

TOWNSHIP OF COOLBAUGH
MONROE COUNTY, PENNSYLVANIA

**FINANCIAL STATEMENTS AND
AUDITORS' REPORT**

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2017

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, 2017, 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, 2017, 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
February 24, 2018



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, 2017 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.

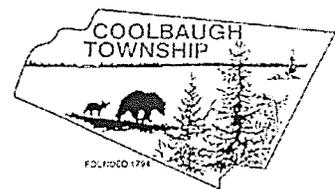


This communication is intended solely for the information and use of management, the Board of Supervisors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Frey & Co. CPAs, LLC

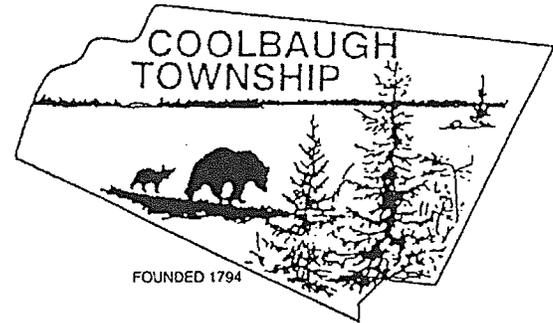
Frey & Co. CPAs, LLC
Walnutport, Pennsylvania
February 24, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS



TOWNSHIP OF COOLBAUGH
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

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, 2017. 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 \$3,373,568, an increase of \$318,761 from the previous year. The increase was largely a result of better than expected earned income taxes along with a reduction in building maintenance and postponements of ongoing capital projects and investments in the Township's infrastructure. The total General Fund balance amounted to \$3,096,348 an increase of \$263,272.

Government-Wide

Government-wide net position of the Township at the close of the year was \$16,592,005. General revenues accounted for \$6,691,356 in revenue or approximately 81% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,535,203 or approximately 19% of total revenues of \$8,226,559. Total assets were \$20,278,066 of which \$3,166,003 represents unrestricted cash. Fixed assets, net of accumulated depreciation was \$16,219,321. The Township had \$7,573,442 in expenses; only \$1,535,203 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$6,691,356 were adequate to provide for these programs. Expenses, after program revenue was \$6,038,239.

TOWNSHIP OF COOLBAUGH

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

DECEMBER 31, 2017

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 \$13,181,607 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 \$685,384 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 \$32,267 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, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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

Table 1

Net Position

	2017	2016
Assets		
Current and Other Assets	\$ 4,003,961	\$ 3,562,989
Capital Assets, net	16,219,321	16,491,862
Non-current Assets	54,784	94,675
	<u>20,278,066</u>	<u>20,149,526</u>
Liabilities		
Current Liabilities	\$ 1,099,515	\$ 1,172,072
Long-Term Liabilities	2,586,546	3,038,566
	<u>3,686,061</u>	<u>4,210,638</u>
Net Position		
Invested in Capital Assets, net of related debt	\$ 13,181,607	\$ 12,876,450
Restricted	277,220	221,731
Unrestricted	3,133,178	2,840,707
	<u>\$ 16,592,005</u>	<u>\$ 15,938,888</u>

The 2016 column reflects restated amounts for current and long-term liabilities and the related net position, net investment in capital assets, as a result of a prior period adjustment recorded in fiscal year 2017. Amounts were changed by \$183,509, \$92,684 and \$276,193, respectively, for the effect of correcting the method of accounting used for capital lease obligations.

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.

TOWNSHIP OF COOLBAUGH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2017

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

	2017	2016
Program Revenues		
Charges for Services	\$ 661,484	\$ 582,831
Operating Grants and Contributions	873,719	1,034,881
General Revenues		
Taxes	6,661,306	6,669,080
Gain on sale of Fixed Assets	-	74,566
Investment Earnings	30,050	23,222
Total Revenues	<u>8,226,559</u>	<u>8,384,580</u>
Program Expenses		
General Government	552,872	609,524
Public Safety	3,722,169	2,942,391
Public Works	872,852	701,814
Cultural and Recreation	639,220	1,527,184
Other	595,575	743,198
Interest on Long-Term Debt	36,769	19,493
Unallocated Depreciation	737,666	869,332
Enterprise Fund	416,319	374,921
Total Expense	<u>7,573,442</u>	<u>7,787,857</u>
Increase in Net Position	653,117	596,723
Net Position - Beginning	15,938,888	15,738,672
Prior Period Adjustment	-	(396,507)
Net Position - Ending	<u>\$ 16,592,005</u>	<u>\$ 15,938,888</u>

TOWNSHIP OF COOLBAUGH
 MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
 DECEMBER 31, 2017

REPORTING THE TOWNSHIP AS A WHOLE (CONTINUED)

Governmental Activities

The 2016 column reflects restated amounts as a result of a prior period adjustment recorded in fiscal year 2017. Public works expenses were decreased by \$120,314 related to the restatement of 2016 balances for the effect of correcting the method of accounting used for capital lease obligations.

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

	2017	2016
General government	\$ (250,483)	\$ (309,760)
Public safety	(3,582,619)	(2,795,829)
Public works	(179,169)	91,498
Cultural and Recreation	(638,470)	(1,525,984)
Other	(470,550)	(522,783)
Interest on Long-Term Debt	(36,769)	(19,493)
Unallocated depreciation	(737,666)	(869,332)
Enterprise	(142,513)	(218,462)
	<u>\$ (6,038,239)</u>	<u>\$ (6,170,145)</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.

REPORTING THE TOWNSHIP AS A WHOLE (CONTINUED)

- 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.

The dependence upon real estate tax revenues is apparent. For all activities, general revenue support is 81%. 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 16.50 mills (\$16.50 per \$1,000 of assessed valuation) for fiscal 2017. Assessed valuations of property are determined by Monroe County and their 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.

REPORTING THE TOWNSHIP AS A WHOLE (CONTINUED)

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 \$7,952,507 and expenditures of \$7,523,746. Other financing sources and uses include transfers between the funds that net to \$110,000. The net change in fund balance for the year was an increase of \$318,761.

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.

TOWNSHIP OF COOLBAUGH

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

DECEMBER 31, 2017

The following are the Township's other funds:

The Enterprise Fund is 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.

The Fiduciary 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 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 \$385,321 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 (\$347,899), as well as an increase in fines and interest income. The decrease in expenditures was a result from lower than expected building and road maintenance (\$190,252), timing of park upgrades postponed to 2018 (\$78,145) and lower wages and benefits (\$23,765).

TOWNSHIP OF COOLBAUGH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
 DECEMBER 31, 2017

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 1/1/2017	Additions	Disposals	Balance, Ending 12/31/2017
Governmental Activities:				
Capital Assets not being depreciated				
Land	\$ 1,142,637	\$ -	\$ -	\$ 1,142,637
Construction-in-progress	-	23,250	-	23,250
Capital Assets being depreciated				
Land Improvements	877,182	6,662	-	883,844
Buildings & Improvements	2,478,757	-	-	2,478,757
Roads & Bridges	18,090,512	453,458	-	18,543,970
Machinery & Equipment	3,994,437	103,598	(5,000)	4,093,035
Total Capital Assets	26,583,525	586,968	(5,000)	27,165,493
Accumulated Depreciation				
Land Improvements	(760,735)	(15,062)	-	(775,797)
Buildings & Improvements	(950,979)	(4,315)	-	(955,294)
Roads & Bridges	(9,995,093)	(534,250)	-	(10,529,343)
Machinery & Equipment	(3,125,373)	(184,039)	5,000	(3,304,412)
Total Accumulated Depreciation	(14,832,180)	(737,666)	5,000	(15,564,846)
Total Governmental Capital Assets, net	\$ 11,751,345	\$ (150,698)	\$ -	\$ 11,600,647
Business-Type Activities:				
Capital Assets not being depreciated				
Land	\$ 8,140	\$ -	\$ -	\$ 8,140
Capital Assets being depreciated				
Land Improvements	13,659	-	-	13,659
Sewer System	6,371,563	5,683	-	6,377,246
Total Capital Assets	6,393,362	5,683	-	6,399,045
Accumulated Depreciation				
Land Improvements	(13,659)	-	-	(13,659)
Sewer System	(1,639,186)	(127,526)	-	(1,766,712)
Total Accumulated Depreciation	(1,652,845)	(127,526)	-	(1,780,371)
Total Business-Type Capital Assets, net	\$ 4,740,517	\$ (121,843)	\$ -	\$ 4,618,674

- Overall capital assets increased \$587,651 which included vehicles and heavy equipment, land improvements, construction-in-progress and also road reconstruction.

TOWNSHIP OF COOLBAUGH

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

DECEMBER 31, 2017

- Depreciation for the year was \$865,192.

DEBT SERVICE

The Township's long-term debt activity for the year ended December 31, 2017 is summarized as follows:

	<u>Balance, Beginning 1/1/2017</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance, Ending 12/31/2017</u>	<u>Due Within One Year</u>
Governmental Activities					
Series of 2016 Bonds	\$ 923,500	\$ -	\$ (1,000)	\$ 922,500	\$ 1,000
Series of 2013 Bonds	865,000	-	(300,000)	565,000	305,000
Series of 2001 Notes	193,857	-	(32,812)	161,045	34,240
	<u>1,982,357</u>	<u>-</u>	<u>(333,812)</u>	<u>1,648,545</u>	<u>340,240</u>
Business-Type Activities					
Series of 2009 SR Bonds	1,237,767	-	(50,342)	1,187,425	50,848
Series of 2008 A Notes	119,095	-	(10,035)	109,060	9,415
	<u>1,356,862</u>	<u>-</u>	<u>(60,377)</u>	<u>1,296,485</u>	<u>60,263</u>
Total Government-Wide Debt	<u>\$ 3,339,219</u>	<u>\$ -</u>	<u>\$ (394,189)</u>	<u>\$ 2,945,030</u>	<u>\$ 400,503</u>

At December 31, 2017, 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 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

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 \$3,156 with interest at 2.5% 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, 2017

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.

Annual debt service requirements for Governmental Activities are as follows:

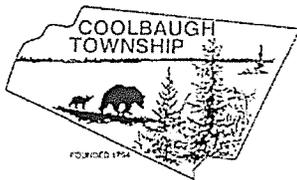
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 340,240	\$ 24,200	\$ 364,440
2019	312,106	19,145	331,251
2020	316,374	13,958	330,332
2021	321,704	8,583	330,287
2022	305,601	5,035	310,636
2023	52,520	656	53,176
Total	<u>\$ 1,648,545</u>	<u>\$ 71,577</u>	<u>\$ 1,720,122</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2025	65,362	8,493	73,855
Thereafter	794,245	51,925	846,170
Total	<u>\$ 1,296,485</u>	<u>\$ 141,842</u>	<u>\$ 1,438,327</u>

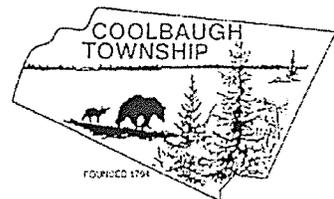
CURRENT FINANCIAL ISSUES AND CONCERNS

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, 2017

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>2017</u> <u>Total</u>	<u>2016</u> <u>Memorandum</u> <u>Total</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 3,129,141	\$ 36,830	\$ 3,165,971	\$ 2,369,491
Receivables	32	-	32	46
	<u>3,129,173</u>	<u>36,830</u>	<u>3,166,003</u>	<u>2,369,537</u>
Non-current Assets				
Library Receivable	54,784	-	54,784	94,675
General Fixed Assets				
Land & Land Improvements	2,026,481	21,799	2,048,280	2,041,618
Construction-in-progress	23,250	-	23,250	-
Buildings & Improvements	2,478,757	-	2,478,757	2,478,757
Roads & Bridges	18,543,970	-	18,543,970	18,090,512
Sewer System	-	6,377,246	6,377,246	6,371,563
Machinery & Equipment	4,093,035	-	4,093,035	3,994,437
	<u>27,165,493</u>	<u>6,399,045</u>	<u>33,564,538</u>	<u>32,976,887</u>
Accumulated Depreciation	<u>(15,564,846)</u>	<u>(1,780,371)</u>	<u>(17,345,217)</u>	<u>(16,485,025)</u>
Net General Fixed Assets	11,600,647	4,618,674	16,219,321	16,491,862
Restricted Cash and Cash Equivalents	837,958	-	837,958	1,193,452
	<u>12,493,389</u>	<u>4,618,674</u>	<u>17,112,063</u>	<u>17,779,989</u>
	<u>\$ 15,622,562</u>	<u>\$ 4,655,504</u>	<u>\$ 20,278,066</u>	<u>\$ 20,149,526</u>
LIABILITIES				
Current Liabilities				
Escrow Deposits	\$ 648,101	\$ -	\$ 648,101	\$ 594,938
Liabilities	246	-	246	288
Capital lease payable, current	50,665	-	50,665	183,509
Bonds Payable, current	306,000	-	306,000	301,000
Notes Payable, current	34,240	60,263	94,503	92,337
	<u>1,039,252</u>	<u>60,263</u>	<u>1,099,515</u>	<u>1,172,072</u>
Non-current Liabilities				
Capital lease payable, less current	42,019	-	42,019	92,684
Bonds Payable, less current	1,181,500	-	1,181,500	1,487,500
Notes Payable, less current	126,805	1,236,222	1,363,027	1,458,382
	<u>2,389,576</u>	<u>1,296,485</u>	<u>3,686,061</u>	<u>4,210,638</u>
NET POSITION				
Investment in Capital Assets, Net of Related Debt	9,859,418	3,322,189	13,181,607	12,876,450
Restricted for:				
Capital Projects	182,397	-	182,397	181,194
Specified use	94,823	-	94,823	40,537
Unrestricted	3,096,348	36,830	3,133,178	2,840,707
	<u>\$ 13,232,986</u>	<u>\$ 3,359,019</u>	<u>\$ 16,592,005</u>	<u>\$ 15,938,888</u>

TOWNSHIP OF COOLBAUGH
STATEMENTS OF ACTIVITIES - MODIFIED CASH BASIS
For the year ending December 31, 2017

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Assets			2016 Memorandum Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:							
General Government	\$ 552,872	\$ 293,770	\$ 8,619	\$ (250,483)	\$ -	\$ (250,483)	\$ (309,760)
Public Safety	3,722,169	23,370	116,180	(3,582,619)	-	(3,582,619)	(2,795,829)
Public Works	872,852	13,587	680,096	(179,169)	-	(179,169)	91,498
Recreation	639,220	750	-	(638,470)	-	(638,470)	(1,525,984)
Other	595,575	56,201	68,824	(470,550)	-	(470,550)	(522,783)
Interest on Long-Term Debt	36,769	-	-	(36,769)	-	(36,769)	(19,493)
Unallocated Depreciation	737,666	-	-	(737,666)	-	(737,666)	(869,332)
	7,157,123	387,678	873,719	(5,895,726)	-	(5,895,726)	(5,951,683)
Business-type activities:							
Public Sewer	416,319	273,806	-	-	(142,513)	(142,513)	(218,462)
Total Government	\$ 7,573,442	\$ 661,484	\$ 873,719	\$ (5,895,726)	\$ (142,513)	\$ (6,038,239)	\$ (6,170,145)
General Revenues:							
Taxes:							
Real Estate				\$ 4,341,140	\$ -	\$ 4,341,140	\$ 4,125,935
Real Estate Transfer				418,167	-	418,167	778,248
Emergency and Municipal Services				324,799	-	324,799	327,107
Earned Income				1,577,200	-	1,577,200	1,437,790
Internal Transfers				6,661,306	-	6,661,306	6,669,080
Gain on Sale of Fixed Assets				(110,000)	110,000	-	-
Interest Income				-	-	-	74,566
Total General Revenue, Special Items, and Transfers				6,581,110	246	30,050	23,222
				685,384	110,246	6,691,356	6,766,868
Change in Net Position				(32,267)	653,117	596,723	596,723
Net Position - Beginning				12,547,602	3,391,286	15,938,888	15,738,672
Prior Period Adjustment				-	-	-	(396,507)
Net Position - Ending				\$ 13,232,986	\$ 3,359,019	\$ 16,592,005	\$ 15,938,888

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, 2017

Total Fund Balances - Governmental Funds (CASH BASIS) \$ 3,373,568

Amounts reported for governmental activities in the statement of net assets 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	27,165,493
Accumulated Depreciation	(15,564,846)

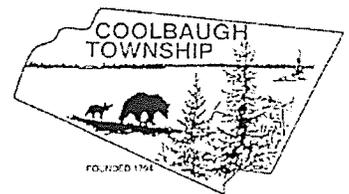
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds.

Long-term liabilities at year end consist of:

Capital Lease Payable	(92,684)
Bonds Payable	(1,487,500)
Note Payable	(161,045)

Total Net Position - Governmental Activities (MODIFIED CASH BASIS) \$ 13,232,986

FUND FINANCIAL STATEMENTS



TOWNSHIP OF COOLBAUGH
COMBINED STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Major Funds			Non-Major Funds		Total Governmental Funds	2016 Memorandum Total
	General	Capital Projects	Total	Special Revenue	Total		
ASSETS							
Cash - unrestricted	\$ 1,921,460	\$ 182,397	\$ 2,103,857	\$ 94,823	\$ 2,198,680	\$ 1,437,421	
Cash - restricted	837,958	-	837,958	-	837,958	1,193,452	
Investments - unrestricted	930,461	-	930,461	-	930,461	924,439	
Receivables	54,816	-	54,816	-	54,816	94,721	
Total Assets	<u>\$ 3,744,695</u>	<u>\$ 182,397</u>	<u>\$ 3,927,092</u>	<u>\$ 94,823</u>	<u>\$ 4,021,915</u>	<u>\$ 3,650,033</u>	
LIABILITIES AND FUND BALANCE							
Liabilities:							
Escrow Deposits	\$ 648,101	\$ -	\$ 648,101	\$ -	\$ 648,101	594,938	
Liabilities	246	-	246	-	246	288	
	648,347	-	648,347	-	648,347	595,226	
Fund balances:							
Restricted	-	182,397	182,397	-	182,397	181,194	
Capital Projects	-	-	-	94,823	94,823	40,537	
Specific Use	3,096,348	-	3,096,348	-	3,096,348	2,833,076	
Unassigned	3,096,348	182,397	3,278,745	94,823	3,373,568	3,054,807	
Total Liabilities and Fund Balance	<u>\$ 3,744,695</u>	<u>\$ 182,397</u>	<u>\$ 3,927,092</u>	<u>\$ 94,823</u>	<u>\$ 4,021,915</u>	<u>\$ 3,650,033</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, 2017**

	Major Funds			Non-Major Funds			Total Governmental Funds	2016 Memorandum Total
	General	Capital Projects	Total	Special Revenue	Debt Service	Total		
REVENUE								
Taxes	\$ 6,136,911	\$ -	\$ 6,136,911	\$ 524,395	\$ -	\$ 524,395	\$ 6,661,306	\$ 6,669,080
Licenses and permits	175,705	-	175,705	-	-	-	175,705	178,040
Fines and forfeitures	47,395	-	47,395	-	-	-	47,395	43,792
Interest Income	25,930	1,203	27,133	2,671	-	2,671	29,804	23,123
Intergovernmental revenue	292,082	-	292,082	581,637	-	581,637	873,719	1,015,366
Charges for services	108,377	-	108,377	-	-	-	108,377	131,599
Other	56,201	-	56,201	-	-	-	56,201	92,456
	<u>6,842,601</u>	<u>1,203</u>	<u>6,843,804</u>	<u>1,108,703</u>	<u>-</u>	<u>1,108,703</u>	<u>7,952,507</u>	<u>8,153,456</u>
EXPENDITURES								
Current								
General government	552,872	-	552,872	-	-	-	552,872	609,524
Public safety	3,722,169	-	3,722,169	-	-	-	3,722,169	2,942,391
Public works	1,113,307	-	1,113,307	530,022	-	530,022	1,643,329	1,609,888
Recreation	114,825	-	114,825	524,395	-	524,395	639,220	603,684
Other	595,575	-	595,575	-	-	-	595,575	743,198
Debt Service:								
Principal	-	-	-	-	333,812	333,812	333,812	329,158
Interest	-	-	-	-	36,769	36,769	36,769	19,493
	<u>6,098,748</u>	<u>-</u>	<u>6,098,748</u>	<u>1,054,417</u>	<u>370,581</u>	<u>1,424,998</u>	<u>7,523,746</u>	<u>6,857,336</u>
	<u>743,853</u>	<u>1,203</u>	<u>745,056</u>	<u>54,286</u>	<u>(370,581)</u>	<u>(316,295)</u>	<u>428,761</u>	<u>1,296,120</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES								
OTHER FINANCING (USES) SOURCES								
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	74,566
Operating transfers in	-	-	-	-	370,581	370,581	370,581	348,651
Operating transfers out	(480,581)	-	(480,581)	-	-	-	(480,581)	(498,651)
	<u>(480,581)</u>	<u>-</u>	<u>(480,581)</u>	<u>-</u>	<u>370,581</u>	<u>370,581</u>	<u>(110,000)</u>	<u>(75,434)</u>
EXCESS OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES								
FUND BALANCE, JANUARY 1	263,272	1,203	264,475	54,286	-	54,286	318,761	1,220,686
	<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>
FUND BALANCE, DECEMBER 31	\$ <u>3,096,348</u>	\$ <u>182,397</u>	\$ <u>3,278,745</u>	\$ <u>94,823</u>	\$ <u>-</u>	\$ <u>94,823</u>	\$ <u>3,373,568</u>	\$ <u>3,054,807</u>

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

TOWNSHIP OF COOLBAUGH
STATEMENTS OF ASSETS, LIABILITIES AND RETAINED EARNINGS
ENTERPRISE FUNDS
DECEMBER 31, 2017 AND 2016

	Public Sewer	
	2017	2016
ASSETS		
Cash - unrestricted	\$ 36,830	\$ 7,631
	<u>36,830</u>	<u>7,631</u>
Capital Assets:		
Land and Land Improvements	21,799	21,799
Infrastructure	6,377,246	6,371,563
	<u>6,399,045</u>	<u>6,393,362</u>
Accumulated Depreciation	(1,780,371)	(1,652,845)
	<u>4,618,674</u>	<u>4,740,517</u>
Total Assets	<u><u>4,655,504</u></u>	<u><u>\$ 4,748,148</u></u>
LIABILITIES AND RETAINED EARNINGS		
LIABILITIES		
Bonds and Notes Payables	\$ 1,296,485	\$ 1,356,862
Total Liabilities	<u>1,296,485</u>	<u>1,356,862</u>
RETAINED EARNINGS		
Investment in fixed assets	3,322,189	3,383,655
Unrestricted	36,830	7,631
Total Retained Earnings	<u>3,359,019</u>	<u>3,391,286</u>
Total Liabilities and Retained Earnings	<u><u>\$ 4,655,504</u></u>	<u><u>\$ 4,748,148</u></u>

TOWNSHIP OF COOLBAUGH
STATEMENTS OF INCOME, EXPENSES AND RETAINED EARNINGS
ENTERPRISE FUNDS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	Public Sewer	
	2017	2016
OPERATING REVENUES		
Charges for service	\$ 273,806	\$ 156,459
TOTAL OPERATING REVENUE	273,806	156,459
OPERATING EXPENSES		
Contracted Services	82,486	84,726
Utilities	46,520	47,524
Other	3,198	12,172
Supplies	13,156	11,295
Construction and Maintenance	29,801	26,219
Legal and Engineering	98,970	50,367
Depreciation	127,526	127,431
TOTAL OPERATING EXPENSES	401,657	359,734
OPERATING LOSS	(127,851)	(203,275)
NONOPERATING REVENUE (EXPENSE)		
Interest income	246	99
Interest expense	(14,662)	(15,187)
INCOME BEFORE OPERATING TRANSFERS	(142,267)	(218,363)
OPERATING TRANSFERS		
Operating transfers in	110,000	150,000
CHANGE IN RETAINED EARNINGS	(32,267)	(68,363)
RETAINED EARNINGS, JANUARY 1	3,391,286	3,459,649
RETAINED EARNINGS, DECEMBER 31	\$ 3,359,019	\$ 3,391,286

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

TOWNSHIP OF COOLBAUGH
STATEMENTS OF CASH FLOWS
ENTERPRISE FUNDS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	Public Sewer	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 273,806	\$ 156,459
Cash paid to suppliers	(274,131)	(232,303)
NET CASH USED IN OPERATING ACTIVITIES	(325)	(75,844)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund transfers in	110,000	150,000
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	110,000	150,000
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Payments of borrowings	(60,377)	(64,187)
Interest paid on debt	(14,662)	(15,187)
NET CASH USED BY CAPITAL FINANCING ACTIVITIES	(75,039)	(79,374)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of capital assets	(5,683)	-
Earnings on investments	246	99
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(5,437)	99
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,199	(5,119)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,631	12,750
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 36,830	\$ 7,631
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES		
Operating loss	\$ (127,851)	\$ (203,275)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	127,526	127,431
NET CASH USED FOR OPERATING ACTIVITIES	\$ (325)	\$ (75,844)

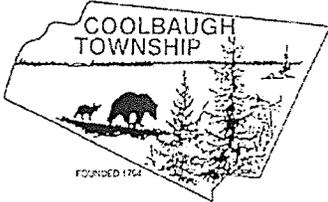
TOWNSHIP OF COOLBAUGH
STATEMENTS OF NET POSITION - CASH BASIS
FIDUCIARY FUNDS
DECEMBER 31, 2017 AND 2016

	Pension Trust	
	<u>2017</u>	<u>2016</u>
ASSETS		
Investments - unrestricted	<u>\$ 1,369,592</u>	<u>\$ 1,221,423</u>
 LIABILITIES AND NET POSITION		
LIABILITIES	<u>\$ -</u>	<u>\$ -</u>
 NET POSITION	<u>\$ 1,369,592</u>	<u>\$ 1,221,423</u>

TOWNSHIP OF COOLBAUGH
STATEMENTS OF CHANGES IN NET POSITION - CASH BASIS
FIDUCIARY FUNDS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	Pension Trust	
	<u>2017</u>	<u>2016</u>
ADDITIONS		
Township Contributions	\$ 53	\$ 16,102
Employee Contributions	9,432	11,633
State Aid	68,824	52,496
Interest, dividends, and net unrealized gains/losses	69,887	23,058
	<u>148,196</u>	<u>103,289</u>
DEDUCTIONS		
Administrative fees	27	1,930
Pension benefits	-	2,601
	<u>27</u>	<u>4,531</u>
CHANGE IN NET POSITION	148,169	98,758
NET POSITION, JANUARY 1	<u>1,221,423</u>	<u>1,122,665</u>
NET POSITION, DECEMBER 31	<u>\$ 1,369,592</u>	<u>\$ 1,221,423</u>

NOTES TO THE FINANCIAL STATEMENTS



TOWNSHIP OF COOLBAUGH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 position 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, 2017

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 balances, 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, 2017

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 Position.

TOWNSHIP OF COOLBAUGH

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2017

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 statement of assets, liabilities and retained earnings. 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 pledged 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 historical 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 historical 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 value as of the date of gift.

TOWNSHIP OF COOLBAUGH

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2017

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, 2017

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 generally accepted accounting principles or the modified cash basis of accounting. 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:

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, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (continued)

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.

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 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.

TOWNSHIP OF COOLBAUGH

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2017

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

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.

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, 2017, the Township's carrying amount of deposits was \$4,003,929 and the bank balance was \$4,047,820. Of the bank balance, \$358,719 was covered by federal depository insurance; \$3,689,101 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.

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 16.50 millage (12.75 for general, 1.75 for Fire and 2.0 electoral for Library).

TOWNSHIP OF COOLBAUGH

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2017

NOTE 4 CAPITAL ASSETS

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

	Balance, Beginning 1/1/2017	Additions	Disposals	Balance, Ending 12/31/2017
Governmental Activities:				
Capital Assets not being depreciated				
Land	\$ 1,142,637	\$ -	\$ -	\$ 1,142,637
Construction-in-progress	-	23,250	-	23,250
Capital Assets being depreciated				
Land Improvements	877,182	6,662	-	883,844
Buildings & Improvements	2,478,757	-	-	2,478,757
Roads & Bridges	18,090,512	453,458	-	18,543,970
Machinery & Equipment	3,994,437	103,598	(5,000)	4,093,035
Total Capital Assets	26,583,525	586,968	(5,000)	27,165,493
Accumulated Depreciation				
Land Improvements	(760,735)	(15,062)	-	(775,797)
Buildings & Improvements	(950,979)	(4,315)	-	(955,294)
Roads & Bridges	(9,995,093)	(534,250)	-	(10,529,343)
Machinery & Equipment	(3,125,373)	(184,039)	5,000	(3,304,412)
Total Accumulated Depreciation	(14,832,180)	(737,666)	5,000	(15,564,846)
Total Governmental Capital Assets, net	\$ 11,751,345	\$ (150,698)	\$ -	\$ 11,600,647
	Balance, Beginning 1/1/2017	Additions	Disposals	Balance, Ending 12/31/2017
Business-Type Activities:				
Capital Assets not being depreciated				
Land	\$ 8,140	\$ -	\$ -	\$ 8,140
Capital Assets being depreciated				
Land Improvements	13,659	-	-	13,659
Sewer System	6,371,563	5,683	-	6,377,246
Total Capital Assets	6,393,362	5,683	-	6,399,045
Accumulated Depreciation				
Land Improvements	(13,659)	-	-	(13,659)
Sewer System	(1,639,186)	(127,526)	-	(1,766,712)
Total Accumulated Depreciation	(1,652,845)	(127,526)	-	(1,780,371)
Total Business-Type Capital Assets, net	\$ 4,740,517	\$ (121,843)	\$ -	\$ 4,618,674

TOWNSHIP OF COOLBAUGH

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2017

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
Unallocated	<u>\$ 737,666</u>
Business-Type Activities:	
Sewer	<u>\$ 127,526</u>

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 \$3,156 with interest at 2.5% 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, 2017

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.

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

	Balance, Beginning 1/1/2017	Additions	Repayments	Balance, Ending 12/31/2017	Due Within One Year
Governmental Activities					
Series of 2016 Bonds	\$ 923,500	\$ -	\$ (1,000)	\$ 922,500	\$ 1,000
Series of 2013 Bonds	865,000	-	(300,000)	565,000	305,000
Series of 2001 Notes	193,857	-	(32,812)	161,045	34,240
	<u>1,982,357</u>	<u>-</u>	<u>(333,812)</u>	<u>1,648,545</u>	<u>340,240</u>
Business-Type Activities					
Series of 2009 SR Bonds	1,237,767	-	(50,342)	1,187,425	50,848
Series of 2008 A Notes	119,095	-	(10,035)	109,060	9,415
	<u>1,356,862</u>	<u>-</u>	<u>(60,377)</u>	<u>1,296,485</u>	<u>60,263</u>
Total Government-Wide Debt	<u>\$ 3,339,219</u>	<u>\$ -</u>	<u>\$ (394,189)</u>	<u>\$ 2,945,030</u>	<u>\$ 400,503</u>

TOWNSHIP OF COOLBAUGH

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2017

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>
2018	\$ 340,240	\$ 24,200	\$ 364,440
2019	312,106	19,145	331,251
2020	316,374	13,958	330,332
2021	321,704	8,583	330,287
2022	305,601	5,035	310,636
2023	52,520	656	53,176
Total	<u>\$ 1,648,545</u>	<u>\$ 71,577</u>	<u>\$ 1,720,122</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2025	65,362	8,493	73,855
Thereafter	794,245	51,925	846,170
Total	<u>\$ 1,296,485</u>	<u>\$ 141,842</u>	<u>\$ 1,438,327</u>

TOWNSHIP OF COOLBAUGH

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2017

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, 2017

NOTE 7 COMMITMENTS

Letter of Credit

In 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. As of December 31, 2017, the Township has not drawn on the letter of credit.

NOTE 8 CAPITAL LEASES

The Township entered into a lease-purchase agreement in 2013 for the purchase of department of public works vehicle with a value of \$54,168. The lease is payable in monthly installments of \$1,029, including interest at 5.45%. The final payment is due in October 2018. The outstanding balance as of December 31, 2017 was \$9,259.

The Township entered into a lease-purchase agreement in 2014 for the purchase of department of public works vehicle with a value of \$39,525. The lease is payable in monthly installments of \$705, including interest at 2.49%. The final payment is due in October 2019. The outstanding balance as of December 31, 2017 was \$14,762.

The Township entered into a lease-purchase agreement in 2016 for the purchase of department of public works vehicle with a value of \$138,387. The lease is payable in annual installments of \$37,004, with interest at 3.70%. The final payment is due in July 2019. The outstanding balance as of December 31, 2017 was \$74,008.

The total present value of the leases, in the amount of \$232,080 has been included in capital assets in the government-wide financial statements. Amortization of assets acquired under capital leases is included with depreciation expense on the government-wide financial statements.

The assets acquired through the capital leases are as follows:

Vehicles	\$	232,080
Accumulated depreciation		<u>(69,381)</u>
	\$	<u>162,699</u>

TOWNSHIP OF COOLBAUGH

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2017

NOTE 8 CAPITAL LEASES (CONTINUED)

Future minimum lease payments together with the present value of the net minimum lease payments are as follows:

<u>Year Ending December 31,</u>	
2018	\$ 53,690
2019	43,403
	<u>\$ 97,093</u>
Amount representing interest	<u>(4,409)</u>
Total present value of the minimum lease payments	<u>\$ 92,684</u>

NOTE 9 INTERFUND TRANSFERS

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 480,581
Debt Service	370,581	-
Sewer Fund	110,000	-
	<u>\$ 480,581</u>	<u>\$ 480,581</u>

Generally, the purpose of transfers in (out) of the funds is to provide cash needed to pay expenditures of the fund.

NOTE 10 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 11 PRIOR PERIOD ADJUSTMENT

A prior period adjustment has been recorded in fiscal year 2016 to correct the method of accounting used for capital leases that resulted in a restatement of opening net position of governmental activities.

TOWNSHIP OF COOLBAUGH

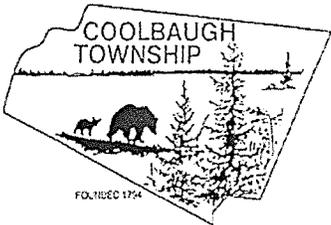
NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2017

NOTE 11 SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 24, 2018, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION



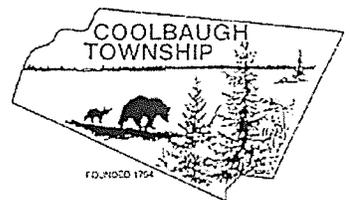
TOWNSHIP OF COOLBAUGH
SCHEDULE OF BUDGET AND ACTUAL - CASH BASIS GENERAL FUND
YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
TAXES			
Real estate	\$ 3,814,012	\$ 3,816,745	\$ 2,733
Real estate transfer	375,000	418,167	43,167
Local service tax	300,000	324,799	24,799
Earned income	1,300,000	1,577,200	277,200
	<u>5,789,012</u>	<u>6,136,911</u>	<u>347,899</u>
LICENSES ANDS PERMITS			
Cable television licenses	177,000	174,330	(2,670)
Permits	1,300	1,375	75
	<u>178,300</u>	<u>175,705</u>	<u>(2,595)</u>
FINES AND FORFEITURES			
Fines and code violations	32,000	47,395	15,395
INTEREST INCOME			
Interest on investments	14,000	21,719	7,719
INTERGOVERNMENTAL REVENUE			
State public utility tax	7,000	6,869	(131)
Alcoholic beverage taxes	3,000	1,750	(1,250)
Foreign fire insurance premium tax	135,000	116,180	(18,820)
Pension fund state aid	195,000	68,824	(126,176)
Recycling	23,000	-	(23,000)
State payments in lieu to taxes	29,000	31,364	2,364
Other government grants	576,699	67,095	(509,604)
	<u>968,699</u>	<u>292,082</u>	<u>(676,617)</u>
CHARGES FOR SERVICES			
General government	59,400	70,670	11,270
Public works	16,000	13,587	(2,413)
Public safety	10,600	23,370	12,770
Recreation	1,000	750	(250)
	<u>87,000</u>	<u>108,377</u>	<u>21,377</u>
OTHER			
Reimbursement of project funding	135,320	-	(135,320)
Rents	55,747	56,201	454
	<u>191,067</u>	<u>56,201</u>	<u>(134,866)</u>
TOTAL REVENUES	<u>\$ 7,260,078</u>	<u>\$ 6,838,390</u>	<u>\$ (421,688)</u>

TOWNSHIP OF COOLBAUGH
SCHEDULE OF BUDGET AND ACTUAL - CASH BASIS GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES:			
GENERAL GOVERNMENT			
Legislative and governing body	134,318	127,816	6,502
Executive	67,620	66,405	1,215
Financial services	68,436	67,849	587
Tax collection	43,900	40,591	3,309
Legal and solicitor	60,000	61,680	(1,680)
Other general government administration	40,360	28,537	11,823
Building maintenance and utilities	264,045	159,994	104,051
	<u>678,679</u>	<u>552,872</u>	<u>125,807</u>
PUBLIC SAFETY			
Police	2,204,652	2,204,652	-
Fire	869,837	1,186,768	(316,931)
Ambulance and rescue	135,000	129,545	5,455
Sewage enforcement	82,447	86,618	(4,171)
Zoning/Code enforcement	77,742	76,134	1,608
Emergency management	24,500	24,224	276
Planning and zoning commissions	17,685	14,228	3,457
	<u>3,411,863</u>	<u>3,722,169</u>	<u>(310,306)</u>
PUBLIC WORKS			
Highways, streets and general services	740,767	718,602	22,165
Composting and recycling	73,100	46,373	26,727
Winter maintenance	210,000	194,775	15,225
Traffic control	34,000	24,620	9,380
Storm sewers	6,500	436	6,064
Repairs of tools and machinery	70,000	65,148	4,852
Road and bridge construction	731,000	62,141	668,859
Road and bridge maintenance	3,000	1,212	1,788
	<u>1,868,367</u>	<u>1,113,307</u>	<u>755,060</u>
RECREATION AND COMMUNITY			
Community services	39,940	54,170	(14,230)
Parks	138,800	60,655	78,145
	<u>178,740</u>	<u>114,825</u>	<u>63,915</u>
MISCELLANEOUS			
Pension contributions	240,755	91,987	148,768
Workers compensation	74,500	66,848	7,652
Unemployment compensation	4,000	6,386	(2,386)
Employee benefits	328,110	309,203	18,907
Insurance premiums	53,000	50,726	2,274
Social security	61,743	59,039	2,704
Other	6,000	11,386	(5,386)
	<u>768,108</u>	<u>595,575</u>	<u>172,533</u>
TOTAL EXPENDITURES	<u>\$ 6,905,757</u>	<u>\$ 6,098,748</u>	<u>\$ 807,009</u>

COMBINING SCHEDULES



TOWNSHIP OF COOLBAUGH

COMBINING STATEMENT OF ASSETS AND FUND BALANCES
CASH BASIS - NON-MAJOR FUNDS - SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	<u>Library</u>	<u>Highway Aid</u>	<u>Total</u>
ASSETS			
Cash - unrestricted	<u>\$ -</u>	<u>\$ 94,823</u>	<u>\$ 94,823</u>
FUND BALANCE			
Unassigned	<u>\$ -</u>	<u>\$ 94,823</u>	<u>\$ 94,823</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, 2017

	<u>Library</u>	<u>Highway Aid</u>	<u>Total</u>
REVENUES			
Taxes	\$ 524,395	\$ -	\$ 524,395
Interest income	-	2,671	2,671
Intergovernmental revenue	-	581,637	581,637
	<u>524,395</u>	<u>584,308</u>	<u>1,108,703</u>
 EXPENDITURES			
Current			
Public works	-	530,022	530,022
Culture and recreation	524,395	-	524,395
	<u>524,395</u>	<u>530,022</u>	<u>1,054,417</u>
 DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	54,286	54,286
 FUND BALANCE, JANUARY 1	<u>-</u>	<u>40,537</u>	<u>40,537</u>
FUND BALANCE, DECEMBER 31	<u>\$ -</u>	<u>\$ 94,823</u>	<u>\$ 94,823</u>

TOWNSHIP OF COOLBAUGH

COMBINING STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS

MAJOR FUNDS - CAPITAL PROJECTS FUNDS

DECEMBER 31, 2017

	<u>Emergency Services</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash - unrestricted	<u>\$ 168,500</u>	<u>\$ 13,897</u>	<u>\$ 182,397</u>
 FUND BALANCE			
Unassigned	<u>\$ 168,500</u>	<u>\$ 13,897</u>	<u>\$ 182,397</u>

TOWNSHIP OF COOLBAUGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – CASH BASIS
MAJOR FUNDS - CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2017

	<u>Emergency Services</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES			
Interest income	\$ 1,092	\$ 111	\$ 1,203
EXCESS OF REVENUES OVER EXPENDITURES	1,092	111	1,203
FUND BALANCE, JANUARY 1	<u>167,408</u>	<u>13,786</u>	<u>181,194</u>
FUND BALANCE, DECEMBER 31	<u>\$ 168,500</u>	<u>\$ 13,897</u>	<u>\$ 182,397</u>