts are already close to their 2014 budgeted amounts. This was driven by the Shop Rite and Kohl's renovation projects. We are certain to exceed our budget in all of these categories.

General Fund Expenses are at 43% of total budgeted amounts, consistent with previous years. Absent any significant weather events, I anticipate the General Fund will finish the year very close to what we budgeted.

TOWNSHIP OF LOWER MAKEFIELD
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal Quarter Ending June 30, 2014

	<u>Final</u> <u>Budget</u>	<u>Year to</u> <u>Date</u>	<u>Percentage</u> <u>of Budget</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Real Estate Taxes	5,759,500	5,558,560	96.51%	(200,940)
Local Act 511 Taxes	1,255,500	604,528	48.15%	(650,972)
Licenses and Permits	705,000	190,837	27.07%	(514,163)
Permits/Non-Business Licenses	10,000	2,330	23.30%	(7,670)
Fines and Forfeits	117,000	41,222	35.23%	(75,778)
Interest Earnings	6,500	3,769	57.98%	(2,731)
Rents and Royalties	283,860	164,453	57.93%	(119,407)
Federal Grants	3,700	0	0.00%	(3,700)
State Grants	65,128	129,978	199.57%	64,850
State Shared Revenues	437,716	0	0.00%	(437,716)
Charges for Services	629,925	375,574	59.62%	(254,351)
Miscellaneous Revenues	50,000	35,497	70.99%	(14,503)
Leaf Assessments	447,500	440,425	98.42%	(7,075)
Contributions-Private Sources	3,600	241	6.69%	(3,359)
Sale of Fixed Assets	0	0	0.00%	0
Interfund Operating Transfers	412,728	193,860	46.97%	(218,868)
Rebate From Prior Year	104,000	70,822	68.10%	(33,178)
TOTAL REVENUES	10,291,657	7,812,096	75.91%	(2,479,561)
EXPENDITURES				
Central Government	520,550	249,123	47.86%	271,427
General Expenditures	2,219,100	1,341,741	60.46%	877,359
Finance	181,200	66,858	36.90%	114,342
Tax Collection	21,135	19,464	92.09%	1,671
Information Technology	62,320	43,978	70.57%	18,342
Police	4,583,437	1,840,492	40.16%	2,742,945
Planning and Zoning	463,101	230,285	49.73%	232,816
Public Works	1,359,795	676,296	49.74%	683,499
Operational Transfers	959,878	848	0.09%	959,030
TOTAL EXPENDITURES	10,370,516	4,469,085	43.09%	5,901,431
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(78,859)	3,343,011	-4239.23%	3,421,870
FUND BALANCE AT BEGINNING OF YEAR	1,769,294	1,645,397		
FUND BALANCE AT END OF YEAR	1,690,435	4,988,408	295.10%	3,297,973

**LOWER MAKEFIELD TOWNSHIP
TAX REVENUE ANALYSIS
AS OF JUNE 30, 2014**

REAL ESTATE TAXES:	ORIG BUDGET	REVISED BUDGET	REVENUE AT 6/30/14	% OF BUDGET
GENERAL	5,448,000	5,448,000	5,374,824	98.66
FIRE PROTECTION	451,000	451,000	445,848	98.86
HYDRANT	137,500	137,500	135,204	98.33
PARKS & REC	660,000	660,000	634,096	96.08
DEBT SERVICE	789,000	789,000	767,850	97.32
AMBULANCE	125,500	125,500	123,847	98.68
	7,611,000	7,611,000	7,481,669	98.30
INTERIM & PRIOR:	BUDGET	REVENUE AT 6/30/14	VARIANCE FAV (UNFAV)	% OF BUDGET
INTERIM-CURRENT	18,100	3,357	(14,743)	18.55
INTERIM-DELINQUENT	2,420	2,867	447	118.47
DELINQUENT	86,500	40,213	(46,287)	46.49
	107,020	46,437	(60,583)	43.39
LOCAL SVCS TAX	240,000	143,801	(96,199)	59.92%
R.E. TRANSFER TAXES:		PER CAPITA TAXES:		
REVENUE @ 06/30/14	406,498	BUDGET	RECEIPTS	BALANCE
BUDGET	1,050,000	205,500	197,854	7,646
% BUDGET REC'D.	38.71%			

**Lower Makefield Township
Real Estate Deed Transfer Tax
Year to Year Comparison**

	2009	2010	2011	2012	2013	2014
January	149,777	36,743	54,502	29,658	57,424	70,525
February	28,943	28,943	40,931	50,923	44,272	45,274
March	45,877	43,660	69,903	63,067	75,394	26,522
April	46,701	64,860	42,996	37,253	136,428	51,561
May	59,899	92,383	32,390	120,399	107,544	86,478
June	79,425	268,312	100,084	140,745	111,395	126,138
Sub-Total	410,622	534,901	340,806	442,045	532,457	406,498
July	84,878	119,001	103,431	110,581	168,183	134,408
August	118,267	115,939	83,432	124,891	119,219	
September	97,317	60,592	76,417	84,086	115,627	
October	74,352	55,896	73,199	89,450	81,485	
November	62,450	64,274	51,375	64,821	58,630	
December	74,615	59,378	80,036	61,272	79,112	
Sub-Total	511,879	475,080	467,890	535,101	622,256	134,408
Totals	922,501	1,009,981	808,696	977,146	1,154,713	540,906
Budget	1,225,000	1,145,000	1,045,000	1,045,000	1,045,000	1,050,000
Variance	(302,499)	(135,019)	(236,304)	(67,854)	109,713	(509,094)

Business Funds

The Township's business enterprises are comprised of the Community Pool, the Sewer System, the Sewer Capital Reserve Fund and Makefield Highlands Golf Course.

As of mid-August, the Pool revenues are \$21,000 *over* our budgeted amount, and 16% *over* last year's year to date revenues. This reverses 5 straight years of declines in revenues. Although this, for the most part, was a result of a significant increase in Associate memberships, it is important to note that resident membership picked up considerably in the months of May, June and July. I believe this reflects well on the efforts of the Pool Steering Committee to rebrand and market our Pool.

The sewer system is performing as expected, revenues and collections are running as planned. We expect to be at or near budget for 2014.

Makefield Highlands has experienced decreased play in the 1st quarter due to unfavorable weather conditions. Revenues are down 9% year-to-date when compared to 2013, however revenues picked up in the months of May and June.

LOWER MAKEFIELD TOWNSHIP
POOL MEMBERSHIP
MEMBERSHIP RECEIPTS 2009-2014

	2014		2013		2012		2011		2010		2009	
	Month	Aggregate										
JAN	\$ 29,215	\$ 29,215	\$ 29,505	\$ 29,505	\$ 23,580	\$ 23,580	\$ 39,760	\$ 39,760	\$ 32,835	\$ 32,835	\$ 35,740	\$ 35,740
FEB	\$ 83,510	\$ 112,725	\$ 147,985	\$ 177,390	\$ 199,955	\$ 223,535	\$ 151,205	\$ 190,965	\$ 103,925	\$ 136,760	\$ 104,665	\$ 140,405
MAR	\$ 266,575	\$ 379,300	\$ 198,090	\$ 375,480	\$ 206,720	\$ 430,255	\$ 259,785	\$ 450,750	\$ 325,305	\$ 482,065	\$ 299,650	\$ 440,055
APR	\$ 31,525	\$ 410,825	\$ 21,885	\$ 397,365	\$ 13,590	\$ 443,845	\$ 16,120	\$ 466,870	\$ 17,510	\$ 479,575	\$ 30,900	\$ 470,955
MAY	\$ 116,240	\$ 527,065	\$ 87,780	\$ 485,145	\$ 88,215	\$ 532,060	\$ 84,285	\$ 551,155	\$ 72,935	\$ 552,510	\$ 111,010	\$ 581,965
JUNE	\$ 111,695	\$ 638,760	\$ 70,200	\$ 555,345	\$ 64,015	\$ 596,075	\$ 63,435	\$ 614,590	\$ 75,140	\$ 627,650	\$ 70,360	\$ 652,325
JULY	\$ 24,315	\$ 663,075	\$ 17,870	\$ 573,215	\$ 13,450	\$ 609,525	\$ 14,260	\$ 628,850	\$ 13,355	\$ 641,005	\$ 13,810	\$ 666,135
AUG <i>(as of August 11 2014)</i>	\$ 4,790	\$ 667,865	\$ 4,175	\$ 577,390	\$ 7,480	\$ 617,005	\$ 5,390	\$ 634,240	\$ 6,520	\$ 647,525	\$ 3,455	\$ 669,590
SEPT				\$ 577,390		\$ 617,005		\$ 634,240	\$ 30	\$ 647,555		\$ 669,590
OCT				\$ 577,390		\$ 617,005		\$ 634,240		\$ 647,555		\$ 669,590
NOV				\$ 577,390		\$ 617,005		\$ 634,240		\$ 647,555		\$ 669,590
DEC				\$ 577,390		\$ 617,005		\$ 634,240		\$ 647,555		\$ 669,590
TOTAL FEES	\$ 667,865		\$ 577,390		\$ 617,005		\$ 634,240		\$ 647,555		\$ 669,590	
Membership Budget	\$ 646,290		\$ 638,155		\$ 636,405		\$ 649,790		\$ 675,390		\$ 711,165	
Percent of Budget	103.34%		90.48%		96.95%		97.61%		95.88%		94.15%	
Y-T-D Actual	\$ 667,865		\$ 577,390		\$ 617,005		\$ 634,240		\$ 647,555		\$ 669,590	
Y-T-D Change	15.67%		-6.42%		-2.72%		-2.06%		-3.29%		2.86%	

MEMBERSHIP NUMBERS:

	YTD - 2014	2013	2012	2011	2010	2009					
Family	356	308	360	354	346	452					
Family - Discounted	788	854	979	1016	1055	1010					
Family - Associate	247	71	0	0	0	0					
Family - LMT Fire Dept	8	6	7	10	12	n/a					
Total Family Mbrshps	1399	1239	1346	1380	1413	1462					
Individual	106	83	83	83	102	91					
Individual - Discounted	116	134	132	153	138	134					
Individual - Associate	29	0	0	0	0	0					
Individual - LMT Fire Dept	2	1	0	1	3	n/a					
Total Individual Mbrshps	253	218	215	237	243	225					
Senior	148	128	154	129	123	101					
Caregiver	56	54	68	74	50	49					
Misc. Unpaid Mbrshps	0	1	0	1	0	0					
Other Memberships	1	0	0	0	0	0					
August - Family	64	65	74	78	94	83					
August - Family/Associate	0	6	0	0	0	0					
August - Individual	11	13	13	17	24	14					
Total August Mbrshps	75	84	87	95	118	97					
Season Total	1932	1724	1870	1916	1947	1934					
Guest Books Sold:	185	\$ 13,875	209	\$ 15,675	246	\$ 18,450	244	\$ 18,300	361	\$ 23,465	n/a

LOWER MAKEFIELD TOWNSHIP
GOLF COURSE ANALYSIS
2009-2014

	2014			2013			2012			2011			2010			2009	
	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
JAN	175	\$ 20,314	\$ 20,314	754	\$ 39,472	\$ 39,472	1,210	\$ 52,181	\$ 52,181	0	\$ 15,000	\$ 15,000	377	\$ 26,000	\$ 26,000	95	\$ 12,000
FEB	0	\$ 6,929	\$ 27,243	262	\$ 16,803	\$ 56,275	1,686	\$ 73,918	\$ 126,099	181	\$ 14,000	\$ 29,000	13	\$ 21,000	\$ 47,000	81	\$ 12,500
MAR	833	\$ 59,838	\$ 87,081	1,348	\$ 98,712	\$ 154,987	3,457	\$ 183,831	\$ 309,930	1,796	\$ 58,000	\$ 87,000	1,417	\$ 72,000	\$ 119,000	1,500	\$ 89,000
APR	3,418	\$ 235,497	\$ 322,578	3,963	\$ 255,239	\$ 410,226	4,699	\$ 384,386	\$ 694,316	3,717	\$ 254,000	\$ 341,000	4,397	\$ 288,000	\$ 407,000	3,310	\$ 233,000
MAY	5,289	\$ 395,730	\$ 718,308	5,181	\$ 395,221	\$ 805,447	5,265	\$ 347,872	\$ 1,042,188	4,658	\$ 343,000	\$ 684,000	5,537	\$ 382,000	\$ 789,000	4,800	\$ 351,000
JUNE	6,009	\$ 451,135	\$ 1,169,443	5,729	\$ 446,400	\$ 1,251,847	6,131	\$ 437,832	\$ 1,480,020	6,171	\$ 446,000	\$ 1,130,000	5,937	\$ 411,000	\$ 1,200,000	4,958	\$ 386,000
JULY				6,370	\$ 407,630	\$ 1,659,477	6,287	\$ 393,919	\$ 1,873,939	5,547	\$ 355,000	\$ 1,485,000	6,084	\$ 387,000	\$ 1,587,000	5,912	\$ 417,000
AUG				6,171	\$ 406,307	\$ 2,065,784	6,027	\$ 376,457	\$ 2,250,396	5,048	\$ 305,538	\$ 1,790,538	6,232	\$ 383,000	\$ 1,970,000	5,760	\$ 371,000
SEPT				4,902	\$ 336,208	\$ 2,401,992	4,506	\$ 289,462	\$ 2,539,858	3,984	\$ 255,000	\$ 2,045,538	4,419	\$ 282,000	\$ 2,252,000	3,790	\$ 275,000
OCT				3,975	\$ 270,845	\$ 2,672,837	3,418	\$ 249,406	\$ 2,789,264	3,496	\$ 239,000	\$ 2,284,538	2,800	\$ 240,000	\$ 2,492,000	2,804	\$ 233,000
NOV				1,725	\$ 108,607	\$ 2,781,444	1,445	\$ 86,796	\$ 2,876,060	2,455	\$ 128,035	\$ 2,412,573	1,850	\$ 165,000	\$ 2,657,000	1,970	\$ 144,000
DEC				541	\$ 58,380	\$ 2,839,824	1,244	\$ 73,254	\$ 2,949,314	1,714	\$ 73,500	\$ 2,486,073	190	\$ 31,000	\$ 2,688,000	240	\$ 18,000
TOTAL	15,724	\$ 1,169,443	\$ 40,921	\$ 2,839,824	\$ 2,839,824	45,345	\$ 2,949,314	\$ 2,949,314	38,767	\$ 2,486,073	\$ 2,486,073	39,253	\$ 2,688,000	\$ 2,688,000	35,220	\$ 2,541,500	
Total Revenue Budget	\$ 2,844,440		\$ 2,756,078		\$ 2,564,561		\$ 2,854,148		\$ 2,729,482		\$ 2,984,358		\$ 2,688,000		\$ 2,984,358		\$ 2,541,500
YTD Revenue as % of Budget	41.11%		103.04%		115.00%		87.10%		98.48%		85.16%		98.48%		85.16%		98.48%
Monthly Revenue - JUNE	\$ 451,135		\$ 446,400		\$ 437,832		\$ 446,000		\$ 411,000		\$ 386,000		\$ 411,000		\$ 386,000		\$ 411,000
Month Change	1.06%		1.96%		-1.83%		8.52%		6.48%		N/A		6.48%		N/A		6.48%
Total Rounds - JUNE YTD	15,724		17,237		22,448		16,523		17,678		14,744		17,678		14,744		17,678
Y-T-D Change	-8.78%		-23.21%		35.86%		-6.53%		19.90%		N/A		19.90%		N/A		19.90%
Monthly Rounds - JUNE	6,009		5,729		6,131		6,171		5,937		4,958		5,937		4,958		5,937
Month Change	4.89%		-6.56%		-0.85%		3.94%		19.75%		N/A		19.75%		N/A		19.75%