



Township of Lower Makefield

May 2, 2016

TO: Board of Supervisors
FROM: Terry Fedorchak
RE: **2015 Year End Summary**

General Fund (Addendum 1).

2015 proved to be an exceptional year. We had budgeted to finish last year with a deficit of \$257,000, but instead saw a \$621,000 surplus. The reasons for this variance lie mainly with the Revenues and what has proved to be a resurgent local housing market.

We had budgeted to receive \$1.1 million in deed transfer tax but instead saw receipts spike to \$1.6 million, a \$500,000 variance. Addendum 2 provides a breakdown of the last 4 years of Transfer Tax. 2015 tax receipts are 65% higher than 2012 and 40% more than just 2 years ago. Of the \$1.6 million there were 2 large sales, Polo Run and 1000 Floral Vale, which netted us \$328,000. So we can conclude that that the increase in Deed Transfer tax revenues was driven mainly by the single family residential housing market.

We have also seen various Building Permit fees increase significantly. We had budgeted to receive \$360,000 in Building, Electrical, Plumbing and Mechanical fees but instead received nearly \$505,000. 2015 building permit fees jumped 46% over 2013 levels.

As a result, 2015 saw our General Fund balance increase to \$2,689,000, \$600,000 more than 2014 levels.

All Funds (Addendum 4).

This addendum summarizes the activity over our 21 Funds. Negative variances are identified in red.

On the Revenue side, 3 Funds – Special Projects, Capital Reserve, and Patterson Farm – reflect substantial variances. For Special Projects the variance is a result of not yet receiving the \$350,000 Multi Modal Transportation Grant. For Capital Reserve we had anticipated borrowing \$1.0 million and receiving another \$1.0 million from the RACP grant program, neither of which happened last year. And in the case of Patterson Farm, we had hoped to receive a \$500,000 Open Space grant.

On the Expense side the Sewer Capital Fund saw a significant increase of nearly \$750,000 over budget, driven entirely by the Morrisville Municipal Authority Sewer capital expenses.

Across all 21 Funds, we saw our Fund Balances decrease from \$7.3 million to \$5.5 million, mainly from Sewer and General capital expenses. We need to closely monitor our Capital Reserve Fund which is reflecting a \$558,000 deficit. Although that will be corrected somewhat due to additional revenues in 2016, we will need to transfer more of our General Fund surplus to balance that Fund, now and in the future.

**Lower Makefield Township
General Fund Budgetary Comparison
For Year Ended 2015**

	Budget 2015	Actual 2015	(Under)/Over Budget
REVENUES			
Real Estate Taxes	5,797,000	5,898,681	101,681
Local Act 511 Taxes	1,308,500	1,828,393	519,893
Licenses and Permits	741,550	790,532	48,982
Permits/Non-Business Licenses	8,000	4,680	(3,320)
Fines and Forfeits	102,500	66,655	(35,845)
Interest Earnings	6,500	10,163	3,663
Rents and Royalties	309,000	336,672	27,672
Federal Grants	0	0	0
State Grants	93,940	89,975	(3,965)
State Shared Revenues	432,700	399,996	(32,704)
Charges for Services	597,600	797,714	200,114
Miscellaneous Revenues	50,050	67,329	17,279
Leaf Assessments	447,000	449,572	2,572
Contributions-Private Sources	1,600	1,153	(447)
Sale of Fixed Assets	5,000	5,105	105
Interfund Operating Transfers	412,728	415,391	2,663
Rebate from Prior Years	100,000	119,266	19,266
Total Revenue	10,413,668	11,281,277	867,609
EXPENDITURES			
Central Government	534,100	688,338	154,238
General Expenditures	2,278,100	2,173,205	(104,895)
Finance	179,200	163,932	(15,268)
Tax Collection	21,300	21,870	570
Information Technology	69,500	76,009	6,509
Police	4,746,593	4,460,762	(285,831)
Planning and Zoning	477,249	599,974	122,725
Public Works	1,404,970	1,548,967	143,997
Operational Transfers	959,343	927,032	(32,311)
TOTAL EXPENDITURES	10,670,355	10,660,087	(10,268)
EXCESS (DEFICIENCY) REVENUE OVER EXPENDITURES	(256,687)	621,190	877,877
FUND BALANCE AT BEGINNING OF YEAR		2,067,798	
FUND BALANCE AT YEAR END		2,688,988	

**Lower Makefield Township
Real Estate Transfer Tax
2012 Through 2015**

Addendum 2

	2015		2014		2013		2012	
	MONTH	YTD	MONTH	YTD	MONTH	YTD	MONTH	YTD
JAN	\$ 104,056	\$ 104,056	\$ 70,525	\$ 70,525	\$ 57,424	\$ 57,424	\$ 29,658	\$ 29,658
FEB	\$ 60,472	\$ 164,528	\$ 45,274	\$ 115,799	\$ 44,272	\$ 101,696	\$ 50,923	\$ 80,581
MAR	\$ 75,077	\$ 239,605	\$ 26,522	\$ 142,321	\$ 75,394	\$ 177,090	\$ 63,067	\$ 143,648
APR	\$ 83,413	\$ 323,018	\$ 51,561	\$ 193,882	\$ 136,428	\$ 313,518	\$ 37,253	\$ 180,901
MAY *	\$ 292,977	\$ 615,995	\$ 86,478	\$ 280,360	\$ 107,544	\$ 421,062	\$ 120,399	\$ 301,300
JUNE	\$ 139,112	\$ 755,107	\$ 126,138	\$ 406,498	\$ 111,395	\$ 532,457	\$ 140,745	\$ 442,045
JULY	\$ 146,804	\$ 901,911	\$ 134,408	\$ 540,906	\$ 168,183	\$ 700,640	\$ 110,581	\$ 552,626
AUG **	\$ 247,184	\$ 1,149,094	\$ 111,401	\$ 652,307	\$ 119,219	\$ 819,859	\$ 124,891	\$ 677,517
SEPT	\$ 149,911	\$ 1,299,006	\$ 203,416	\$ 855,723	\$ 115,627	\$ 935,486	\$ 84,086	\$ 761,603
OCT	\$ 125,303	\$ 1,424,308	\$ 299,351	\$ 1,155,074	\$ 81,485	\$ 1,016,971	\$ 89,450	\$ 851,053
NOV	\$ 101,243	\$ 1,525,551	\$ 72,921	\$ 1,227,995	\$ 58,630	\$ 1,075,601	\$ 64,821	\$ 915,874
DEC	\$ 90,548	\$ 1,616,099	\$ 156,867	\$ 1,384,862	\$ 79,112	\$ 1,154,713	\$ 61,272	\$ 977,146
YTD	\$ 1,616,099		\$ 1,384,862		\$ 1,154,713		\$ 977,146	
BUDGET	\$ 1,100,000		\$ 1,050,000		\$ 1,045,000		\$ 1,045,000	

LOWER MAKEFIELD TOWNSHIP
 PLANNING AND ZONING PERMIT REVENUE
 2012 THROUGH 2015

Addendum 3

PERIOD	2015								2014							
	BUILDING		ELECTRICAL		PLUMBING		MECHANICAL		BUILDING		ELECTRICAL		PLUMBING		MECHANICAL	
	MO	CUM	MO	CUM	MO	CUM	MO	CUM	MO	CUM	MO	CUM	MO	CUM	MO	CUM
JAN	7,293	7,293	4,049	4,049	926	926	2,820	2,820	7,079	7,079	2,307	2,307	892	892	1,910	1,910
FEB	11,383	18,676	6,905	10,954	2,430	3,356	4,220	7,040	28,988	36,067	6,280	8,587	1,624	2,516	2,950	4,860
MAR	18,803	37,479	5,910	16,864	2,696	6,052	3,300	10,340	16,222	52,289	5,017	13,604	2,008	4,524	3,820	8,680
APR	12,381	49,860	3,248	20,112	1,747	7,799	1,830	12,170	124,373	176,662	12,105	25,709	7,239	11,763	7,130	15,810
MAY	53,905	103,765	13,996	34,108	6,448	14,247	9,680	21,850	26,197	202,859	8,747	34,456	3,849	15,612	4,590	20,400
JUNE	23,569	127,334	7,228	41,336	2,985	17,232	5,520	27,370	17,398	220,257	6,031	40,487	906	16,518	2,770	23,170
JULY	25,936	153,270	8,462	49,798	8,241	25,473	4,286	31,656	19,203	239,460	6,842	47,329	2,672	19,190	3,740	26,910
AUG	31,190	184,460	9,688	59,486	2,883	28,356	5,255	36,911	18,249	257,709	9,498	56,827	1,873	21,063	5,820	32,730
SEPT	22,907	207,367	5,895	65,381	5,770	34,126	3,260	40,171	23,781	281,490	7,387	64,214	2,109	23,172	4,170	36,900
OCT	40,223	247,590	8,098	73,479	4,159	38,285	5,060	45,231	20,630	302,120	8,364	72,578	3,021	26,193	5,280	42,180
NOV	20,182	267,772	2,731	76,210	1,327	39,612	1,610	46,841	9,189	311,309	3,368	75,946	1,253	27,446	1,690	43,870
DEC	45,963	313,735	18,024	94,234	3,538	43,150	7,240	54,081	27,506	338,815	9,819	85,765	3,328	30,774	7,830	51,700
BUDGET		230,000		67,000		28,000		35,000		230,000		67,000		28,000		35,000

PERIOD	2013								2012							
	BUILDING		ELECTRICAL		PLUMBING		MECHANICAL		BUILDING		ELECTRICAL		PLUMBING		MECHANICAL	
	MO	CUM	MO	CUM	MO	CUM	MO	CUM	MO	CUM	MO	CUM	MO	CUM	MO	CUM
JAN	18,891	18,891	7,730	7,730	1,572	1,572	4,180	4,180	8,414	8,414	3,914	3,914	2,116	2,116	2,390	2,390
FEB	11,611	30,502	3,459	11,189	910	2,482	2,660	6,840	25,261	33,675	10,017	13,931	3,370	5,486	4,820	7,210
MAR	15,343	45,845	5,735	16,924	2,438	4,920	2,550	9,390	15,880	49,555	6,507	20,438	1,432	6,918	2,460	9,670
APR	21,522	67,367	6,894	23,818	2,086	7,006	4,890	14,280	17,888	67,443	4,906	25,344	2,028	8,946	1,990	11,660
MAY	25,284	92,651	5,888	29,706	1,483	8,489	4,270	18,550	47,776	115,219	8,811	34,155	4,398	13,344	4,740	16,400
JUNE	23,167	115,818	5,507	35,213	1,929	10,418	2,850	21,400	18,045	133,264	5,545	39,700	2,736	16,080	2,870	19,270
JULY	24,620	140,438	7,210	42,423	1,573	11,991	3,040	24,440	15,724	148,988	4,995	44,695	2,209	18,289	2,620	21,890
AUG	8,985	149,423	3,281	45,704	225	12,216	2,040	26,480	21,484	170,472	8,570	53,265	3,984	22,273	5,080	26,970
SEPT	9,950	159,373	2,898	48,602	1,237	13,453	2,300	28,780	32,184	202,656	11,006	64,271	4,150	26,423	5,213	32,183
OCT	23,135	182,508	6,518	55,120	1,880	15,333	3,810	32,590	20,675	223,331	8,058	72,329	2,708	29,131	4,340	36,523
NOV	19,548	202,056	6,066	61,186	1,674	17,007	3,140	35,730	9,828	233,159	2,111	74,440	680	29,811	1,570	38,093
DEC	18,024	220,080	7,349	68,535	1,904	18,911	3,450	39,180	20,784	253,943	6,517	80,957	2,115	31,926	4,400	42,493
BUDGET		230,000		67,000		28,000		35,000		220,000		50,000		20,000		30,000

Lower Makefield Township
Revenue and Expense Analysis
For Year Ended 2015

Fund	Revenue			Expenses			Fund Balance	
	Budgeted	Actual	(Under)/Over	Budgeted	Actual	(Under)/Over	Beginning	Ending
			Budget			Budget		
General Fund	10,413,668	11,281,277	867,609	10,670,355	10,660,087	(10,268)	2,067,798	2,688,988
Street Light Fund	50,000	63,523	13,523	42,745	48,712	5,967	(35,117)	(20,305)
Fire Protection Fund	818,720	821,130	2,410	850,020	841,672	(8,348)	134,276	113,734
Hydrant Fund	141,650	142,054	404	153,344	161,890	8,546	(40,937)	(60,774)
Park and Recreation	865,845	863,803	(2,042)	883,702	970,881	87,179	195,924	88,846
Park & Recreation Fee in Lieu	41,130	44,012	2,882	93,000	155,883	62,883	130,998	19,127
Library Fund	150	201	51	0	0	0	89,219	89,420
Sewer Fund	5,468,000	5,597,397	129,397	5,912,912	5,856,035	(56,877)	1,421,686	1,163,048
Community Pool	779,830	894,995	115,165	779,710	795,989	16,279	272,564	371,570
Traffic Impact Fund	0	13,712	13,712	0	29,656	29,656	452,958	437,014
Golf Course Fund	2,994,604	3,268,882	274,278	2,940,544	3,004,937	64,393	414,409	678,354
Golf Construction Fund	0	348	348	300,000	341,438	41,438	346,894	0
Sewer Capital Projects	533,400	526,781	(6,619)	805,000	1,553,463	748,463	582,482	(444,201)
Special Projects Fund	500,000	2,461	(497,539)	620,009	417,245	(202,764)	358,731	(56,053)
Debt Service Fund	1,114,871	1,108,356	(6,515)	1,304,317	1,125,465	(178,852)	624,097	606,988
Regency Bridge Fund	0	64,794	64,794	0	0	0	170,649	235,442
Capital Reserve Fund	3,575,500	733,165	(2,842,335)	3,495,000	1,194,674	(2,300,326)	(96,332)	(557,841)
Liquid Fuels Fund	884,522	854,400	(30,122)	915,667	935,124	19,457	81,086	363
Memorial Fund	100	41,739	41,639	55,765	39,222	(16,543)	(9,264)	(6,747)
Patterson Farm	545,197	46,894	(498,303)	329,000	45,370	(283,630)	20,208	21,732
Ambulance/Resque Squad Fund	129,175	129,232	57	129,823	129,823	0	137,030	136,439
Totals	28,856,362	26,499,155	(2,357,207)	30,280,913	28,307,568	(1,973,345)	7,319,358	5,505,145
Less Interfund Transfers		(1,563,250)			(1,563,250)			
Actual Revenue and Expenses		24,935,905			26,744,318			