

**TOWNSHIP OF COOLBAUGH**  
MONROE COUNTY, PENNSYLVANIA

**FINANCIAL STATEMENTS AND  
AUDITORS' REPORT**

AS OF AND FOR THE YEAR ENDED  
**DECEMBER 31, 2016**

# TOWNSHIP OF COOLBAUGH

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Coolbaugh Township, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coolbaugh Township, Pennsylvania as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter**

As discussed in Note 1, The Township of Coolbaugh prepares its financial statements on a modified cash or cash basis of accounting, which are a comprehensive bases of accounting other than U.S. generally accepted accounting principles. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations, and cash flows in conformity with U.S. generally accepted accounting principles.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the general fund, and the other governmental funds of the Township as of December 31, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with the modified cash or cash basis of accounting as indicated.

### **Other Matters**

Accounting principles generally require that the management's discussion and the required Supplementary Information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required Supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Frey & Co. CPAs, LLC*

Frey & Co. CPAs, LLC  
Walnutport, Pennsylvania  
April 1, 2017

INTERNAL CONTROL DEFICIENCIES LETTER

To the Board of Supervisors  
Coolbaugh Township, Pennsylvania

In planning and performing our audit of the financial statements of the governmental activities, business-type activities and each major fund of Coolbaugh Township, Pennsylvania as of and for the year ended December 31, 2016 in accordance with auditing standards generally accepted in the United States of America, we considered Coolbaugh Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coolbaugh Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Coolbaugh Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not uncover any significant deficiencies in Coolbaugh Township's internal control .



This communication is intended solely for the information and use of management, the Board of Supervisors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

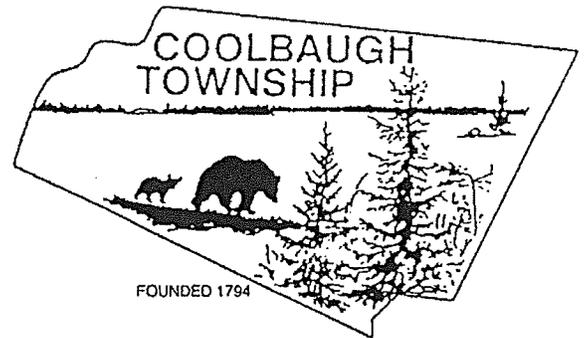
*Frey & Co. CPAs, LLC*

Frey & Co. CPAs, LLC  
Walnutport, Pennsylvania  
April 1, 2017

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



The discussion and analysis of Township of Coolbaugh's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the Township's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Township's financial performance.



**Township of Coolbaugh** was founded in 1794. The Township operates under an elected Board of Supervisors, and provides the following services to its residents: public safety, highways and streets, sanitation, culture-recreation, planning and zoning, and general administrative services.

## **FINANCIAL HIGHLIGHTS**

### **Fund Level**

At the close of the year, the Township reported combined ending fund balances in Governmental Funds of \$3,054,807, an increase of \$1,220,686 from the previous year. The increase was largely a result of better than expected earned income taxes, recycling grants and sale of fixed assets along with a reduction in legal, winter maintenance, pension contributions and repair expenses; however, reduced by ongoing capital projects and investments in the Township's infrastructure. The total General Fund balance amounted to \$2,833,076 an increase of \$1,221,219 and equals 40.2% of General Fund revenues, all of which is reported as unassigned in the General Fund.

### **Government-Wide**

Government-wide net position of the Township at the close of the year was \$16,215,081. General revenues accounted for \$6,766,868 in revenue or approximately 80% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,617,712 or approximately 20% of total revenues of \$8,384,580. Total assets were \$20,149,526 of which \$2,369,491 represents unrestricted cash and investments. Fixed assets, net of accumulated depreciation was \$16,491,862. The Township had \$7,908,171 in expenses; only \$1,617,712 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$6,766,868 were adequate to provide for these programs. Expenses, after program revenue was \$6,290,459.

## TOWNSHIP OF COOLBAUGH

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

DECEMBER 31, 2016

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#### REPORTING THE TOWNSHIP AS A WHOLE

##### *Statement of Net Position and the Statement of Activities*

While this document contains the large number of funds used by the Township to provide programs and activities, the view of the Township as a whole looks at all financial transactions and asks the question, "***How did we do financially during the year?***" The Statement of Net Position and the Statement of Activities largely answers this question. These statements include all assets and liabilities using the modified cash or cash basis of accounting similar to the accounting used by most private-sector companies. Which means, the financial information is reported on the cash basis and it also include outstanding debt and fixed assets. These two statements report the Township's Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the Township as a whole, the financial position of the Township has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the Township's property tax base, current property tax laws in Pennsylvania restricting revenue growth, facilities condition, required public works and public safety activities, and other factors.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Township's largest component of its net position is its investment in capital assets, less any related debt used to acquire those assets that is still outstanding, which was \$13,152,643 at the end of the year. As the Township utilizes those assets to provide services to its citizens, they are not available for future spending.

The component of our Net Position that pertains to the Governmental Activities has increased from a year ago by \$544,772 primarily as a result of positive operational net position offset by the utilization of capital monies for large-scale capital and infrastructure projects. However, the component of our Net Position that pertains to our Business-Type Activities decreased by \$68,363 a result of negative operational net position.

##### *Statement of Net Position and the Statement of Activities*

In the Statement of Net Position and the Statement of Activities, the Township reports governmental activities. Governmental activities are the activities where most of the Township's programs and services are reported including, but not limited to, general government, public works, public safety, and recreation. The Township also engages in business-like activities, which includes the sewer fund. Recall that the Statement of Net Position provides the perspective of the Township as a whole.

**TOWNSHIP OF COOLBAUGH**  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
 DECEMBER 31, 2016

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

*Table 1 provides a summary of the Township's Net Position:*

**Table 1**

<b>Net Position</b>		
	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Current and Other Assets	\$ 3,562,989	\$ 2,159,319
Capital Assets, net	16,491,862	16,700,865
Non-current Assets	94,675	191,144
	<u>20,149,526</u>	<u>19,051,328</u>
<b>Liabilities</b>		
Current Liabilities	\$ 988,563	\$ 895,575
Long-Term Liabilities	2,945,882	2,417,081
	<u>3,934,445</u>	<u>3,312,656</u>
<b>Net Position</b>		
Invested in Capital Assets, net of related debt	\$ 13,152,643	\$ 13,891,801
Restricted	221,731	222,264
Unrestricted	2,840,707	1,624,607
	<u>\$ 16,215,081</u>	<u>\$ 15,738,672</u>

Unrestricted Net Position is the part of Net Position that can be used to finance day-to-day activities without constraints established by grants or legal requirements.

**REPORTING THE TOWNSHIP AS A WHOLE (CONTINUED)**

*Statement of Net Position and the Statement of Activities*

*Table 2 provides a summary of the Township's statement of activities:*

**Table 2**

**Statement of Activities**

	<b>2016</b>	<b>2015</b>
<b>Program Revenues</b>		
Charges for Services	\$ 582,831	\$ 542,721
Operating Grants and Contributions	1,034,881	877,689
<b>General Revenues</b>		
Taxes	6,669,080	6,389,540
Investment Earnings	23,222	16,623
Total Revenues	<u>8,310,014</u>	<u>7,826,573</u>
<b>Program Expenses</b>		
General Government	609,524	649,454
Public Safety	2,942,391	2,933,053
Public Works	822,128	1,047,540
Cultural and Recreation	1,527,184	688,202
Other	743,198	777,804
Interest on Long-Term Debt	19,493	27,315
Unallocated Depreciation	869,332	773,603
Enterprise Fund	374,921	425,608
Total Expense	<u>7,908,171</u>	<u>7,322,579</u>
Increase in Net Position	401,843	503,994
Net Position - Beginning	<u>15,738,672</u>	<u>15,234,678</u>
Net Position - Ending	<u>\$ 16,140,515</u>	<u>\$ 15,738,672</u>

**TOWNSHIP OF COOLBAUGH****MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**DECEMBER 31, 2016

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**REPORTING THE TOWNSHIP AS A WHOLE (CONTINUED)*****Governmental Activities***

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

*Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue.*

**Table 3**  
**Net Cost of Services**

	<b>2016</b>	<b>2015</b>
General government	\$ (309,760)	\$ (368,477)
Public safety	(2,795,829)	(2,780,322)
Public works	(28,816)	(424,523)
Cultural and Recreation	(1,525,984)	(687,827)
Other	(522,783)	(571,618)
Interest on Long-Term Debt	(19,493)	(27,315)
Unallocated depreciation	(869,332)	(773,603)
Enterprise	<u>(218,462)</u>	<u>(268,484)</u>
	<u>\$ (6,290,459)</u>	<u>\$ (5,902,169)</u>

***Defining the Classifications of Expenditure:***

- General Government activities includes the activities of the legislative board of Supervisors, financial administration, legal counsel, insurance, and physical plant.
- Public safety activities include police protection, code enforcement, fire protection, and planning.
- Public Works includes general services, servicing of streets and storm sewers, and snow and ice removal.
- Cultural and recreation includes the library and parks.
- Other includes pension and fringe benefits.
- Interest on long-term debt and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the Township.
- Enterprise fund involves the Townships activities in the public sewers operations.

## **TOWNSHIP OF COOLBAUGH**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

DECEMBER 31, 2016

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#### **REPORTING THE TOWNSHIP AS A WHOLE (CONTINUED)**

The dependence upon real estate tax revenues is apparent. For all activities, general revenue support is 80%. The community, as a whole, provides the primary support for the Township of Coolbaugh. The real estate taxes for the Township are collected from township residents. The tax on real estate, as levied by the Board, was 15.75 mills (\$15.75 per \$1,000 of assessed valuation) for fiscal 2016. Assessed valuations of property are determined by Monroe County and the collectors are responsible for collection.

#### **REPORTING THE TOWNSHIP'S MOST SIGNIFICANT FUNDS**

##### *Fund Financial Statements*

Fund financial reports provide detailed information about the Township's major funds. The Township uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Township's most significant funds. Most of the Township's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in the future periods. These funds are reported using an accounting method called cash basis, which measures cash receipts and disbursements. The governmental fund statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

#### **THE TOWNSHIP'S FUNDS**

The following are the Township's governmental funds:

As indicated above, these funds are accounted for using the cash basis of accounting. All governmental funds had total revenues of \$8,153,456 and expenditures of \$6,857,336. Other financing sources and uses include transfers between the funds that net to \$75,434. The net change in fund balance for the year was an increase of \$1,220,686.

**REPORTING THE TOWNSHIP'S MOST SIGNIFICANT FUNDS (CONTINUED)**

The following are the Township's governmental funds (continued):

**General Fund (Major Fund)**

The general fund is the operating fund of the Township and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of The Commonwealth of Pennsylvania.

**Capital Projects Funds (Major Fund)**

The Capital Projects Funds accounts for financial resources to be used for the acquisition or construction of certain major capital facilities which are not financed by the Proprietary and General Funds.

**Special Revenue Fund (Non-major Fund)**

The Special Revenue Funds accounts for specific revenue sources which are legally restricted to expenditures for specified purposes. The Township accounts for the library tax and liquid fuels tax in this fund.

**Debt Service Fund (Non-major Fund)**

The Debt Service Fund accounts for resources accumulated for the purpose of funding general long-term debt obligations.

The following are the Township's other funds:

**Enterprise Funds** are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the costs of providing services to the general public on a continuing basis are financed through user charges. The Public Sewer Fund is the sole Enterprise Fund of the Township.

**Fiduciary Funds** are used to account for assets held by the Township in a trustee capacity. This includes the Pension Trust Fund. The Pension Trust Fund is used to account for the retirement pension plan sponsored by the Township. The Pension Trust Fund is accounted for in essentially the same manner as the Proprietary Fund since capital maintenance is critical.

**GENERAL FUND BUDGETING HIGHLIGHTS**

The Township's budget is prepared according to Pennsylvania law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Overall the Township had a favorable variance of \$1,341,189 for actual results in comparison to the budget for the General Fund. The excess revenues were a result of higher than expected Real Estate Transfer Tax, Local Service and Earned Income Tax received (\$734,801), as well as a large sale of fixed assets (\$44,566) and additional recycling grant (\$48,782) and state pension funding support (\$58,951). The decrease in expenditures was a result from lower than expected building and road maintenance (\$231,321), fire tax distribution timing not requested until 2017 (\$176,961) and lower wages and benefits (\$33,877)

# TOWNSHIP OF COOLBAUGH

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

DECEMBER 31, 2016

### CAPITAL ASSETS

At the end of the fiscal year, the Township had the following invested in land, buildings, furniture and equipment, and vehicles:

**Table 4 Capital Assets**

	Balance, Beginning 1/1/2016	Additions	Disposals	Balance, Ending 12/31/2016
<b>Governmental Activities:</b>				
<b>Capital Assets not being depreciated</b>				
Land	\$ 1,142,637	\$ -	\$ -	\$ 1,142,637
<b>Capital Assets being depreciated</b>				
Land Improvements	877,182	-	-	877,182
Buildings & Improvements	2,478,757	-	-	2,478,757
Roads & Bridges	17,645,985	444,527	-	18,090,512
Machinery & Equipment	4,065,081	343,233	(413,877)	3,994,437
Total Capital Assets	26,209,642	787,760	(413,877)	26,583,525
<b>Accumulated Depreciation</b>				
Land Improvements	(738,690)	(22,045)	-	(760,735)
Buildings & Improvements	(946,664)	(4,315)	-	(950,979)
Roads & Bridges	(9,488,158)	(506,935)	-	(9,995,093)
Machinery & Equipment	(3,203,213)	(336,037)	413,877	(3,125,373)
Total Accumulated Depreciation	(14,376,725)	(869,332)	413,877	(14,832,180)
<b>Total Governmental Capital Assets, net</b>	<b>\$ 11,832,917</b>	<b>\$ (81,572)</b>	<b>\$ -</b>	<b>\$ 11,751,345</b>
<b>Business-Type Activities:</b>				
<b>Capital Assets not being depreciated</b>				
Land	\$ 8,140	\$ -	\$ -	\$ 8,140
<b>Capital Assets being depreciated</b>				
Land Improvements	13,659	-	-	13,659
Sewer System	6,371,563	-	-	6,371,563
Total Capital Assets	6,385,222	-	-	6,385,222
<b>Accumulated Depreciation</b>				
Land Improvements	(13,659)	-	-	(13,659)
Sewer System	(1,511,755)	(127,431)	-	(1,639,186)
Total Accumulated Depreciation	(1,525,414)	(127,431)	-	(1,652,845)
<b>Total Business-Type Capital Assets, net</b>	<b>\$ 4,859,808</b>	<b>\$ (127,431)</b>	<b>\$ -</b>	<b>\$ 4,732,377</b>

- Overall capital assets increased \$373,883 which included vehicles and heavy equipment, and also road reconstruction.
- Depreciation for the year was \$996,763.

**TOWNSHIP OF COOLBAUGH****MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

DECEMBER 31, 2016

**DEBT SERVICE**

The Township's long-term debt activity for the year ended December 31, 2016 is summarized as follows:

	Balance, Beginning 1/1/2016	Additions	Repayments	Balance, Ending 12/31/2016	Due Within One Year
<b>Governmental Activities</b>					
Series of 2016 Bonds	\$ -	\$ 923,500	\$ -	\$ 923,500	\$ 1,000
Series of 2013 Bonds	1,165,000	-	(300,000)	865,000	300,000
Series of 2001 Notes	223,015	-	(29,158)	193,857	32,766
	<u>1,388,015</u>	<u>923,500</u>	<u>(329,158)</u>	<u>1,982,357</u>	<u>333,766</u>
<b>Business-Type Activities</b>					
Series of 2009 SR Bonds	1,287,608	-	(49,841)	1,237,767	50,342
Series of 2008 A Notes	128,149	-	(9,054)	119,095	9,229
Series of 1997 Notes	5,292	-	(5,292)	-	-
	<u>1,421,049</u>	<u>-</u>	<u>(64,187)</u>	<u>1,356,862</u>	<u>59,571</u>
<b>Total Government-Wide Debt</b>	<u>\$ 2,809,064</u>	<u>\$ 923,500</u>	<u>\$ (393,345)</u>	<u>\$ 3,339,219</u>	<u>\$ 393,337</u>

At December 31, 2016, long-term debt consists of the following:

**Governmental Debt:****Series 2016 General Obligation Bonds – Governmental Type Debt**

Original issue of \$923,500 to refinance existing debt of Pocono Mountain Public Library, Inc.; principal is due annually on June 1<sup>st</sup> and interest is due semi-annually on June and December 1st, at rates ranging from 1.58% to 2.50%, maturing in 2023.

**Series 2013 General Obligation Bonds – Governmental Type Debt**

Original issue of \$2,045,000 to refund Series 2008 and to pay the cost of issuance; principal and interest are due semi-annually on March and September 15th, at rates ranging from 1.00% to 1.50%, maturing in 2019.

**Series 2001 General Obligation Notes**

Original issue of \$2,000,000 of which the Township is responsible for 26% or \$520,000 originally, for the construction of a regional police building; due in monthly installments of \$3,178 with interest at 4.9% maturing 2022. The Township does not retain any pro-rata share of the constructed asset as ownership resides with the regional police department.

# TOWNSHIP OF COOLBAUGH

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

DECEMBER 31, 2016

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### **Business-Type debt:**

#### **Series 2009 Guaranteed Sewer Revenue Bonds**

Original issue of \$1,831,383 for the construction and completion of the sewer treatment facility; and to repay the Township's General Obligation Notes Series 2007. The debt is payable in monthly installments of \$5,890, including interest of 1%, maturing in 2039.

#### **Series 2008A General Obligation Notes**

Original issue of \$172,967 for the construction and completion of the sewer treatment facility; The debt is payable in monthly installments of \$912.48, including interest of 2%. The Note is through the "Penn Works" program, maturing in 2028.

#### **Series 1997 General Obligation Notes**

Original issue of \$357,357 for the construction and completion of the sewer treatment facility; Principal and interest is due monthly at a rate of 1.0% maturing 2016. The PennVest debt is certified as self-liquidating.

Annual debt service requirements for Governmental Activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 333,766	\$ 36,534	\$ 370,300
2018	339,763	24,937	364,700
2019	311,790	19,721	331,511
2020	316,228	14,363	330,591
2021	321,738	8,808	330,546
2022	306,552	5,077	311,629
2023	52,520	656	53,176
Total	<u>\$ 1,982,357</u>	<u>\$ 110,096</u>	<u>\$ 2,092,453</u>

**TOWNSHIP OF COOLBAUGH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
 DECEMBER 31, 2016

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Annual debt service requirements for Business-type Activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 59,571	\$ 14,503	\$ 74,074
2018	60,263	13,811	74,074
2019	60,964	13,110	74,074
2020	61,674	12,400	74,074
2021	62,393	11,681	74,074
2022	63,121	10,953	74,074
2023	63,858	10,215	74,073
2024	64,605	9,254	73,859
Thereafter	860,413	60,418	920,831
Total	<u>\$ 1,356,862</u>	<u>\$ 156,345</u>	<u>\$1,513,207</u>

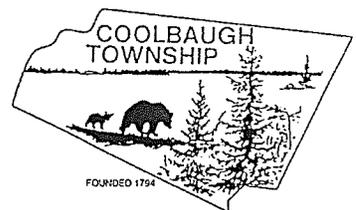
**CURRENT FINANCIAL ISSUES AND CONCERNS**

The Township of Coolbaugh continues to be financially sound. The Township of Coolbaugh has committed itself to being fiscally responsible over the years and appropriately addressing Township needs. The Township plans to continue its sound fiscal management to meet the challenges of the future.



This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Township office.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**TOWNSHIP OF COOLBAUGH**  
**STATEMENTS OF NET POSITION - MODIFIED CASH BASIS**  
December 31, 2016

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>2016</u> <u>Total</u>	<u>2015</u> <u>Memorandum</u> <u>Total</u>
<b><u>ASSETS</u></b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 1,437,421	\$ 7,631	\$ 1,445,052	\$ 312,522
Investments	924,439	-	924,439	919,772
Receivables	46	-	46	565
	<u>2,361,906</u>	<u>7,631</u>	<u>2,369,537</u>	<u>1,232,859</u>
<b>Non-current Assets</b>				
Library Receivable	94,675	-	94,675	191,144
<b>General Fixed Assets</b>				
Land & Land Improvements	2,019,819	21,799	2,041,618	2,041,618
Buildings & Improvements	2,478,757	-	2,478,757	2,478,757
Roads & Bridges	18,090,512	-	18,090,512	17,645,985
Sewer System	-	6,371,563	6,371,563	6,371,563
Machinery & Equipment	3,994,437	-	3,994,437	4,065,081
	26,583,525	6,393,362	32,976,887	32,603,004
Accumulated Depreciation	<u>(14,832,180)</u>	<u>(1,652,845)</u>	<u>(16,485,025)</u>	<u>(15,902,139)</u>
Net General Fixed Assets	11,751,345	4,740,517	16,491,862	16,700,865
Restricted Cash and Cash Equivalents	1,193,452	-	1,193,452	926,460
	<u>13,039,472</u>	<u>4,740,517</u>	<u>17,779,989</u>	<u>17,818,469</u>
	<u>\$ 15,401,378</u>	<u>\$ 4,748,148</u>	<u>\$ 20,149,526</u>	<u>\$ 19,051,328</u>
<b><u>LIABILITIES</u></b>				
<b>Current Liabilities</b>				
Escrow Deposits	\$ 594,938	\$ -	\$ 594,938	\$ 503,592
Liabilities	288	-	288	-
Bonds Payable, current	301,000	-	301,000	300,000
Notes Payable, current	32,766	59,571	92,337	91,983
	<u>928,992</u>	<u>59,571</u>	<u>988,563</u>	<u>895,575</u>
<b>Non-current Liabilities</b>				
Bonds Payable, less current	1,487,500	-	1,487,500	865,000
Notes Payable, less current	161,091	1,297,291	1,458,382	1,552,081
	<u>2,577,583</u>	<u>1,356,862</u>	<u>3,934,445</u>	<u>3,312,656</u>
<b><u>NET POSITION</u></b>				
Investment in Capital Assets, Net of Related Debt	9,768,988	3,383,655	13,152,643	13,891,801
<b>Restricted for:</b>				
Capital Projects	181,194	-	181,194	180,059
Specified use	40,537	-	40,537	42,205
Unrestricted	2,833,076	7,631	2,840,707	1,624,607
	<u>\$ 12,823,795</u>	<u>\$ 3,391,286</u>	<u>\$ 16,215,081</u>	<u>\$ 15,738,672</u>

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF COOLBAUGH**  
**STATEMENTS OF ACTIVITIES - MODIFIED CASH BASIS**  
For the year ending December 31, 2016

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Assets			2015 Memorandum Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Governmental activities:</b>							
General Government	\$ 609,524	\$ 290,537	\$ 9,227	\$ (309,760)	\$ -	\$ (309,760)	\$ (368,477)
Public Safety	2,942,391	14,119	132,443	(2,795,829)	-	(2,795,829)	(2,780,322)
Public Works	822,128	47,575	745,737	(28,816)	-	(28,816)	(424,523)
Recreation	1,527,184	1,200	-	(1,525,984)	-	(1,525,984)	(687,827)
Other	743,198	72,941	147,474	(522,783)	-	(522,783)	(573,288)
Interest on Long-Term Debt	19,493	-	-	(19,493)	-	(19,493)	(27,315)
Unallocated Depreciation	869,332	-	-	(869,332)	-	(869,332)	(773,603)
	7,533,250	426,372	1,034,881	(6,071,997)	-	(6,071,997)	(5,635,355)
<b>Business-type activities:</b>							
Public Sewer	374,921	156,459	-	-	(218,462)	(218,462)	(268,484)
Total Government	\$ 7,908,171	\$ 582,831	\$ 1,034,881	\$ (6,071,997)	\$ (218,462)	\$ (6,290,459)	\$ (5,903,839)
<b>General Revenues:</b>							
Taxes:							
Real Estate				\$ 4,125,935	\$ -	\$ 4,125,935	\$ 4,224,603
Real Estate Transfer				778,248	-	778,248	389,244
Emergency and Municipal Services				327,107	-	327,107	318,647
Earned Income				1,437,790	-	1,437,790	1,457,586
Internal Transfers				6,669,080	-	6,669,080	6,390,080
Gain on Sale of Fixed Assets				(150,000)	150,000	-	-
Interest Income				74,566	-	74,566	1,670
Total General Revenue, Special Items, and Transfers				23,123	99	23,222	16,623
				6,616,769	150,099	6,766,868	6,408,373
<b>Change in Net Position</b>							
Net Position - Beginning				544,772	(68,363)	476,409	503,994
Net Position - Ending				12,279,023	3,459,649	15,738,672	15,234,678
				\$ 12,823,795	\$ 3,391,286	\$ 16,215,081	\$ 15,738,672

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF COOLBAUGH**  
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCES TO THE NET  
 POSITION OF GOVERNMENTAL ACTIVITIES  
 AS OF DECEMBER 31, 2016

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**Total Fund Balances - Governmental Funds (CASH BASIS)** \$ 3,054,807

Amounts reported for governmental activities in the statement of net asses are different due to:

Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital Assets	26,583,525
Accumulated Depreciation	(14,832,180)

Long-term liabilities, including bonds and notes payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds.

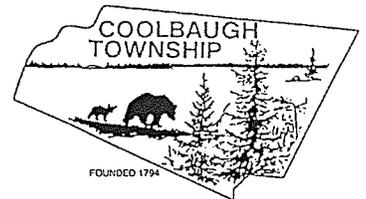
Long-term liabilities at year end consist of:

Bonds Payable	(1,788,500)
Note Payable	(193,857)

**Total Net Position - Governmental Activities (MODIFIED CASH BASIS)** \$ 12,823,795



**FUND FINANCIAL STATEMENTS**



**TOWNSHIP OF COOLBAUGH**

**COMBINED STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS  
GOVERNMENTAL FUNDS**

DECEMBER 31, 2016

	Major Funds			Non-Major Funds		2015 Memorandum Total
	General	Capital	Total	Special Revenue	Total Governmental Funds	
		Projects				
<b>ASSETS</b>						
Cash - unrestricted	\$ 1,215,690	\$ 181,194	\$ 1,396,884	\$ 40,537	\$ 1,437,421	\$ 299,772
Cash - restricted	1,193,452	-	1,193,452	-	1,193,452	926,460
Investments - unrestricted	924,439	-	924,439	-	924,439	919,772
Receivables	94,721	-	94,721	-	94,721	191,709
Total Assets	<u>\$ 3,428,302</u>	<u>\$ 181,194</u>	<u>\$ 3,609,496</u>	<u>\$ 40,537</u>	<u>\$ 3,650,033</u>	<u>\$ 2,337,713</u>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities:</b>						
Escrow Deposits	\$ 594,938	-	\$ 594,938	-	\$ 594,938	503,592
Liabilities	288	-	288	-	288	-
	595,226	-	595,226	-	595,226	503,592
<b>Fund balances:</b>						
Restricted	-	181,194	181,194	-	181,194	180,059
Capital Projects	-	-	-	40,537	40,537	42,205
Specific Use	2,833,076	-	2,833,076	-	2,833,076	1,611,857
Unassigned	2,833,076	181,194	3,014,270	40,537	3,054,807	1,834,121
Total Liabilities and Fund Balance	<u>\$ 3,428,302</u>	<u>\$ 181,194</u>	<u>\$ 3,609,496</u>	<u>\$ 40,537</u>	<u>\$ 3,650,033</u>	<u>\$ 2,337,713</u>

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF COOLBAUGH**  
**COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2016**

	Major Funds			Non-Major Funds			Total Governmental Funds	2015 Memorandum Total
	General	Capital Projects	Total	Special Revenue	Debt Service	Total		
<b>REVENUE</b>								
Taxes	\$ 6,143,582	\$ -	\$ 6,143,582	\$ 525,498	\$ -	\$ 525,498	\$ 6,669,080	\$ 6,389,540
Licenses and permits	178,040	-	178,040	-	-	-	178,040	177,598
Fines and forfeitures	43,792	-	43,792	-	-	-	43,792	30,325
Interest income	21,050	1,135	22,185	938	-	938	23,123	16,493
Intergovernmental revenue	459,454	-	459,454	555,912	-	555,912	1,015,366	859,122
Charges for services	131,599	-	131,599	-	-	-	131,599	96,567
Other	72,941	-	72,941	19,515	-	19,515	92,456	99,674
	<u>7,050,458</u>	<u>1,135</u>	<u>7,051,593</u>	<u>1,101,863</u>	<u>-</u>	<u>1,101,863</u>	<u>8,153,456</u>	<u>7,669,319</u>
<b>EXPENDITURES</b>								
Current								
General government	609,524	-	609,524	-	-	-	609,524	649,454
Public safety	2,942,391	-	2,942,391	-	-	-	2,942,391	2,933,053
Public works	1,037,462	-	1,037,462	572,426	-	572,426	1,609,888	1,710,614
Recreation	78,186	-	78,186	525,498	-	525,498	603,684	688,202
Other	743,198	-	743,198	-	-	-	743,198	777,804
Debt Service:								
Principal	-	-	-	-	329,158	329,158	329,158	327,461
Interest	-	-	-	-	19,493	19,493	19,493	27,315
	<u>5,410,761</u>	<u>-</u>	<u>5,410,761</u>	<u>1,097,924</u>	<u>348,651</u>	<u>1,446,575</u>	<u>6,857,336</u>	<u>7,113,903</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,639,697</u>	<u>1,135</u>	<u>1,640,832</u>	<u>3,939</u>	<u>(348,651)</u>	<u>(344,712)</u>	<u>1,296,120</u>	<u>555,416</u>
<b>OTHER FINANCING (USES) SOURCES</b>								
Proceeds from sale of fixed assets	74,566	-	74,566	-	-	-	74,566	
Operating transfers in	5,607	-	5,607	(5,607)	348,651	343,044	348,651	354,776
Operating transfers out	(498,651)	-	(498,651)	-	-	-	(498,651)	(550,231)
	<u>(418,478)</u>	<u>-</u>	<u>(418,478)</u>	<u>(5,607)</u>	<u>348,651</u>	<u>343,044</u>	<u>(75,434)</u>	<u>(195,455)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES) SOURCES</b>	<u>1,221,219</u>	<u>1,135</u>	<u>1,222,354</u>	<u>(1,668)</u>	<u>-</u>	<u>(1,668)</u>	<u>1,220,686</u>	<u>359,961</u>
<b>FUND BALANCE, JANUARY 1</b>	<u>1,611,857</u>	<u>180,059</u>	<u>1,791,916</u>	<u>42,205</u>	<u>-</u>	<u>42,205</u>	<u>1,834,121</u>	<u>1,474,160</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 2,833,076</u>	<u>\$ 181,194</u>	<u>\$ 3,014,270</u>	<u>\$ 40,537</u>	<u>\$ -</u>	<u>\$ 40,537</u>	<u>\$ 3,054,807</u>	<u>\$ 1,834,121</u>

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF COOLBAUGH**  
**BALANCE SHEET**  
 PROPRIETARY FUNDS - ENTERPRISE  
 DECEMBER 31, 2016 AND 2015

	<b>Public Sewer</b>	
	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
Cash - unrestricted	\$ 7,631	\$ 12,750
	<u>7,631</u>	<u>12,750</u>
Capital Assets:		
Land and Land Improvements	21,799	21,799
Infrastructure	6,371,563	6,371,563
	<u>6,393,362</u>	<u>6,393,362</u>
Accumulated Depreciation	(1,652,845)	(1,525,414)
	<u>4,740,517</u>	<u>4,867,948</u>
Total Assets	<u><u>4,748,148</u></u>	<u><u>\$ 4,880,698</u></u>
<b>LIABILITIES AND RETAINED EARNINGS</b>		
<b>LIABILITIES</b>		
Bonds and Notes Payables	\$ 1,356,862	\$ 1,421,049
Total Liabilities	<u>1,356,862</u>	<u>1,421,049</u>
<b>RETAINED EARNINGS</b>		
Investment in fixed assets	3,383,655	3,446,899
Unrestricted	7,631	12,750
Total Retained Earnings	<u>3,391,286</u>	<u>3,459,649</u>
Total Liabilities and Retained Earnings	<u><u>\$ 4,748,148</u></u>	<u><u>\$ 4,880,698</u></u>

**TOWNSHIP OF COOLBAUGH**  
**STATEMENTS OF INCOME**  
**PROPRIETARY FUNDS - ENTERPRISE**  
**YEAR ENDED DECEMBER 31, 2016 AND 2015**

	<b>Public Sewer</b>	
	<b>2016</b>	<b>2015</b>
<b>OPERATING REVENUES</b>		
Charges for service	\$ 156,459	\$ 157,124
<b>TOTAL OPERATING REVENUE</b>	<b>156,459</b>	<b>157,124</b>
<b>OPERATING EXPENSES</b>		
Contracted Services	84,726	86,096
Utilities	47,524	51,845
Other	12,172	7,036
Supplies	11,295	17,505
Construction and Maintenance	26,219	28,251
Legal and Engineering	50,367	77,556
Depreciation	127,431	127,431
<b>TOTAL OPERATING EXPENSES</b>	<b>359,734</b>	<b>395,720</b>
<b>OPERATING LOSS</b>	<b>(203,275)</b>	<b>(238,596)</b>
<b>NONOPERATING REVENUE (EXPENSE)</b>		
Interest income	99	130
Interest expense	(15,187)	(29,888)
<b>INCOME BEFORE OPERATING TRANSFERS</b>	<b>(218,363)</b>	<b>(268,354)</b>
<b>OPERATING TRANSFERS</b>		
Operating transfers in	150,000	195,455
<b>CHANGE IN RETAINED EARNINGS</b>	<b>(68,363)</b>	<b>(72,899)</b>
<b>RETAINED EARNINGS, JANUARY 1</b>	<b>3,459,649</b>	<b>3,532,548</b>
<b>RETAINED EARNINGS, DECEMBER 31</b>	<b>\$ 3,391,286</b>	<b>\$ 3,459,649</b>

**TOWNSHIP OF COOLBAUGH**  
**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUNDS - ENTERPRISE**  
**YEAR ENDED DECEMBER 31, 2016**

	<b>Public Sewer</b>	
	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 156,459	\$ 157,124
Cash paid to suppliers	(232,303)	(268,289)
NET CASH USED IN OPERATING ACTIVITIES	<u>(75,844)</u>	<u>(111,165)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Interfund transfers in	<u>150,000</u>	<u>195,456</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Payments of borrowings	(64,187)	(58,883)
Interest paid on debt	(15,187)	(29,888)
	<u>(79,374)</u>	<u>(88,771)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	<u>99</u>	<u>130</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(5,119)	(4,350)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>12,750</u>	<u>17,100</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 7,631</u>	<u>\$ 12,750</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES</b>		
Operating loss	\$ (203,275)	\$ (238,596)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	<u>127,431</u>	<u>127,431</u>
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (75,844)</u>	<u>\$ (111,165)</u>

**TOWNSHIP OF COOLBAUGH**  
**STATEMENTS OF NET POSITION - CASH BASIS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2016 AND 2015**

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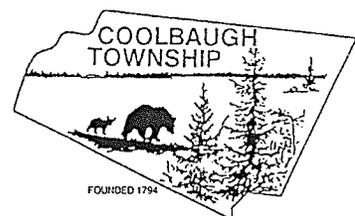
	<b>Pension Trust</b>	
	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Investments - unrestricted	<u>\$ 1,221,423</u>	<u>\$ 1,122,665</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>	<u>\$ 1,221,423</u>	<u>\$ 1,122,665</u>

**TOWNSHIP OF COOLBAUGH****STATEMENTS OF CHANGES IN NET POSITION - CASH BASIS****FIDUCIARY FUNDS**YEAR ENDED DECEMBER 31, 2016 AND 2015

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	<b>Pension Trust</b>	
	<b>2016</b>	<b>2015</b>
<b>ADDITIONS</b>		
Township Contributions	\$ 16,102	\$ 12,971
Employee Contributions	11,633	10,036
State Aid	52,496	54,892
Interest, dividends, and net unrealized gains/losses	23,058	6,788
	<u>103,289</u>	<u>84,687</u>
<b>DEDUCTIONS</b>		
Administrative fees	1,930	3,524
Pension benefits	2,601	243,222
	<u>4,531</u>	<u>246,746</u>
<b>CHANGE IN NET POSITION</b>	98,758	(162,059)
<b>NET POSITION, JANUARY 1</b>	<u>1,122,665</u>	<u>1,284,724</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 1,221,423</u>	<u>\$ 1,122,665</u>

## NOTES TO THE FINANCIAL STATEMENTS



**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Township of Coolbaugh, Monroe County, (the "Township"), which was founded in 1794, operates under the Second-Class Township code of the Commonwealth of Pennsylvania. The Township has an elected five-member Board of Supervisors, and provides the following services to its residents: public safety, highways and streets, sanitation, culture-recreation, planning and zoning, and general administrative services.

**Principles Determining Scope of Reporting Entity**

The financial statements of the Township consist only of the funds and account groups of the Township. The Township has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Township. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

**Basis of Accounting**

The Township's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information. Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the modified cash basis of accounting. Governmental funds use the cash basis of accounting. Fiduciary funds also use the cash basis of accounting. Differences in the modified cash and the cash basis of accounting arise in the recognition fixed assets and related debt.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS:**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statement of net position presents the financial condition of the governmental activities of the Township at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Township's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Township. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Township.

# TOWNSHIP OF COOLBAUGH

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Accounting (continued)

##### FUND FINANCIAL STATEMENTS:

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The fiduciary fund is reported separately by type.

All funds of the Township are accounted for using the cash basis. As such, revenues are recognized when cash is received, and expenses are recognized when they are paid. The accounts of the Township are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenditures.

##### GOVERNMENTAL FUNDS:

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following funds are used by the Township.

##### GOVERNMENTAL FUND TYPES

**General Fund (Major Fund)** is the general operating fund of the Township. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

**Capital Projects Funds (Major Fund)** account for financial resources to be used for the acquisition or construction of certain major capital facilities which are not financed by the Proprietary and General Funds.

**Special Revenue Funds (Non-major Fund)** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Included in these funds are State Liquid Fuels Highway Aid, and Library funds.

# TOWNSHIP OF COOLBAUGH

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Accounting (continued)

**Debt Service Fund (Non-major Fund)** accounts for resources accumulated for the purpose of funding general long-term debt obligations.

#### PROPRIETARY FUND TYPES

**Enterprise Funds** are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the costs of providing services to the general public on a continuing basis are financed through user charges. The Public Sewer Fund is the sole Enterprise Fund of the Township.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services. The principal operating revenues of the sewer fund and sewer capital fund are charges to customers for services.

Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

#### FIDUCIARY FUND TYPES

Trust Fund is used to account for assets held by the Township in a trustee capacity. This includes the Pension Trust Fund. The Pension Trust Fund is used to account for the Township sponsored retirement pension plans. The Pension Trust Fund is accounted for in essentially the same manner as the Proprietary Fund since capital maintenance is critical.

#### MEASUREMENT FOCUS:

##### Government-wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the Township are included on the Statement of Net Assets.

# TOWNSHIP OF COOLBAUGH

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Accounting (continued)

##### Fund Financial Statements:

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The private purpose trust fund is reported using the economic resources measurement focus.

##### Cash and Investments

The Township maintains all its cash in checking and savings accounts which are covered by federal depository insurance or by collateral held by the Township's custodial bank. The Second-Class Township Code authorizes the Township to invest its funds in savings accounts and certificates of deposit or time deposits provided that these deposits are insured or collateralized by a pledge or assignment of assets of the depository institution. In addition, the Township may invest its funds in obligations of the United States of America or the Commonwealth of Pennsylvania, including their agencies or instrumentalities, political subdivisions of the Commonwealth of Pennsylvania, and United States Treasury Bills.

##### Capital Assets

Capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction costs are reflected as expenditures in governmental funds. In the government wide financial statements, these assets are capitalized and depreciated using the straight-line method over the estimated useful life. Fixed assets in the Enterprise Fund are stated at cost. Depreciation of equipment in the Enterprise Fund is computed using the straight-line method over the estimated useful life of the equipment.

General Fixed Assets purchased are recorded as expenditures at the time of purchase. General Fixed Assets are stated at cost when determinable, or estimated historical cost based on appraisals or other acceptable methods when historical cost is not available. Donated fixed assets are stated at their fair market value as of the date of gift.

# TOWNSHIP OF COOLBAUGH

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Accounting (continued)

##### Use of Estimates

The preparation of financial statements in conformity with modified cash and cash basis accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

##### Fund Financial Statements

Interfund activity, if any, within and among the governmental fund categories is reported as follows in the fund financial statements:

1. Interfund loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
3. Interfund transfers - Flows of assets from one fund to another where repayment is not expected are reported as transfers in and out.

##### Government-wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities (if any) columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.

# TOWNSHIP OF COOLBAUGH

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Accounting (continued)

#### TRANSFERS

Legally authorized payments or authorizations to make payments from a fund receiving revenue to a fund through which the resources are to be expended are reported as operating transfers. Transfers to the pension funds are quasi-external transactions and are not treated as operating transfers.

#### BUDGETS AND BUDGETARY ACCOUNTING

The Township adopts annual budgets for all funds in accordance with the Second-Class Township Code. All budgets are adopted on a cash basis, which is not consistent with U.S. generally accepted accounting principles. All budget amounts included in the accompanying financial statements and supplementary information are as originally adopted or as amended by the Board of Supervisors. Appropriations not expended lapse at the end of each fiscal year. The Township uses traditional, program and performance budgeting methods to develop the operating budget, which includes proposed expenditures and the means to finance them. The budget is adopted by ordinance and subject to change only by ordinance. The Township utilizes the cash basis of accounting for budgetary purposes. Once adopted, the budget is not revised or amended.

#### FUND BALANCES

Governmental funds report fund balance in classifications based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

##### **Nonspendable Fund Balance**

- Amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

##### **Restricted Fund Balance**

- Amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

# TOWNSHIP OF COOLBAUGH

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Accounting (continued)

##### Committed Fund Balance

- Amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Supervisors - the Township's highest level of decision making authority.
- Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period.

##### Assigned Fund Balance

- This classification reflects the amounts constrained by the Township's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Supervisors or official that has been delegated, have the authority to assign amounts to be used for specific purposes as established in the approved budget. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

##### Unassigned Fund Balance

- For the general fund, amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

#### DEBT AND DEBT SERVICE

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt of the Township not accounted for in other funds.

#### PENSION PLAN

The Township has one defined contribution pension plan. Pension costs for the plan includes current service costs.

# TOWNSHIP OF COOLBAUGH

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### REVENUES, EXPENDITURES AND EXPENSES

##### Program Revenues

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the Township's taxpayers are reported as program revenues. The Township has the following program revenues in each activity:

General Government - Licenses and permits, Zoning and Code Enforcement Fees, Public Utility and Alcohol Beverage Tax

Public Safety - Fines and forfeits revenue; Septic permits, Foreign Fire Casualty Insurance

Public Works - Liquid fuels tax collections shared by the State; Snow removal and State payments in lieu of taxes

Recreation – Pavilion Rental income, recreation fees, and specific donations.

Other - Rental income from leased space and police pension from the Commonwealth of Pennsylvania.

### NOTE 2 INVESTMENTS AND DEPOSITS WITH FINANCIAL INSTITUTIONS

The Township, under the Pennsylvania Second Class Township Code Act of 1933, as amended, is authorized to invest in direct obligations of the United States government, obligations guaranteed by the United States government, obligations of the Commonwealth of Pennsylvania, or any political subdivision of the Commonwealth of Pennsylvania, savings or time deposits and time certificates of deposit. The deposit and investment policy of the Township adheres to state statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the Township. To the extent the Township's deposits with financial institutions are not insured by the Federal Deposit Insurance Corporation, assets have been pledged by the financial institutions. The fair market value of pledged assets exceeded the carrying amount of deposits in the pools at year end.

#### Credit risk

The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The majority of the Township's investments are in U.S. Government Obligations and are therefore not exposed to this type of risk. Investments in PLGIT have received an AAAM rating from Standard & Poor's.

# TOWNSHIP OF COOLBAUGH

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

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### NOTE 2 INVESTMENTS AND DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

#### Custodial credit risk

**Deposits** - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2016, the Township's carrying amount of deposits was \$3,562,943 and the bank balance was \$3,675,570. Of the bank balance, \$304,324 was covered by federal depository insurance; \$3,371,246 exceeded depository insurance and was exposed to custodial credit risk because the deposits were uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the Township's name.

**Investments** - For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Pennsylvania Local Government Investment Trust was established as common law trusts organized under laws of the Commonwealth of Pennsylvania. Shares of the funds are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools and municipalities. The Township's deposits in these pooled funds are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. These investments are reflected as cash and cash equivalents on the balance sheet. The fair value of the Township's position in the external investment pools is the same as the value of the pool shares. All investments in an external investment pools that are not SEC registered are subject to oversight by the Commonwealth of Pennsylvania.

### NOTE 3 PROPERTY TAXES

Property taxes are levied as of January 1 on property values assessed as of the same date. Taxes are billed March 1 and payable under the following terms: a 2% discount March 1 through April 30; face amount May 1 through June 30; and a 10% penalty after June 30. Any unpaid bills at December 31 are subject to lien, and penalties and interest are assessed.

The Township recognizes tax revenue when collected. Assessed valuation is taxed at a 15.75 Mileage (12.75 for general, 1.0 for Fire and 2.0 electoral for Library).

# TOWNSHIP OF COOLBAUGH

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

### NOTE 4 CAPITAL ASSETS

The following is a summary of changes in the capital assets activities:

	Balance, Beginning 1/1/2016	Additions	Disposals	Balance, Ending 12/31/2016
<b>Governmental Activities:</b>				
<b>Capital Assets not being depreciated</b>				
Land	\$ 1,142,637	\$ -	\$ -	\$ 1,142,637
<b>Capital Assets being depreciated</b>				
Land Improvements	877,182	-	-	877,182
Buildings & Improvements	2,478,757	-	-	2,478,757
Roads & Bridges	17,645,985	444,527	-	18,090,512
Machinery & Equipment	4,065,081	343,233	(413,877)	3,994,437
Total Capital Assets	26,209,642	787,760	(413,877)	26,583,525
<b>Accumulated Depreciation</b>				
Land Improvements	(738,690)	(22,045)	-	(760,735)
Buildings & Improvements	(946,664)	(4,315)	-	(950,979)
Roads & Bridges	(9,488,158)	(506,935)	-	(9,995,093)
Machinery & Equipment	(3,203,213)	(336,037)	413,877	(3,125,373)
Total Accumulated Depreciation	(14,376,725)	(869,332)	413,877	(14,832,180)
<b>Total Governmental Capital Assets, net</b>	<b>\$ 11,832,917</b>	<b>\$ (81,572)</b>	<b>\$ -</b>	<b>\$ 11,751,345</b>
	Balance, Beginning 1/1/2016	Additions	Disposals	Balance, Ending 12/31/2016
<b>Business-Type Activities:</b>				
<b>Capital Assets not being depreciated</b>				
Land	\$ 8,140	\$ -	\$ -	\$ 8,140
<b>Capital Assets being depreciated</b>				
Land Improvements	13,659	-	-	13,659
Sewer System	6,371,563	-	-	6,371,563
Total Capital Assets	6,385,222	-	-	6,385,222
<b>Accumulated Depreciation</b>				
Land Improvements	(13,659)	-	-	(13,659)
Sewer System	(1,511,755)	(127,431)	-	(1,639,186)
Total Accumulated Depreciation	(1,525,414)	(127,431)	-	(1,652,845)
<b>Total Business-Type Capital Assets, net</b>	<b>\$ 4,859,808</b>	<b>\$ (127,431)</b>	<b>\$ -</b>	<b>\$ 4,732,377</b>

# TOWNSHIP OF COOLBAUGH

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

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### NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the following functions in the statement of activities:

Governmental Activities:

Unallocated	<u>\$ 869,332</u>
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Business-Type Activities:

Sewer	<u>\$ 127,431</u>
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### NOTE 5 DEBT AND DEBT SERVICE

#### Series 2016 General Obligation Bonds – Governmental Type Debt

Original issue of \$923,500 to refinance existing debt of Pocono Mountain Public Library, Inc.; principal is due annually on June 1st and interest is due semi-annually on June and December 1st, at rates ranging from 1.58% to 2.50%, maturing in 2023.

#### Series 2013 General Obligation Bonds – Governmental Type Debt

Original issue of \$2,045,000 to refund Series 2008 and to pay the cost of issuance; principal and interest are due semi-annually on March and September 15th, at rates ranging from 1.00% to 1.50%, maturing in 2019.

#### Series 2001 General Obligation Notes – Governmental Type Debt

Original issues of \$2,000,000 of which the Township is responsible for 26% or \$520,000 originally, for the construction of a regional police building; due in monthly installments of \$3,403 with interest at 4.9% maturing 2022. The Township does not retain any pro-rata share of the constructed asset as ownership resides with the regional police department.

#### Series 2009 Guaranteed Sewer Revenue Bonds – Business Type Debt

Original issue of \$1,831,383 for the construction and completion of the sewer treatment facility; and to repay the Township's General Obligation Notes Series 2007. The debt is payable in monthly installments of \$5,890, including interest of 1%, maturing in 2039.

# TOWNSHIP OF COOLBAUGH

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

### NOTE 5 DEBT AND DEBT SERVICE (CONTINUED)

#### Series 2008A General Obligation Notes – Business Type Debt

Original issue of \$172,967 for the construction and completion of the sewer treatment facility; The debt is payable in monthly installments of \$ 912.48, including interest of 2%. The Note was through the “Penn Works” program, maturing in 2028.

#### Series 1997 General Obligation Notes – Business Type Debt

Original issue of \$357,357 for the construction and completion of the sewer treatment facility; Principal and interest is due monthly at a rate Of 1.0% maturing 2016. The PennVest debt is certified as self-liquidating

The following is a summary of the Township's long-term debt activity for the year:

	<b>Balance, Beginning 1/1/2016</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance, Ending 12/31/2016</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Series of 2016 Bonds	\$ -	\$ 923,500	\$ -	\$ 923,500	\$ 1,000
Series of 2013 Bonds	1,165,000	-	(300,000)	865,000	300,000
Series of 2001 Notes	223,015	-	(29,158)	193,857	32,766
	<u>1,388,015</u>	<u>923,500</u>	<u>(329,158)</u>	<u>1,982,357</u>	<u>333,766</u>
<b>Business-Type Activities</b>					
Series of 2009 SR Bonds	1,287,608	-	(49,841)	1,237,767	50,342
Series of 2008 A Notes	128,149	-	(9,054)	119,095	9,229
Series of 1997 Notes	5,292	-	(5,292)	-	-
	<u>1,421,049</u>	<u>-</u>	<u>(64,187)</u>	<u>1,356,862</u>	<u>59,571</u>
<b>Total Government-Wide Debt</b>	<u>\$ 2,809,064</u>	<u>\$ 923,500</u>	<u>\$ (393,345)</u>	<u>\$ 3,339,219</u>	<u>\$ 393,337</u>

**TOWNSHIP OF COOLBAUGH**

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

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**NOTE 5 DEBT AND DEBT SERVICE (CONTINUED)**

Annual debt service requirements for Governmental Activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 333,766	\$ 36,534	\$ 370,300
2018	339,763	24,937	364,700
2019	311,790	19,721	331,511
2020	316,228	14,363	330,591
2021	321,738	8,808	330,546
2022	306,552	5,077	311,629
2023	52,520	656	53,176
Total	<u>\$ 1,982,357</u>	<u>\$ 110,096</u>	<u>\$ 2,092,453</u>

Annual debt service requirements for Business-type Activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 59,571	\$ 14,503	\$ 74,074
2018	60,263	13,811	74,074
2019	60,964	13,110	74,074
2020	61,674	12,400	74,074
2021	62,393	11,681	74,074
2022	63,121	10,953	74,074
2023	63,858	10,215	74,073
2024	64,605	9,254	73,859
Thereafter	860,413	60,418	920,831
Total	<u>\$ 1,356,862</u>	<u>\$ 156,345</u>	<u>\$ 1,513,207</u>

# TOWNSHIP OF COOLBAUGH

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

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### NOTE 6 DEFINED CONTRIBUTION PENSION PLANS

#### General

The Coolbaugh Township Non-Uniformed Pension Plan is a single employer defined contribution pension plan controlled by the provisions of The Principal Financial Group Prototype Basic Defined Contribution Plan Document used with an adoption agreement approved on October 26, 1991. The plan is governed by the Board of Township Supervisors, which is responsible for the management of plan assets. The Board of Township Supervisors has delegated the authority to manage certain plan assets to The Principal Mutual Life Insurance Company.

#### Plan Membership

The plan has 15 active employees.

#### Eligibility Requirements

*Normal Retirement* -Attainment of age 65

*Early Retirement* -Attainment of age 55 with six years of vesting service

*Vesting* -100 percent after five years of vesting service

#### Retirement Benefit

An active member's benefit value becomes 100 percent vested upon meeting the early or normal retirement provisions and is available for distribution.

#### Survivor Benefit

An active member's benefit value becomes 100 percent vested upon death and is available to the surviving spouse or beneficiary.

#### Disability Benefit

An active member's benefit value becomes 100 percent vested upon meeting total and permanent disability provisions and is available for distribution.

#### Member's Contribution

Amount or Rate -Voluntary contributions allowed.

#### Funding Policy

Active members are not required to contribute to the plan. The municipality has chosen to contribute at a rate of ten percent (10%) of annual pay for each eligible plan member. The plan document provides for a discretionary funding provision. The specific funding percentage maybe found in the Township ordinance. The pension plan may also be eligible for an annual allocation from the General Municipal Pension System State Aid Program, which must be used to reduce or eliminate the required municipal contribution.

# TOWNSHIP OF COOLBAUGH

## NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2016

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### NOTE 7 INTERFUND TRANSFERS

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 5,607	\$ 498,651
Special Revenue	-	5,607
Debt Service	348,651	-
Sewer Fund	150,000	-
	<u>\$ 504,258</u>	<u>\$ 504,258</u>

Generally, the purpose of transfers in (out) of the funds is to provide cash needed to pay expenditures of the fund. Transfers out of the Special Revenue occurred due to a deposit by the State made into an incorrect bank account.

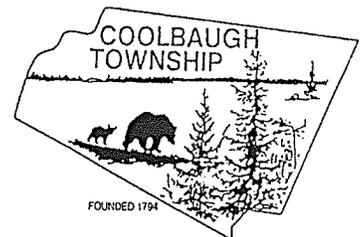
### NOTE 8 LITIGATION

The Township is a defendant in lawsuits concerning various matters. Although the outcome of the lawsuits is not presently determinable, in the opinion of Township legal counsel, resolution of these matters will not have a material adverse effect on the financial condition of the Township.

### NOTE 9 SUBSEQUENT EVENTS

During March 2017, the Township entered into a loan and security agreement for a standby-by letter of credit in the amount of \$671,150. The Letter of Credit was issued for the benefit of the Commonwealth of Pennsylvania, Department of Transportation to ensure completion of a left-hand turning lane on PA Route 196.

**REQUIRED SUPPLEMENTARY INFORMATION**



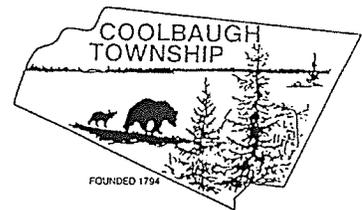
**TOWNSHIP OF COOLBAUGH**  
**SCHEDULE OF BUDGET AND ACTUAL - CASH BASIS GENERAL FUND (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
<b>TAXES</b>			
Real estate	\$ 3,583,781	\$ 3,600,437	\$ 16,656
Real estate transfer	275,000	778,248	503,248
Local service tax	250,000	327,107	77,107
Earned income	1,300,000	1,437,790	137,790
	<u>5,408,781</u>	<u>6,143,582</u>	<u>734,801</u>
<b>LICENSES AND PERMITS</b>			
Cable television licenses	260,000	177,015	(82,985)
Permits	1,500	1,025	(475)
	<u>261,500</u>	<u>178,040</u>	<u>(83,460)</u>
<b>FINES AND FORFEITURES</b>			
Fines and code violations	31,000	43,792	12,792
<b>INTEREST INCOME</b>			
Interest on investments	10,000	21,050	11,050
<b>INTERGOVERNMENTAL REVENUE</b>			
State public utility tax	7,000	7,177	177
Alcoholic beverage taxes	3,000	2,050	(950)
Foreign fire insurance premium tax	135,000	132,443	(2,557)
Pension fund state aid	88,523	147,474	58,951
Recycling	40,000	88,782	48,782
Other government grants	79,000	81,528	2,528
Sewer Enforcement	25,000	-	(25,000)
	<u>377,523</u>	<u>459,454</u>	<u>81,931</u>
<b>CHARGES FOR SERVICES</b>			
General government	50,550	68,705	18,155
Public works	24,500	47,575	23,075
Public safety	15,500	14,119	(1,381)
Recreation	500	1,200	700
	<u>91,050</u>	<u>131,599</u>	<u>40,549</u>
<b>OTHER</b>			
Sales of fixed assets	30,000	74,566	44,566
Rents	65,448	72,941	7,493
	<u>95,448</u>	<u>147,507</u>	<u>52,059</u>
<b>TOTAL REVENUES</b>	<u>\$ 6,275,302</u>	<u>\$ 7,125,024</u>	<u>\$ 849,722</u>

**TOWNSHIP OF COOLBAUGH**  
**SCHEDULE OF BUDGET AND ACTUAL - CASH BASIS GENERAL FUND (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>EXPENDITURES:</b>			
<b>GENERAL GOVERNMENT</b>			
Legislative and governing body	145,686	126,209	19,477
Executive	64,200	61,879	2,321
Financial services	62,835	69,733	(6,898)
Tax collection	48,450	38,951	9,499
Legal and solicitor	79,820	75,308	4,512
Other general government administration	35,824	36,000	(176)
Building maintenance and utilities	253,205	201,444	51,761
	<u>690,020</u>	<u>609,524</u>	<u>80,496</u>
<b>PUBLIC SAFETY</b>			
Police	2,149,354	2,124,765	24,589
Fire	660,197	483,236	176,961
Ambulance and rescue	145,000	132,340	12,660
Code enforcement	77,277	84,792	(7,515)
Protective inspection	78,488	71,320	7,168
Control center	32,000	31,315	685
Planning and zoning	20,500	14,623	5,877
	<u>3,162,815</u>	<u>2,942,391</u>	<u>220,424</u>
<b>PUBLIC WORKS</b>			
Highways, streets and general services	788,302	698,946	89,356
Composting and recycling	71,500	48,644	22,856
Winter maintenance	218,720	166,525	52,195
Traffic control	45,500	45,567	(67)
Storm sewers	15,000	-	15,000
Repairs of tools and machinery	70,000	71,773	(1,773)
Road and bridge construction	5,000	3,297	1,703
Road and bridge maintenance	3,000	2,710	290
	<u>1,217,022</u>	<u>1,037,462</u>	<u>179,560</u>
<b>RECREATION AND COMMUNITY</b>			
Library	-	2,536	(2,536)
Community services	28,000	24,557	3,443
Parks	49,094	51,093	(1,999)
	<u>77,094</u>	<u>78,186</u>	<u>(1,092)</u>
<b>MISCELLANEOUS</b>			
Pension contributions	234,601	243,350	(8,749)
Workers compensation	69,000	72,241	(3,241)
Unemployment compensation	15,000	3,623	11,377
Employee benefits	291,815	283,263	8,552
Insurance premiums	80,825	51,793	29,032
Social security	59,336	59,336	-
Other	4,700	29,592	(24,892)
	<u>755,277</u>	<u>743,198</u>	<u>12,079</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 5,902,228</u>	<u>\$ 5,410,761</u>	<u>\$ 491,467</u>

## COMBINING SCHEDULES



# TOWNSHIP OF COOLBAUGH

COMBINING STATEMENT OF ASSETS AND FUND BALANCE

CASH BASIS - NON-MAJOR FUNDS - SPECIAL REVENUE FUNDS

DECEMBER 31, 2016

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	<u>Library</u>	<u>Highway Aid</u>	<u>Total</u>
<b>ASSETS</b>			
Cash - unrestricted	<u>\$ -</u>	<u>\$ 40,537</u>	<u>\$ 40,537</u>
<b>FUND BALANCE</b>			
Unassigned	<u>\$ -</u>	<u>\$ 40,537</u>	<u>\$ 40,537</u>

# TOWNSHIP OF COOLBAUGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - CASH BASIS NON-MAJOR FUNDS - SPECIAL REVENUE FUNDS  
 YEAR ENDED DECEMBER 31, 2016

	<u>Library</u>	<u>Highway Aid</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 525,498	\$ -	\$ 525,498
Interest income	-	938	938
Intergovernmental revenue	-	555,912	555,912
Miscellaneous	-	19,515	19,515
	<u>525,498</u>	<u>576,365</u>	<u>1,101,863</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
Public works	-	578,033	578,033
Culture and recreation	525,498	-	525,498
	<u>525,498</u>	<u>578,033</u>	<u>1,103,531</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	-	(1,668)	(1,668)
<b>FUND BALANCE, JANUARY 1</b>	<u>-</u>	<u>42,205</u>	<u>42,205</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ -</u>	<u>\$ 40,537</u>	<u>\$ 40,537</u>

# TOWNSHIP OF COOLBAUGH

COMBINING STATEMENT OF ASSETS AND FUND BALANCE - CASH BASIS

MAJOR FUNDS - CAPITAL PROJECTS FUNDS

DECEMBER 31, 2016

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	<u>Emergency Services</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>			
Cash - unrestricted	<u>\$ 167,408</u>	<u>\$ 13,786</u>	<u>\$ 181,194</u>
 <b>FUND BALANCE</b>			
Unassigned	<u>\$ 167,408</u>	<u>\$ 13,786</u>	<u>\$ 181,194</u>

# TOWNSHIP OF COOLBAUGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE – CASH BASIS

MAJOR FUNDS - CAPITAL PROJECTS FUNDS

YEAR ENDED DECEMBER 31, 2016

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	<u>Emergency Services</u>	<u>Capital Projects</u>	<u>Total</u>
<b>REVENUES</b>			
Interest income	\$ 1,084	\$ 51	\$ 1,135
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	1,084	51	1,135
<b>FUND BALANCE, JANUARY 1</b>	<u>166,324</u>	<u>13,735</u>	<u>180,059</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 167,408</u>	<u>\$ 13,786</u>	<u>\$ 181,194</u>