

TOWNSHIP OF COLLIER

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## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

**TOWNSHIP OF COLLIER**  
ALLEGHENY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORTS BY  
CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED  
DECEMBER 31, 2017**

**TOWNSHIP OF COLLIER**  
**ALLEGHENY COUNTY, PENNSYLVANIA**

**TABLE OF CONTENTS**

|                                                                                                                                                               | <u>PAGE</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Independent Auditor's Report.....                                                                                                                             | i-ii        |
| Management's Discussion and Analysis.....                                                                                                                     | iii-xiv     |
| EXHIBIT A – STATEMENT OF NET POSITION.....                                                                                                                    | 1           |
| EXHIBIT B – STATEMENT OF ACTIVITIES .....                                                                                                                     | 2           |
| EXHIBIT C – BALANCE SHEET – Governmental Funds .....                                                                                                          | 3           |
| EXHIBIT D – RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE<br>SHEET TO THE STATEMENT OF NET ASSETS .....                                                    | 4           |
| EXHIBIT E – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN<br>FUND BALANCES – Governmental Funds .....                                                    | 5           |
| EXHIBIT F – RECONCILIATION OF THE GOVERNMENT FUNDS STATEMENT OF<br>REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE<br>TO THE STATEMENT OF ACTIVITIES ..... | 6           |
| EXHIBIT G – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN<br>FUND BALANCES, BUDGET TO ACTUAL – General Fund .....                                        | 7           |
| EXHIBIT H – STATEMENT OF NET POSITION – Fiduciary Funds .....                                                                                                 | 8           |
| EXHIBIT I – STATEMENT OF CHANGES IN NET POSITION – Fiduciary Funds.....                                                                                       | 9           |
| NOTES TO THE FINANCIAL STATEMENTS .....                                                                                                                       | 10-40       |
| <b><u>SUPPLEMENTARY SCHEDULES:</u></b>                                                                                                                        |             |
| SCHEDULE 1 - SCHEDULE OF BUDGET AND ACTUAL RECEIPTS - General Fund .....                                                                                      | 41-42       |
| SCHEDULE 2 - SCHEDULE OF BUDGET AND ACTUAL DISBURSEMENTS<br>- General Fund.....                                                                               | 43-49       |
| SCHEDULE 3 – COMBINING BALANCE SHEET – Non-Major Governmental Funds .....                                                                                     | 50          |
| SCHEDULE 4 – COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND<br>CHANGES IN FUND BALANCES – Non-Major Governmental Funds .....                             | 51          |
| SCHEDULE 5 – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN<br>FUND BALANCES, BUDGET TO ACTUAL – Capital Project Fund .....                               | 52          |
| REQUIRED SUPPLEMENTARY INFORMATION. ....                                                                                                                      | 53-60       |

# **Mark C. Turnley**

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**Board of Commissioners  
Township of Collier**

## **Independent Auditor's Report**

### **Report on Financial Statements**

I have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Collier 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.

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 Township'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 Township's internal control. Accordingly, I 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 financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Collier, Allegheny County, Pennsylvania as of December 31, 2017 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

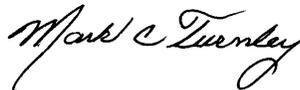
### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iii-xiv and defined benefit trust funds' historical pension information on pages 53-60 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Collier's basic financial statements. The supplementary information (Schedules 1 through 5) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Mark C. Turnley, CPA

May 9, 2018  
New Brighton, Pennsylvania

**TOWNSHIP OF COLLIER**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

**INTRODUCTION**

This discussion and analysis provides an overall review of Collier Township’s financial performance and financial activities for the year ended December 31, 2017. The intent of Management’s Discussion and Analysis (MD&A) is to provide readers with an appreciation for the financial status of the Township, the challenges faced and accomplishments achieved. The reader should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Township’s financial performance.

The MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments” issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2017 are as follows:

- The Township’s governmental activities net position increased \$1,043,538 in 2017 or 11% to \$10,458,697.
- Unrestricted net position was \$1,125,294 on December 31, 2017.
- Revenues exceeded net expenses in the general fund by \$803,686 in 2017.

**USING THE ANNUAL FINANCIAL REPORT (GASB 34)**

The Annual Financial Report consists of the MD&A (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Township of Collier as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements – the Statement of Net position and the Statement of Activities. These provide both long-term and short-term information about the Township’s overall financial status.

**TOWNSHIP OF COLLIER**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

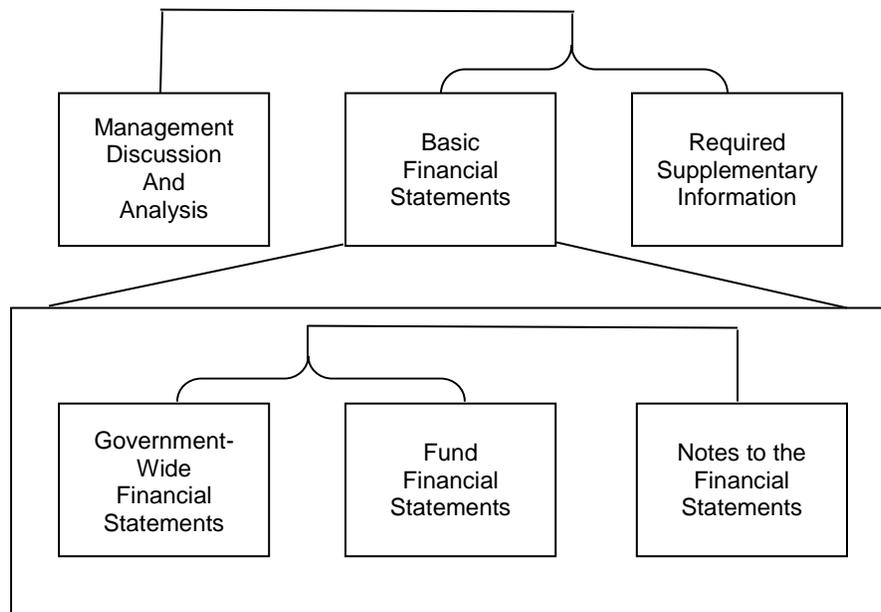
**USING THE ANNUAL FINANCIAL REPORT (GASB 34) (Continued)**

The remaining statements are fund financial statements that focus on individual parts of the Township's operations in more detail than the government-wide statements. The governmental funds statements tell how general Township services were financed in the short-term as well as what remains for future spending. Fiduciary fund statements provide information about financial relationships where the Township acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. The pension funds and the escrow fund comprise the Township's fiduciary funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Figure A-1 shows how the required parts of the Financial Section are arranged and relate to one another:

**Figure A-1**  
**Required Components of**  
**Township of Collier's Financial Report**



**TOWNSHIP OF COLLIER**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

**USING THE ANNUAL FINANCIAL REPORT (GASB 34) (Continued)**

Figure A-2 summarizes the major features of the Township’s financial statements, including the portion of the Township they cover and the types of information they contain. The remainder of this overview section of the MD&A explains the structure and contents of each of the statements.

**Figure A-2**  
**Major Features of the Township of Collier**  
**Government-wide and Fund Financial Statements**

|                                               | <b>GOVERNMENT-WIDE STATEMENTS</b>                                                    | <b>FUND STATEMENTS</b>                                                                                                                                                                     |                                                                                                     |
|-----------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
|                                               |                                                                                      | <b>GOVERNMENTAL FUNDS</b>                                                                                                                                                                  | <b>FIDUCIARY FUNDS</b>                                                                              |
| <b>SCOPE</b>                                  | Entire Township (except fiduciary funds)                                             | The activities of the Township that are not proprietary or fiduciary, such as public safety, public works and general administration                                                       | Instances in which the Township is the trustee or agent to someone else’s resources – Pension Funds |
| <b>REQUIRED FINANCIAL STATEMENTS</b>          | Statement of net position<br>Statement of activities                                 | Balance Sheet<br>Statement of revenues, expenditures, and changes in fund balance                                                                                                          | Statement of fiduciary net position<br>Statement of changes in fiduciary net position               |
| <b>ACCOUNTING BASIS AND MEASUREMENT FOCUS</b> | Accrual accounting and economic resources focus                                      | Modified accrual accounting and current financial resources focus                                                                                                                          | Accrual accounting and economic resources focus                                                     |
| <b>TYPE OF ASSET/LIABILITY INFORMATION</b>    | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included                                                            | All assets and liabilities, both short-term and long-term                                           |
| <b>TYPE OF INFLOW-OUTFLOW INFORMATION</b>     | All revenues and expenses during year, regardless of when cash is received or paid   | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during year, regardless of when cash is received or paid                  |

**TOWNSHIP OF COLLIER**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
DECEMBER 31, 2017

**OVERVIEW OF FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Township's net position and how they have changed. Net position, the difference between the Township's assets and liabilities, are one way to measure the Township's financial health or position. Over time, increases or decreases in the Township's net position are an indication of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the Township, you need to consider additional non-financial factors, such as changes in the Township's property tax base and the condition of the Township's infrastructure (roads and sewers).

The government-wide financial statements of the Township consist of one category:

- Governmental activities – All of the Township's basic services are included here, such as general administration, public safety and public works. Property and Act 511 taxes and state grants finance most of these activities.

**TOWNSHIP OF COLLIER**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
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DECEMBER 31, 2017

**OVERVIEW OF FINANCIAL STATEMENTS (Continued)**

**FUND FINANCIAL STATEMENTS**

**Governmental Funds** – Most of the Township's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's 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.

**Fiduciary Funds** – The Township is the trustee, or fiduciary, for the pension funds and escrow fund. All of the Township's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position (Pages 8-9). We exclude these activities from the Township's other financial statements because the Township cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE**

The Township has presented its financial statements using the reporting model required by GASB Statement #34, "Basic Financial Statements and Management's Discussion and Analysis (MD&A) for State and Local Governments for several years. Comparative analysis of financial data is included in this report.

**TOWNSHIP OF COLLIER**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE (Continued)**

Table A-1 presents the Township's net position on December 31, 2017 vs. December 31, 2016:

Table A-1

**Summary of Statement of Net Position**

|                                                                | <u>2017</u>                        | <u>2016</u>                       | <u>Difference</u>                 |
|----------------------------------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|
| Current Assets                                                 | \$ 3,866,631                       | \$ 3,047,625                      | \$ 819,006                        |
| Capital Assets                                                 | 16,266,551                         | 16,485,566                        | (219,015)                         |
| Deferred Outflows of Resources                                 | 392,018                            | 652,884                           | (260,866)                         |
| <b>TOTAL ASSETS AND DEFERRED<br/>OUTFLOWS OF RESOURCES</b>     | <b><u>\$ 20,525,200</u></b>        | <b><u>\$ 20,186,075</u></b>       | <b><u>\$ 339,125</u></b>          |
| Current Liabilities                                            | \$ 860,749                         | \$ 989,886                        | \$ (129,137)                      |
| Long-term Liabilities                                          | 8,883,985                          | 9,754,675                         | (870,690)                         |
| Deferred Inflows of Resources                                  | 321,769                            | 26,355                            | 295,414                           |
| <b>TOTAL LIABILITIES AND DEFERRED<br/>INFLOWS OF RESOURCES</b> | <b><u>\$ 10,066,503</u></b>        | <b><u>\$ 10,770,916</u></b>       | <b><u>\$ (704,413)</u></b>        |
| Invested in Capital Assets,<br>Net of Related Debt             | \$ 9,333,403                       | \$ 7,216,936                      | \$ 2,116,467                      |
| Unrestricted                                                   | 1,125,294                          | 2,198,223                         | (1,072,929)                       |
| <b>TOTAL NET POSITION</b>                                      | <b><u><u>\$ 10,458,697</u></u></b> | <b><u><u>\$ 9,415,159</u></u></b> | <b><u><u>\$ 1,043,538</u></u></b> |

Unrestricted net position of governmental activities decreased \$1,072,929 in 2017 to \$1,125,294.

The results of this year's operations as a whole are reported in the Statement of Activities on Page 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the Township's activities that are supported by other general revenues. The largest general revenues are local taxes assessed to and derived from community taxpayers.

**TOWNSHIP OF COLLIER**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE (Continued)**

Table A-2 takes the information from the Statement of Activities, rearranges it slightly, so you can see our total revenues, expenses, and change to the net position for 2017 and 2016.

Table A-2  
Year ended December 31, 2017 and 2016  
Changes in Net Position

|                                        | <u>2017</u>                | <u>2016</u>                |
|----------------------------------------|----------------------------|----------------------------|
| <b>REVENUES</b>                        |                            |                            |
| <b>Program Revenues:</b>               |                            |                            |
| Charges for Services                   | \$ 874,273                 | \$ 1,103,278               |
| Operating Grants and Contributions     | 747,802                    | 675,606                    |
| <b>General Revenues:</b>               |                            |                            |
| Property Taxes                         | 3,181,830                  | 2,645,836                  |
| Other Taxes                            | 3,774,915                  | 3,169,696                  |
| Interest                               | 1,546                      | 2,496                      |
| Miscellaneous                          | 224,490                    | 220,781                    |
| <b>TOTAL REVENUES</b>                  | <b><u>\$ 8,804,856</u></b> | <b><u>\$ 7,817,693</u></b> |
| <br>                                   |                            |                            |
| <b>EXPENSES</b>                        |                            |                            |
| General Government                     | \$ 598,509                 | \$ 852,622                 |
| Public Safety                          | 2,547,339                  | 2,440,018                  |
| Public Works - Sanitation              | 537,465                    | 491,913                    |
| Public Works                           | 1,404,136                  | 1,542,100                  |
| Culture and Recreation                 | 900,020                    | 719,960                    |
| Debt Service                           | 187,698                    | 255,967                    |
| Benefits, Insurance, and Miscellaneous | 1,586,151                  | 1,614,389                  |
| <b>TOTAL EXPENSES</b>                  | <b><u>\$ 7,761,318</u></b> | <b><u>\$ 7,916,969</u></b> |
| <br>                                   |                            |                            |
| <b>CHANGE IN NET POSITION</b>          | <b><u>\$ 1,043,538</u></b> | <b><u>\$ (99,276)</u></b>  |

Total government-wide revenues of \$8,804,856 were derived primarily from property and earned income taxes representing 79% of the total. Charges for Services made up the next largest source of revenue of 10%.

**TOWNSHIP OF COLLIER**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE (Continued)**

Table A-3 takes the information from the Statement of Activities, showing the total cost of service in each area and also the net cost after deducted revenues from charges for services and operating grants and contributions for 2017 and 2016.

Table A-3  
Year ended December 31, 2017  
Governmental Activities

|                                                            | <b>2017</b>                      |                                | <b>2016</b>                      |                                |
|------------------------------------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
|                                                            | <b>TOTAL COST<br/>OF SERVICE</b> | <b>NET COST<br/>OF SERVICE</b> | <b>TOTAL COST<br/>OF SERVICE</b> | <b>NET COST<br/>OF SERVICE</b> |
| <b>EXPENSES</b>                                            |                                  |                                |                                  |                                |
| General Government                                         | \$ 598,509                       | \$ 542,178                     | \$ 852,622                       | \$ 804,397                     |
| Public Safety - Police                                     | 1,946,816                        | 1,706,323                      | 1,906,937                        | 1,595,196                      |
| Public Safety - Fire                                       | 390,422                          | 331,887                        | 303,500                          | 240,283                        |
| Public Safety - Other                                      | 210,101                          | 45,858                         | 229,581                          | (114,940)                      |
| Public Works - Sanitation                                  | 537,465                          | 393,485                        | 491,913                          | 340,311                        |
| Public Works                                               | 1,404,136                        | 1,074,034                      | 1,542,100                        | 1,189,357                      |
| Culture and Recreation                                     | 900,020                          | 537,748                        | 719,960                          | 449,356                        |
| Insurance and Benefits                                     | 1,584,032                        | 1,317,913                      | 1,373,815                        | 1,071,988                      |
| Debt Service/Miscellaneous                                 | 189,817                          | 189,817                        | 496,541                          | 496,541                        |
| <b>TOTAL EXPENSES</b>                                      | <b>\$ 7,761,318</b>              | <b>\$ 6,139,243</b>            | <b>\$ 7,916,969</b>              | <b>\$ 6,072,489</b>            |
| <b>Less:</b>                                               |                                  |                                |                                  |                                |
| Unrestricted Grants, Subsidies & Contributions             |                                  | 139,659                        |                                  | 133,597                        |
| <b>TOTAL NEEDS FROM LOCAL TAXES<br/>AND OTHER REVENUES</b> |                                  | <b>\$ 5,999,584</b>            |                                  | <b>\$ 5,938,892</b>            |

**TOWNSHIP OF COLLIER**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

**THE TOWNSHIP FUNDS**

Table A-4 compares the revenues, expenditures and change in fund balance of the Township's General Fund for the years ended December 31, 2017 and 2016

: Table A-4  
General Fund  
Year ended December 31, 2017 and 2016  
Changes in Fund Balance

|                                                 | <u>2017</u>                | <u>2016</u>                |
|-------------------------------------------------|----------------------------|----------------------------|
| <b>REVENUES</b>                                 |                            |                            |
| Taxes                                           | \$ 6,409,225               | \$ 5,699,511               |
| Licenses and Permits                            | 171,933                    | 175,559                    |
| Fines and Forfeitures                           | 25,740                     | 31,431                     |
| Interest and Rents                              | 37,109                     | 30,964                     |
| Intergovernmental                               | 496,483                    | 462,004                    |
| Charges for Services                            | 598,178                    | 823,465                    |
| Miscellaneous                                   | 140,281                    | 138,161                    |
| <b>TOTAL REVENUES</b>                           | <b><u>\$ 7,878,949</u></b> | <b><u>\$ 7,361,095</u></b> |
| <b>EXPENSES</b>                                 |                            |                            |
| General Government                              | \$ 541,061                 | \$ 649,206                 |
| Public Safety                                   | 2,120,135                  | 2,297,133                  |
| Public Works                                    | 1,679,343                  | 1,692,240                  |
| Culture and Recreation                          | 460,221                    | 473,526                    |
| Debt Service                                    | 680,542                    | 692,107                    |
| Miscellaneous                                   | 1,558,572                  | 1,497,989                  |
| <b>TOTAL EXPENSES</b>                           | <b><u>\$ 7,039,874</u></b> | <b><u>\$ 7,302,201</u></b> |
| <b>OTHER FINANCING SOURCES (USES)</b>           |                            |                            |
| Operating Transfers In                          | \$ 231,450                 | \$ 220,139                 |
| Operating Transfers Out                         | (340,266)                  | (390,345)                  |
| Refund of Prior Year Expenses                   | 75,546                     | 62,781                     |
| Refund of Prior Year Receipts                   | (2,119)                    | (54,705)                   |
| Sale of Assets                                  | -                          | 300                        |
| <b>TOTAL OTHER FINANCING SOURCES AND (USES)</b> | <b><u>\$ (35,389)</u></b>  | <b><u>\$ (161,830)</u></b> |
| <b>NET CHANGE IN FUND BALANCE</b>               | <b><u>\$ 803,686</u></b>   | <b><u>\$ (102,936)</u></b> |

**TOWNSHIP OF COLLIER  
ALLEGHENY COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2017**

**GENERAL, EMERGENCY SERVICES TAX, AND CAPITAL FUND BUDGETS**

In December of 2016, the Township of Collier adopted its annual budget for the General Fund in the amount of \$7,522,361, the Emergency Services Fund in the amount of \$380,000 and the Capital Project Fund in the amount of \$654,976. The Emergency Services Fund budget is \$380,000. A schedule showing the Township's original and final budget amounts compared with amounts actually paid and received is provided on Page 7 for the General Fund and page 50 for the Capital Project Fund.

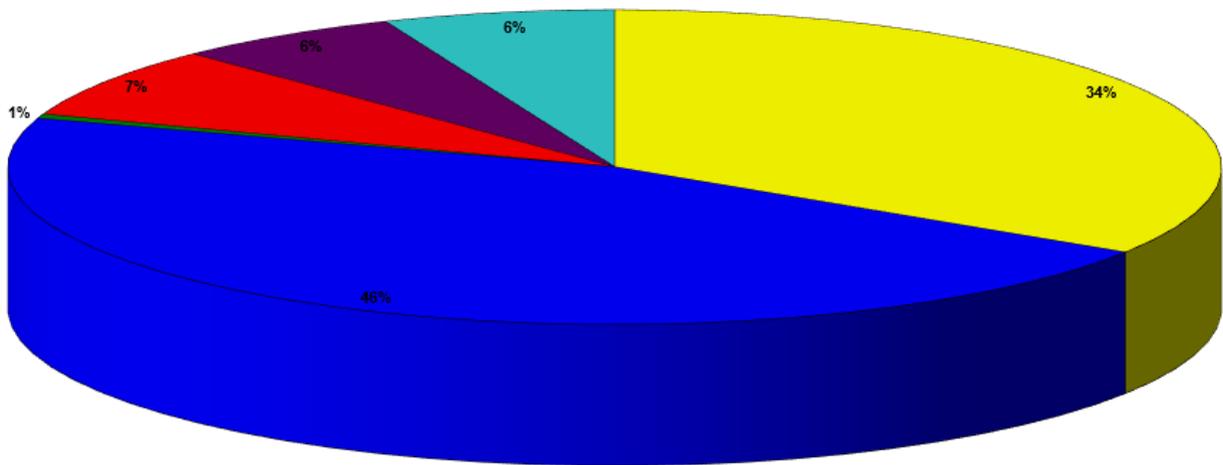
**SOURCE OF ACTUAL GENERAL FUND REVENUES**

Of the total \$8,185,945 in general fund revenues, approximately 80% of revenues were derived from real estate and other taxes.

The following chart graphically depicts the general fund revenues for the fiscal year ended December 31, 2017.

**GENERAL FUND REVENUES**

**TOTAL REVENUES: \$8,185,945**



|                        |                     |                      |
|------------------------|---------------------|----------------------|
| ■ PROPERTY TAXES       | ■ OTHER TAXES       | ■ INTEREST AND RENTS |
| ■ CHARGES FOR SERVICES | ■ INTERGOVERNMENTAL | ■ OTHER REVENUES     |

**TOWNSHIP OF COLLIER  
ALLEGHENY COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2017**

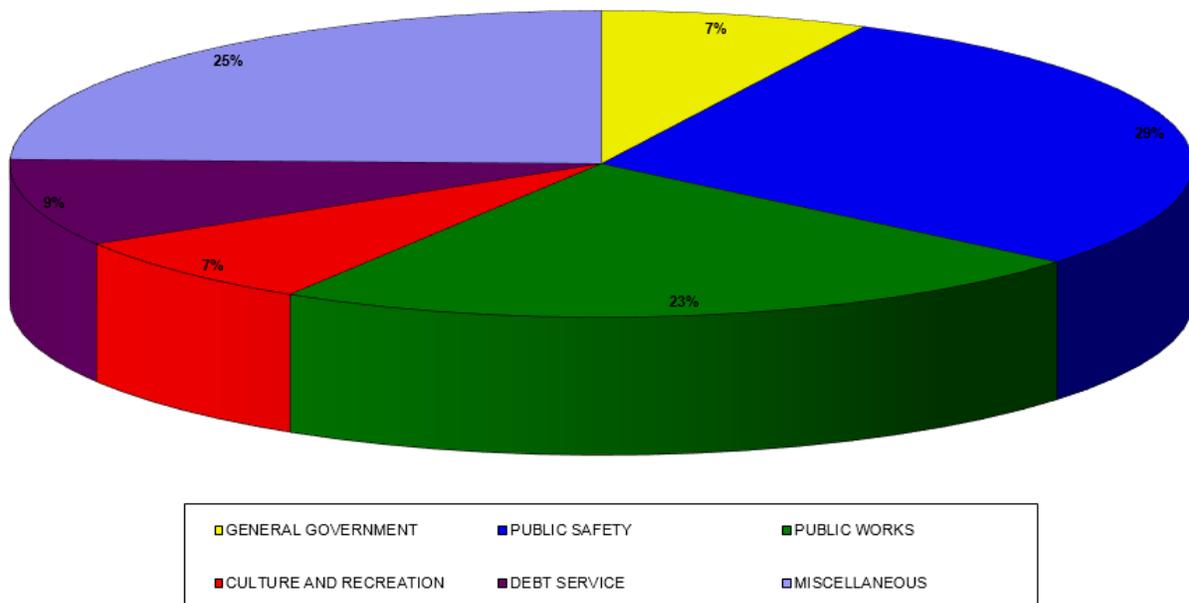
**General Fund Expenses**

Total general fund expenses for 2017 were \$7,382,259. The expenses reflect the delivery of a wide range of services, with the two largest areas being public safety at 29% and public works at 23%. General government at 7%, culture and recreation at 7%, and debt service, insurance and employee benefits and miscellaneous expenses totaled 34%.

The following chart graphically depicts the general fund expenses for the fiscal year ended December 31, 2017.

**GENERAL FUND EXPENSES**

**TOTAL EXPENSES: \$7,382,259**



**TOWNSHIP OF COLLIER**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At December 31, 2017, the Township had \$16,266,551 invested in capital assets, including land and land improvements, infrastructure, community parks, buildings, machinery and equipment and vehicles net of depreciation. This amount represents a net decrease (including additions, deletions and depreciation) of \$219,015. The Township had approximately \$261,325 in capital additions during the 2017 year, most of which were related to continuing 'work in progress' for various projects, equipment and vehicle purchases.

**Long-Term Debt**

At December 31, 2017, the Township had \$7,185,000 of debt outstanding in the form of general obligations bonds issued on February 6, 2014 and August 20, 2016. The bonds are scheduled to mature on August 31, 2031. On October 15, 2015 the Township entered into a lease purchase agreement with First Niagara Bank in the amount of \$186,169.40 for the purchase of two dump trucks and a 2015 Ford Police Cruiser. A final principal payment totaling \$62,047 was made in 2017 to satisfy the lease in full, leaving a zero balance. The Township will pay \$440,000 in debt service principal and \$184,537 in debt interest during 2018.

**Pension Trust Funds**

The Township of Collier has two pension plans – non-uniform and police. On December 31, 2016 (latest available), the net position of the non-uniform pension plan was \$2,946,449. On December 31, 2017, the net position of the police pension plan was \$4,917,323.

**Contacting the Township**

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

Kyle Thauvette  
Township Manager  
Township of Collier  
2418 Hilltop Road

**TOWNSHIP OF COLLIER**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

Presto, PA 15142

**TOWNSHIP OF COLLIER**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

**EXHIBIT A**

|                                                                           | <b>Governmental<br/>Activities</b> |
|---------------------------------------------------------------------------|------------------------------------|
| <b>ASSETS</b>                                                             |                                    |
| <b>Current Assets:</b>                                                    |                                    |
| Cash and Cash Equivalents                                                 | \$ 3,082,369                       |
| Investments                                                               | 20,244                             |
| Due from Other Governmental Units                                         | 27,471                             |
| Taxes Receivable (Net)                                                    | 653,616                            |
| Prepaid Expenditures                                                      | 63,607                             |
| Other Accounts Receivable                                                 | 19,324                             |
| <b>Total Current Assets</b>                                               | <b>\$ 3,866,631</b>                |
| <b>Noncurrent Assets:</b>                                                 |                                    |
| Land & Land Improvements (Net)                                            | \$ 2,061,425                       |
| Building & Building Improvements (Net)                                    | 1,641,089                          |
| Equipment, Furniture, & Fixtures (Net)                                    | 57,709                             |
| Vehicles (Net)                                                            | 517,942                            |
| Infrastructure (Net)                                                      | 646,795                            |
| Collier Community Park (Net)                                              | 10,811,933                         |
| Construction in Progress                                                  | 529,658                            |
| <b>Total Noncurrent Assets</b>                                            | <b>\$ 16,266,551</b>               |
| <b>TOTAL ASSETS</b>                                                       | <b>\$ 20,133,182</b>               |
| <b>Deferred Outflows of Resources:</b>                                    |                                    |
| Deferred Outflows Related to Pension - Police                             | \$ 217,737                         |
| Deferred Outflows Related to Pension - Non-Uniform                        | 174,281                            |
| <b>Total Deferred Outflows of Resources</b>                               | <b>\$ 392,018</b>                  |
| <b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>                  | <b>\$ 20,525,200</b>               |
| <br><b>LIABILITIES</b>                                                    |                                    |
| <b>Current Liabilities:</b>                                               |                                    |
| Accounts Payable                                                          | \$ 127,728                         |
| Accrued Payroll                                                           | 174,952                            |
| Accrued Interest Payable                                                  | 118,069                            |
| Bonds Payable - Current Portion                                           | 440,000                            |
| <b>Total Current Liabilities</b>                                          | <b>\$ 860,749</b>                  |
| <b>Noncurrent Liabilities:</b>                                            |                                    |
| Bonds Payable - Long-Term Portion (Net)                                   | \$ 6,658,252                       |
| Net Pension Liability - Police                                            | 1,227,739                          |
| Net Pension Liability - Non-Uniform                                       | 664,411                            |
| Compensated Absences                                                      | 333,583                            |
| <b>Total Noncurrent Liabilities</b>                                       | <b>\$ 8,883,985</b>                |
| <b>TOTAL LIABILITIES</b>                                                  | <b>\$ 9,744,734</b>                |
| <b>Deferred Inflows of Resources:</b>                                     |                                    |
| Deferred Inflows Related to Pension - Police                              | \$ 321,769                         |
| Deferred Inflows Related to Pension - Non-Uniform                         | -                                  |
| <b>Total Deferred Inflows of Resources</b>                                | <b>\$ 321,769</b>                  |
| <b>TOTAL LIABILITIES &amp; DEFERRED OUTFLOWS OF RESOURCES</b>             | <b>\$ 10,066,503</b>               |
| <br><b>NET POSITION</b>                                                   |                                    |
| Net Investment in Capital Assets                                          | \$ 9,333,403                       |
| Unrestricted                                                              | 1,125,294                          |
| <b>TOTAL NET POSITION</b>                                                 | <b>\$ 10,458,697</b>               |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b> | <b>\$ 20,525,200</b>               |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF COLLIER  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

| Functions/Programs                                | Expenses            | Program Revenues        |                                          |                                        | Net (Expense) Revenue<br>and<br>Changes in Net Position |
|---------------------------------------------------|---------------------|-------------------------|------------------------------------------|----------------------------------------|---------------------------------------------------------|
|                                                   |                     | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                              |
| <b>Governmental Activities:</b>                   |                     |                         |                                          |                                        |                                                         |
| General Government                                | \$ 598,509          | \$ 56,331               | \$ -                                     | \$ -                                   | \$ (542,178)                                            |
| Public Safety - Police                            | 1,946,816           | 240,493                 | -                                        | -                                      | (1,706,323)                                             |
| Public Safety - Fire                              | 390,422             | -                       | 58,535                                   | -                                      | (331,887)                                               |
| Public Safety - Other                             | 210,101             | 164,243                 | -                                        | -                                      | (45,858)                                                |
| Public Works - Sanitation                         | 537,465             | 134,244                 | 9,736                                    | -                                      | (393,485)                                               |
| Public Works - Highways                           | 1,404,136           | 95,748                  | 234,354                                  | -                                      | (1,074,034)                                             |
| Culture and Recreation                            | 900,020             | 183,214                 | 179,058                                  | -                                      | (537,748)                                               |
| Debt Service                                      | 187,698             | -                       | -                                        | -                                      | (187,698)                                               |
| Employee Benefits                                 | 1,042,997           | -                       | 266,119                                  | -                                      | (776,878)                                               |
| Employee Insurance                                | 541,035             | -                       | -                                        | -                                      | (541,035)                                               |
| Miscellaneous & Insurance                         | 2,119               | -                       | -                                        | -                                      | (2,119)                                                 |
| <b>Total Governmental Activities</b>              | <b>\$ 7,761,318</b> | <b>\$ 874,273</b>       | <b>\$ 747,802</b>                        | <b>\$ -</b>                            | <b>(6,139,243)</b>                                      |
| <b>General Revenues:</b>                          |                     |                         |                                          |                                        |                                                         |
| Taxes:                                            |                     |                         |                                          |                                        |                                                         |
| Property Taxes, Levied for General Purposes (net) |                     |                         |                                          | \$                                     | 3,181,830                                               |
| Act 511 Taxes                                     |                     |                         |                                          |                                        | 3,616,128                                               |
| Sales Tax                                         |                     |                         |                                          |                                        | 149,320                                                 |
| PURTA/Alcohol Beverage tax                        |                     |                         |                                          |                                        | 9,467                                                   |
| Cable Franchise Fees                              |                     |                         |                                          |                                        | 139,659                                                 |
| Investment Earnings                               |                     |                         |                                          |                                        | 1,546                                                   |
| Insurance Reimbursements                          |                     |                         |                                          |                                        | 59,039                                                  |
| Miscellaneous                                     |                     |                         |                                          |                                        | 25,792                                                  |
| <b>Total General Revenues</b>                     |                     |                         |                                          | <b>\$</b>                              | <b>7,182,781</b>                                        |
| <b>Change in Net Position</b>                     |                     |                         |                                          | <b>\$</b>                              | <b>1,043,538</b>                                        |
| Net Position — January 1, 2017                    |                     |                         |                                          |                                        | 9,415,159                                               |
| <b>Net Position — December 31, 2017</b>           |                     |                         |                                          | <b>\$</b>                              | <b>10,458,697</b>                                       |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF COLLIER**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2017**

**EXHIBIT C**

|                                                                                   | <b>GENERAL<br/>FUND</b> | <b>CAPITAL<br/>PROJECT<br/>FUND</b> | <b>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|-----------------------------------------------------------------------------------|-------------------------|-------------------------------------|---------------------------------------------|-----------------------------------------|
| <b>ASSETS:</b>                                                                    |                         |                                     |                                             |                                         |
| Cash and Cash Equivalents                                                         | \$ 2,673,937            | \$ 165,105                          | \$ 243,327                                  | \$ 3,082,369                            |
| Investments                                                                       | 20,244                  | -                                   | -                                           | 20,244                                  |
| Due From Other Governmental Units                                                 | 27,471                  | -                                   | -                                           | 27,471                                  |
| Taxes Receivable                                                                  | 653,616                 | -                                   | -                                           | 653,616                                 |
| Prepaid Expenditures                                                              | 63,607                  | -                                   | -                                           | 63,607                                  |
| Other Accounts Receivable                                                         | 19,324                  | -                                   | -                                           | 19,324                                  |
| <b>TOTAL ASSETS</b>                                                               | <b>\$ 3,458,199</b>     | <b>\$ 165,105</b>                   | <b>\$ 243,327</b>                           | <b>\$ 3,866,631</b>                     |
| <br><b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>           |                         |                                     |                                             |                                         |
| <b>LIABILITIES:</b>                                                               |                         |                                     |                                             |                                         |
| Accounts Payable                                                                  | \$ 116,070              | \$ 11,658                           | \$ -                                        | \$ 127,728                              |
| Accrued Payroll                                                                   | 174,952                 | -                                   | -                                           | 174,952                                 |
| <b>TOTAL LIABILITIES</b>                                                          | <b>\$ 291,022</b>       | <b>\$ 11,658</b>                    | <b>\$ -</b>                                 | <b>\$ 302,680</b>                       |
| <br><b>DEFERRED INFLOW OF RESOURCES:</b>                                          |                         |                                     |                                             |                                         |
| Delinquent Real Estate Taxes                                                      | \$ 115,939              | \$ -                                | \$ -                                        | \$ 115,939                              |
| <b>TOTAL DEFERRED INFLOW OF RESOURCES</b>                                         | <b>\$ 115,939</b>       | <b>\$ -</b>                         | <b>\$ -</b>                                 | <b>\$ 115,939</b>                       |
| <br><b>FUND BALANCES:</b>                                                         |                         |                                     |                                             |                                         |
| Nonspendable                                                                      |                         |                                     |                                             |                                         |
| General Fund                                                                      | \$ 63,607               | \$ -                                | \$ -                                        | \$ 63,607                               |
| Assigned:                                                                         |                         |                                     |                                             |                                         |
| Capital Project Fund                                                              | -                       | 153,447                             | -                                           | 153,447                                 |
| Liquid Fuels Fund                                                                 | -                       | -                                   | 58                                          | 58                                      |
| Memorial Maintenance Fund                                                         | -                       | -                                   | 1,734                                       | 1,734                                   |
| Traffic Impact Fee Fund                                                           | -                       | -                                   | 116,535                                     | 116,535                                 |
| Solar Roof Fund                                                                   | -                       | -                                   | 125,000                                     | 125,000                                 |
| Unassigned:                                                                       |                         |                                     |                                             |                                         |
| General Fund                                                                      | 2,987,631               | -                                   | -                                           | 2,987,631                               |
| <b>TOTAL FUND BALANCES</b>                                                        | <b>\$ 3,051,238</b>     | <b>\$ 153,447</b>                   | <b>\$ 243,327</b>                           | <b>\$ 3,448,012</b>                     |
| <br><b>TOTAL LIABILITIES, DEFERRED INFLOW OF<br/>RESOURCES, AND FUND BALANCES</b> | <b>\$ 3,458,199</b>     | <b>\$ 165,105</b>                   | <b>\$ 243,327</b>                           | <b>\$ 3,866,631</b>                     |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF COLLIER**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

**Total Fund Balances - Governmental Funds** \$ 3,448,012

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from amounts reported for governmental funds on the balance sheet (Exhibit C) because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds. The cost of assets is \$21,101,032 and the accumulated depreciation is \$4,834,481. 16,266,551

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. 70,249

Property taxes receivable in the statement of net position, which will not be available soon enough to pay for the current period's expenditures, are deferred and not recognized as revenue in governmental funds. 115,939

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

Long-term liabilities at year end consist of:

|                                     |              |             |
|-------------------------------------|--------------|-------------|
| Bonds Payable (net)                 | \$ 7,098,252 |             |
| Net Pension Liability - Police      | 1,227,739    |             |
| Net Pension Liability - Non-Uniform | 664,411      |             |
| Accrued Interest on the Bonds       | 118,069      |             |
| Compensated Absences                | 333,583      |             |
|                                     | 333,583      | (9,442,054) |

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$10,458,697**

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF COLLIER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                                              | <u>GENERAL FUND</u> | <u>CAPITAL<br/>PROJECT<br/>FUND</u> | <u>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</u> | <u>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</u> |
|--------------------------------------------------------------|---------------------|-------------------------------------|---------------------------------------------|-----------------------------------------|
| <b>REVENUES</b>                                              |                     |                                     |                                             |                                         |
| Taxes                                                        | \$ 6,409,225        | \$ -                                | \$ 382,184                                  | \$ 6,791,409                            |
| Licenses and Permits                                         | 171,933             | -                                   | -                                           | 171,933                                 |
| Fines and Forfeitures                                        | 25,740              | -                                   | -                                           | 25,740                                  |
| Interest and Rents                                           | 37,109              | 377                                 | 689                                         | 38,175                                  |
| Intergovernmental                                            | 496,483             | 179,058                             | 231,048                                     | 906,589                                 |
| Charges for Services                                         | 598,178             | 40,200                              | 10,255                                      | 648,633                                 |
| Miscellaneous                                                | 140,281             | -                                   | -                                           | 140,281                                 |
| <b>Total Revenue</b>                                         | <b>\$ 7,878,949</b> | <b>\$ 219,635</b>                   | <b>\$ 624,176</b>                           | <b>\$ 8,722,760</b>                     |
| <b>EXPENDITURES</b>                                          |                     |                                     |                                             |                                         |
| General Government                                           | \$ 541,061          | \$ -                                | \$ -                                        | \$ 541,061                              |
| Public Safety                                                | 2,120,135           | 66,929                              | 382,184                                     | 2,569,248                               |
| Public Works                                                 | 1,679,343           | 301,545                             | -                                           | 1,980,888                               |
| Culture and Recreation                                       | 460,221             | 123,282                             | -                                           | 583,503                                 |
| Intergovernmental Expenditures                               | 88,613              | -                                   | -                                           | 88,613                                  |
| Debt Service                                                 | 680,542             | -                                   | -                                           | 680,542                                 |
| Personnel Expense & Insurance                                | 928,924             | -                                   | -                                           | 928,924                                 |
| Health Insurance Benefit                                     | 541,035             | -                                   | -                                           | 541,035                                 |
| <b>Total Expenditures</b>                                    | <b>\$ 7,039,874</b> | <b>\$ 491,756</b>                   | <b>\$ 382,184</b>                           | <b>\$ 7,913,814</b>                     |
| <b>Excess ( Deficiency) of Revenue<br/>over Expenditures</b> | <b>\$ 839,075</b>   | <b>\$ (272,121)</b>                 | <b>\$ 241,992</b>                           | <b>\$ 808,946</b>                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                                     |                                             |                                         |
| Operating Transfers In                                       | \$ 231,450          | \$ 340,266                          | \$ 25,000                                   | \$ 596,716                              |
| Operating Transfers Out                                      | (340,266)           | (25,000)                            | (231,450)                                   | (596,716)                               |
| Refund Prior Year Expense                                    | 75,546              | -                                   | -                                           | 75,546                                  |
| Refund Prior Year Revenue                                    | (2,119)             | -                                   | -                                           | (2,119)                                 |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>\$ (35,389)</b>  | <b>\$ 315,266</b>                   | <b>\$ (206,450)</b>                         | <b>\$ 73,427</b>                        |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>\$ 803,686</b>   | <b>\$ 43,145</b>                    | <b>\$ 35,542</b>                            | <b>\$ 882,373</b>                       |
| FUND BALANCE - JANUARY 1, 2017                               | 2,247,552           | 110,302                             | 207,785                                     | 2,565,639                               |
| <b>FUND BALANCE - DECEMBER 31, 2017</b>                      | <b>\$ 3,051,238</b> | <b>\$ 153,447</b>                   | <b>\$ 243,327</b>                           | <b>\$ 3,448,012</b>                     |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF COLLIER**  
**RECONCILIATION OF THE GOVERNMENT FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** \$ 882,373

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$480,339) exceeds capital outlays (\$261,325) in the period. (219,014)

Bond issue premiums/discounts are recognized as revenue/expense in the fund statements when the bond is issued. These amounts are recognized as part of long-term debt in the government-wide financial statements and accreted over the life of the bond. (293)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions (114,073)

Deferred inflows of resources related to pensions -

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 497,047

Deferred interest on bond refundings is recognized in the government-wide financial statements when bonds are refunded and amortized over the life of the bond issue as interest expense. (6,083)

Because certain property and wage taxes will not be collected for several months after the Township's year ends, they are not considered as "available" revenues in the governmental funds. 6,549

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 2,173

In the statement of activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid). This is the amount by which compensated absences paid exceeded the amount earned in 2017. (5,141)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 1,043,538**

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF COLLIER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                                               | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget |
|---------------------------------------------------------------|---------------------|---------------------|---------------------|-------------------------------|
|                                                               | Original            | Final               | (Budgetary Basis)   | Positive<br>(Negative)        |
| <b>REVENUES</b>                                               |                     |                     |                     |                               |
| Taxes                                                         | \$ 5,704,000        | \$ 5,704,000        | \$ 6,409,225        | \$ 705,225                    |
| Licenses and Permits                                          | 164,050             | 164,050             | 171,933             | 7,883                         |
| Fines and Forfeitures                                         | 41,000              | 41,000              | 25,740              | (15,260)                      |
| Interest and Rents                                            | 36,600              | 36,600              | 37,109              | 509                           |
| Intergovernmental                                             | 469,500             | 469,500             | 496,483             | 26,983                        |
| Charges for Services                                          | 673,650             | 673,650             | 598,178             | (75,472)                      |
| Miscellaneous                                                 | 142,500             | 142,500             | 140,281             | (2,219)                       |
| <b>Total Revenues</b>                                         | <b>\$ 7,231,300</b> | <b>\$ 7,231,300</b> | <b>\$ 7,878,949</b> | <b>\$ 647,649</b>             |
| <b>EXPENDITURES</b>                                           |                     |                     |                     |                               |
| General Government                                            | \$ 590,308          | \$ 590,308          | \$ 541,061          | \$ 49,247                     |
| Public Safety                                                 | 2,177,333           | 2,177,333           | 2,120,135           | 57,198                        |
| Public Works                                                  | 1,787,944           | 1,787,944           | 1,679,343           | 108,601                       |
| Culture and Recreation                                        | 484,368             | 484,368             | 460,221             | 24,147                        |
| Intergovernmental Expense                                     | 109,000             | 109,000             | 88,613              | 20,387                        |
| Debt Service                                                  | 679,503             | 679,503             | 680,542             | (1,039)                       |
| Personnel Expense & Insurance                                 | 933,605             | 933,605             | 928,924             | 4,681                         |
| Health Insurance Benefit                                      | 591,300             | 591,300             | 541,035             | 50,265                        |
| <b>Total Expenditures</b>                                     | <b>\$ 7,353,361</b> | <b>\$ 7,353,361</b> | <b>\$ 7,039,874</b> | <b>\$ 313,487</b>             |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ (122,061)</b> | <b>\$ (122,061)</b> | <b>\$ 839,075</b>   | <b>\$ 961,136</b>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                     |                     |                     |                               |
| Operating Transfers In                                        | \$ 220,000          | \$ 220,000          | \$ 231,450          | \$ 11,450                     |
| Operating Transfers Out                                       | (169,000)           | (169,000)           | (340,266)           | (171,266)                     |
| Sale of Surplus Vehicles/Assets                               | 2,000               | 2,000               | -                   | (2,000)                       |
| Refund Prior Year Expense                                     | 90,000              | 90,000              | 75,546              | (14,454)                      |
| Refund Prior Year Revenue                                     | -                   | -                   | (2,119)             | (2,119)                       |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ 143,000</b>   | <b>\$ 143,000</b>   | <b>\$ (35,389)</b>  | <b>\$ (178,389)</b>           |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ 20,939</b>    | <b>\$ 20,939</b>    | <b>\$ 803,686</b>   | <b>\$ 782,747</b>             |
| FUND BALANCE - JANUARY 1, 2017                                | (20,939)            | (20,939)            | 2,247,552           | 2,268,491                     |
| <b>FUND BALANCE - DECEMBER 31, 2017</b>                       | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 3,051,238</b> | <b>\$ 3,051,238</b>           |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF COLLIER**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2017**

|                                           | <u>POLICE PENSION<br/>FUND</u> | <u>ESCROW<br/>FUND</u>   |
|-------------------------------------------|--------------------------------|--------------------------|
| <b>ASSETS</b>                             |                                |                          |
| Cash and Cash Equivalents                 | \$ -                           | \$ 181,677               |
| PSABMRT Investments                       | 4,917,323                      | -                        |
| <b>TOTAL ASSETS</b>                       | <b><u>\$ 4,917,323</u></b>     | <b><u>\$ 181,677</u></b> |
| <b>LIABILITIES</b>                        |                                |                          |
| Due to Developers                         | \$ -                           | \$ 47,905                |
| <b>TOTAL LIABILITIES</b>                  | <b><u>\$ -</u></b>             | <b><u>\$ 47,905</u></b>  |
| <b>NET POSITION</b>                       |                                |                          |
| Held in Trust for Pension Benefits        | \$ 4,917,323                   | \$ -                     |
| Restricted                                | -                              | 133,772                  |
| <b>TOTAL NET POSITION</b>                 | <b><u>\$ 4,917,323</u></b>     | <b><u>\$ 133,772</u></b> |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b><u>\$ 4,917,323</u></b>     | <b><u>\$ 181,677</u></b> |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF COLLIER**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                         | <u>POLICE<br/>PENSION PLAN</u> | <u>ESCROW FUND</u>       |
|-----------------------------------------|--------------------------------|--------------------------|
| <b>ADDITIONS</b>                        |                                |                          |
| Interest/Dividends                      | \$ 66,367                      | \$ 255                   |
| Net Appreciation in Fair Values         | 386,498                        | -                        |
| Municipal Pension State Aid             | 165,177                        | -                        |
| Employer Contributions                  | 111,813                        | -                        |
| Employee Contributions                  | 130,305                        | -                        |
| Deposits from Developers                | -                              | 122,959                  |
| <b>TOTAL ADDITIONS</b>                  | <b><u>\$ 860,160</u></b>       | <b><u>\$ 123,214</u></b> |
| <b>DEDUCTIONS</b>                       |                                |                          |
| Benefit Payments                        | \$ 240,742                     | \$ -                     |
| Administrative Expenses                 | 29,417                         | -                        |
| Legal and Engineering Expenses          | -                              | 110,212                  |
| <b>TOTAL DEDUCTIONS</b>                 | <b><u>\$ 270,159</u></b>       | <b><u>\$ 110,212</u></b> |
| <b>CHANGE IN NET POSITION</b>           | <b>\$ 590,001</b>              | <b>\$ 13,002</b>         |
| <b>NET POSITION - JANUARY 1, 2017</b>   | <b><u>4,327,322</u></b>        | <b><u>120,770</u></b>    |
| <b>NET POSITION - DECEMBER 31, 2017</b> | <b><u>\$ 4,917,323</u></b>     | <b><u>\$ 133,772</u></b> |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DESCRIPTION**

The Township of Collier was incorporated under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. The administration of the Township consists of a five member Board of Commissioners and a Township Manager. Members of the Board of Commissioners are elected by the voting public. The Commissioners appoint a Township Manager to administer the day-to-day operations of the Township. The major functions of the Township include public safety, maintenance of Township infrastructure (roads), maintenance of parks and other recreational programs, activities and facilities for use by Township residents, and general administrative functions necessary to facilitate Township responsibilities and resident needs.

The financial statements of the Township of Collier have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The most significant of the Township's accounting policies are as follows:

**REPORTING ENTITY**

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of The Township of Collier consists of all funds, departments, boards and agencies that are not legally separate from the Township. As defined by GASB Statement No. 14, component units are legally separate entities that are included in the Township's reporting entity because of the significance of their operating or financial relationships with the Township. Based on the application of the above criteria, the Township of Collier has no component units.

**BASIS OF PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** – The statement of net position (Exhibit A) and the statement of activities (Exhibit B) display information about the Township as a whole. These statements include the financial activities of the primary government (The Township of Collier), except for fiduciary funds. The statements include the aggregate financial activities of the Township's governmental funds. The Township does not administer any business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations (Exhibits D and F) with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities (Exhibit B) presents a comparison between direct expenses and program revenues for each function of the Township's governmental activities and component unit. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF PRESENTATION (Continued)**

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies and contributions that are restricted to meeting the operational or capital requirements of a particular program.

The Township allocates the following program revenues under the column 'charges for services' to each functional disbursement category as follows:

- General Government – Rental fees, tax office supply reimbursements, tax certifications, sale of maps and ordinances and lien letters.
- Public Safety (Police) – State and local fines, accident reports, alarm permits and special police services.
- Public Safety (Fire) – Foreign fire insurance proceeds.
- Public Safety (Other) – Amusement devices fees, zoning and subdivision fees, occupancy permits, peddlers permits, and building permits.
- Public Works – Traffic impact fees and snow removal fees.
- Culture and Recreation – Pavilion rental fees, recreation program fees.

Revenues which are not classified as program revenues are presented as general revenues of the Township. General revenue consists mainly of taxes, unrestricted grants, and other miscellaneous receipts not earmarked for a specific function. The comparison of direct expenses with program revenues identifies the extent to which the government function is self-financing or draws from the general revenues of the Township.

**FUND FINANCIAL STATEMENTS** – Fund financial statements report detailed information about the Township. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Major funds represent the Township's most important funds and are determined based on percentages of assets, liabilities, revenues, and expenditures/expenses. Each major fund is presented in a separate column. In Exhibit C, non-major funds, if applicable, are segregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. Fiduciary funds are reported using the economic resources measurement focus.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING**

The Township uses funds (Exhibits C) to report on its financial position and the results of its operations during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Township functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into two categories: governmental and fiduciary. Fund categories are defined as follows:

**Governmental Funds** – Governmental funds focus 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 are the Township's major and non-major governmental funds:

**MAJOR GOVERNMENTAL FUNDS:**

**GENERAL FUND** - Established under 'The First Class Township Code' of the Commonwealth of Pennsylvania and is used for the general operations of the Township. Income in this fund is derived mainly from assessed revenue such as real estate taxes, local taxes established under Act 511 and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the Township and other miscellaneous operating expenses.

**CAPITAL PROJECT FUND** - Established to account for proceeds from General Obligation Bonds Series of 2014 and Series of 2016 transferred from the Debt Service Fund, and transfers from the General Fund to be used to finance the development of Collier Township Park and other capital projects.

**NON-MAJOR GOVERNMENTAL FUNDS:**

**HIGHWAY AID FUND** (SPECIAL REVENUE) - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets and bridges for which the Township is responsible.

**EMERGENCY SERVICES TAX FUND** (SPECIAL REVENUE) - Established to account for a portion of the real estate tax revenues to be used for emergency service fees.

**MEMORIAL MAINTENANCE FUND** (SPECIAL REVENUE) - Established to account for donations by residents to be used for the maintenance of the memorial on the Township grounds.

**TRAFFIC IMPACT FEE FUND** (SPECIAL REVENUE) - Established to account for monies from new business owners for the impact they would have on traffic in the Township.

**SOLAR ROOF FUND** (SPECIAL REVENUE) - Established to account for proceeds from the General Fund to be used for a solar roof project at the municipal building to be completed in the future.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township's own programs. Agency funds are custodial in nature and do not involve measuring income or any other results from operations. The Township offers two pension plans for all full-time employees (police pension and non-uniform pension). The Township also maintains one agency fund (Agency Escrow Fund).

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements (Exhibits A and B) are prepared using the accrual basis of accounting. Government funds (Exhibit C, E, and G) use the modified accrual basis of accounting. Fiduciary funds (Exhibits H and I) use the accrual basis of accounting.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Township, available means expected to be received within sixty days of fiscal year-end.

Revenue resulting from non-exchange transactions, in which the Township receives value without directly giving equal value in return, includes property taxes, grants and contributions. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants and contributions are recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be 'available' before it can be recognized.

The management of the Township of Collier has determined that the revenues most susceptible to accrual at December 31, 2017 are 1) real estate taxes collected within 60 days of Township's calendar year-end, 2) delinquent real estate taxes for the month of December, 3) certain Act 511 taxes, 4) other miscellaneous items of income pertaining to the 2017 calendar year received subsequent to December 31, 2017. On the governmental fund financial statements, receivables that will not be collected within the 'available' period have been reported as 'unearned revenue'.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at December 31, 2017 are those for which the Board of Commissioner's intention was to expense these items as budgeted for in the 2017 official budget, and for which the Township has incurred an obligation during 2017, but has not paid as of December 31, 2017.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

Allocations of cost, such as depreciation, are not recognized in governmental funds but are included as part of expenses in the government-wide statement of activities.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BUDGETS**

In December of 2016, the Township of Collier adopted its 2017 annual budget for its General Fund totaling \$7,522,361 in accordance with the provisions of the Commonwealth of Pennsylvania Township Code. The Township also adopted a 2017 budget for its Capital Project Fund totaling \$654,976. The budgets are prepared utilizing the modified accrual method of accounting in accordance with generally accepted accounting principles. Budgetary transfers among various expenditure line items are performed as approved by the Board of Commissioners. The adjusted budgetary amounts, if any, are reflected in these financial statements (Exhibit G and Schedule 5). All appropriations lapse at the end of each calendar year.

**CASH AND CASH EQUIVALENTS**

For purposes of these basic financial statements, cash and cash equivalents include amounts in demand deposit accounts and all highly liquid short-term investments with original maturity terms of less than three months.

**INVESTMENTS**

Provisions of Section 1705.1 of the First Class Township Code authorize the following investments:

- I. Obligations of (a) the United States of American or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.
- III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.

Governmental fund type investments include funds pooled for investment purposes with the Pennsylvania Local Government Investment Trust (PLGIT). PLGIT funds are stated at amortized cost, which approximates market value. The Township's portfolio is in compliance with these statutes at December 31, 2017. Fiduciary fund type investments include funds invested with PMRS and PSABMRT, the Township's designated asset managers for the police and non-uniform pension plans.

**RECEIVABLES**

Receivables are reflected at net realizable value as of December 31, 2017.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as 'due from/to other funds' on the balance sheet. For the purposes of the government-wide statement of net position, governmental inter-fund receivables and payables have been eliminated.

**CAPITAL ASSETS AND DEPRECIATION**

General capital assets are those assets not specifically related to activities reported in proprietary funds. These assets are reported as part of governmental activities on the government-wide statement of net position.

All capital assets are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The Township maintains a capitalization dollar threshold of \$3,000. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense in the government-wide statement of activities. Donated capital assets are recorded at estimated fair market value at the date of donation. In accordance with GASB Statement No. 34, infrastructure has been prospectively capitalized, beginning January 1, 2004. The Township did not elect retroactive reporting of infrastructure in the year of adoption of GASB Statement No. 34.

All reported capital assets, except land, are depreciated using the straight-line method over the following useful lives:

| <b><u>CATEGORY</u></b>            | <b><u>YEARS</u></b> |
|-----------------------------------|---------------------|
| Site Improvements                 | 20-30 years         |
| Buildings and Improvements        | 25-40 years         |
| Furniture, Vehicles and Equipment | 5-20 years          |
| Infrastructure                    | 50 years            |

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets purchased by governmental funds are recorded as expenditures in the fund financial statements (Exhibit E). The results of capitalizing fixed assets net of depreciation on the government-wide statement of net position and statement of activities, as opposed to recording these same assets as an expenditure in the fund financial statements (Exhibit E), is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

**COMPENSATED ABSENCES**

The Township reports compensated absences in accordance with the provisions of GASB Statement No. 16, 'Accounting for Compensated Absences'. Sick leave benefits are accrued as a liability at various rates per day for all employees in accordance with the terms of the Township's collective bargaining agreements or administrative guidelines. The number of days that can be accrued varies based on their contract and their years of service.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**COMPENSATED ABSENCES (Continued)**

The entire compensated absences liability of \$333,583 is shown as a non-current liability in the government-wide statement of net position. For governmental fund financial statements, compensated absences are recorded as expenditures when paid rather than accrued when earned as the likelihood of payment in the immediate fiscal year with available expendable resources is not assured.

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment within 60 days of the end of the fiscal year-end, are considered to be paid with current available financial resources.

Capital leases and other long-term obligations, if any, that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The Township's General Fund is typically used to liquidate long-term liability obligations.

The results of recognizing these long-term obligations as liabilities on the government-wide statement of net position and statement of activities, as opposed to recording these same obligations as an expenditure in the fund financial statements (Exhibit E) only when paid, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

**NET POSITION**

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy Township obligations. Net position is classified as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that are attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted Net Position – This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets.
- Unrestricted Net Position – Consists of net position that does not meet the definition of 'restricted' or 'net investment in capital assets'.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Township's policy is to first apply the expense toward restricted resources, when available, before using unrestricted resources, to pay expenditures that can be paid from either source.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**UNEARNED REVENUE**

Unearned revenue arises when the Township receives resources before it has legal claim to them. This occurs when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Township has a legal claim to the resources, the unearned revenue liability is removed and revenue is recognized.

**LONG-TERM DEBT FINANCING COSTS**

Bond issuance costs are recorded as expenditures in the governmental fund financial statements in the year paid. The Township did not incur bond issuance costs during the 2017 fiscal year.

**DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets and liabilities, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred outflows and/or inflows of resources. These separate financial statement elements represent a decrease and/or increase in net position that applies to a future period and so will not be recognized as an outflow and/or inflow of resources (expenses/expenditures or income/revenue) in the current period.

**FUND BALANCE**

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity's fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation
- Committed fund balance – amount constrained to specific purposes by the Township itself, using its highest level of decision-making Township; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint
- Assigned fund balance – amounts the Township intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the Township.
- Unassigned fund balance – amount that are available for any purpose

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND BALANCE (Continued)**

The Township establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. The Township Manager has Township to assign fund balance.

When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the Township's general policy to spend the committed resources first, followed by assigned amounts and then unassigned amounts.

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Township's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statements were adopted for the Township's 2017 financial statements. Except where noted, the adoption of these pronouncements did not have a significant impact on the Township's financial statements.

GASB issued Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*". The primary objective of this Statement is to address reporting by OPEB plans that administer benefits on behalf of governments. This Statement replaces Statement No. 43. The Statement had no material impact on the Township.

GASB issued Statement No. 77, "*Tax Abatement Disclosures*". The primary objective of this Statement is to require state and local governments for the first time to disclose information about tax abatement agreements and is designed to provide financial statement users with essential information about these agreements and the impact that they have on a government's finances. The Township does not have any Tax Abatement Agreements as of December 31, 2017.

GASB issued Statement No. 79, "*Certain External Investment Pools and Pool Participants*". The primary objective of this Statement is to address accounting and reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for the election to measure all of its investments at amortized costs for financial reporting purposes. This pronouncement required additional disclosures related to investments, which have been incorporated into Note 2.

GASB issued Statement No. 80, "*Blending Requirements for Certain Component Units- an amendment of GASB Statement No. 14*". The primary objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The Statement had no material impact on the Township.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ADOPTION OF GASB PRONOUNCEMENTS (Continued)**

GASB issued Statement No. 81, "Irrevocable Split-Interest Agreement". The primary objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement had no material impact on the Township.

GASB issued Statement No. 82, '*Pension Issues- an amendment of GASB Statements No. 67, No. 68, and No. 73*'. The primary objective of this Statement is to address certain issues that have been raised with respect to GASB Statements No. 67, "Financial Reporting for Pension Plans," No. 68, "Accounting and Financial Reporting for Pensions," and No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." The Statement had no material impact on the Township

**PENDING GASB PRONOUNCEMENTS**

In June of 2015, the GASB issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". The primary objective of this Statement is to address reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This Statement replaces the requirements of Statement No. 45. The provisions of this Statement are effective for the Township's December 31, 2018 financial statements.

In November of 2016, the GASB issued Statement No. 83, '*Certain Asset Retirement Obligations*'. The primary objective of this Statement is to provide financial statement users with information about 'asset retirement obligations (ARO) that were not addressed in GASB Standards by establishing uniform accounting and financial reporting requirements for these obligations. The provisions of this Statement are effective for the Township's December 31, 2019 financial statements.

In January of 2017, the GASB issued Statement No. 84, '*Fiduciary Activities*'. The primary objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. The provisions of this Statement are effective for the Township's December 31, 2019 financial statements.

In March of 2017, the GASB issued Statement No. 85, '*Omnibus 2017*'. The primary objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The provisions of this Statement are effective for the Township's December 31, 2018 financial statements.

In May of 2017, the GASB issued Statement No. 86, '*Certain Debt Extinguishment Issues*'. The primary objective of this Statement is to improve consistency in accounting and financial reporting for certain debt extinguishments and to enhance the decision-usefulness of that information. The provisions of this Statement are effective for the Township's December 31, 2018 financial statements.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

In June of 2017, the GASB issued Statement No. 87, 'Leases'. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The provisions of this Statement will be effective for the Township's December 31, 2020 financial statements.

The effects of implementing the aforementioned GASB Statements on the Township's financial statements have not yet been determined.

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS:**

At December 31, 2017, the Township of Collier had the following carrying values on its cash and cash equivalent accounts:

|                              | <b>Bank Balance</b> | <b>(Memo Only)<br/>Book Balance</b> |
|------------------------------|---------------------|-------------------------------------|
| General Fund                 | \$ 2,738,191        | \$ 2,673,937                        |
| Capital Project Fund         | 294,031             | 165,105                             |
| Non-Major Governmental Funds | 243,327             | 243,327                             |
| Fiduciary Funds              | 181,677             | 181,677                             |
|                              | <b>\$ 3,457,226</b> | <b>\$ 3,264,046</b>                 |

The difference between the bank balance and the carrying value represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government accounts is \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposits accounts, and certificates of deposit.

**Custodial Credit Risk:**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a policy for custodial credit risk. As of December 31, 2017, \$3,207,226 of the Township's deposits were exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Township's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, deposits of the Township, in excess of \$250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS:**

The fair value and maturity term of the Township's investments as of December 31, 2017 are as follows:

|                            | <b>No Stated<br/>Maturity</b> | <b>1-5 Years</b> | <b>6-10 Years</b> | <b>11-25 Years</b> |
|----------------------------|-------------------------------|------------------|-------------------|--------------------|
| <b>Governmental Funds:</b> |                               |                  |                   |                    |
| PLGIT                      | \$ 20,244                     | \$ -             | \$ -              | \$ -               |
| <b>Fiduciary Funds:</b>    |                               |                  |                   |                    |
| PMRS Investments           | \$ 2,946,449                  | \$ -             | \$ -              | \$ -               |
| PSABMRT - Mutual Funds     | 4,057,054                     | -                | -                 | -                  |
|                            | <b>\$ 7,003,503</b>           | <b>\$ -</b>      | <b>\$ -</b>       | <b>\$ -</b>        |

The purpose of the Pennsylvania Local Government Investment Trust (PLGIT) is to enable governmental units to pool their available funds for investments authorized under the Intergovernmental Cooperation Act of 1972. The funds operate in a manner consistent with the SEC's Rule 2(a)7 of the Investment Company Act of 1940. The funds use amortized cost to report net position to compute share prices. These funds maintain net asset values of \$1 per share. Accordingly, the fair value of the position in these funds is the same as the value of these shares. These funds are rated by a nationally recognized statistical rating organization. Copies of the PLGIT annual report can be obtained by contacting their website of [www.plgit.com](http://www.plgit.com).

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that in the event of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Township fiduciary fund investments in mutual funds and governmental fund investments in PLGIT are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The Township does not have a policy that would limit its investment choices to those with certain credit ratings.

**Credit Risk:**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township has no formal investment policy that limits its investment choices based on credit ratings by nationally recognized rating organizations. As of December 31, 2017, investments with PLGIT have received an 'AAAm' rating from Standards & Poors nationally recognized statistical rating organization.

**Interest Rate Risk:**

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Concentration of Credit Risk:**

The Township places no limit on the amount it may invest in any one issuer.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS: (Continued)**

**Fair Value Measurements:**

The Township of Collier's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

**Level 1** – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes

**Level 2** – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data

**Level 3** – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

The following schedule presents the Investments of the Township by level within the fair value hierarchy:

|              | <b>Value<br/>at 12/31/17</b> | <b>Fair Value Measurements</b> |                |                |
|--------------|------------------------------|--------------------------------|----------------|----------------|
|              |                              | <b>Level 1</b>                 | <b>Level 2</b> | <b>Level 3</b> |
| PLGIT        | \$ 20,244                    | \$ -                           | \$ -           | \$ -           |
| Fixed Income | 4,057,054                    | 4,057,054                      | -              | -              |
|              | <u>\$ 4,077,298</u>          | <u>\$ 4,057,054</u>            | <u>\$ -</u>    | <u>\$ -</u>    |

Investments held in external investment pools such as PLGIT are not subject to the provisions of fair value measurements as they are recorded at amortized cost.

**NOTE 3 - PROPERTY TAXES**

The Township of Collier levies property taxes April 1 of each calendar year. The calendar dates for payment of these taxes is as follows:

**PAYMENT PERIOD**

|                         |                   |
|-------------------------|-------------------|
| July 1 – Aug. 31, 2017  | (Discount period) |
| Sept. 1 – Oct. 31, 2017 | (Face period)     |
| November 1 and after    | (Penalty period)  |

**NOTE 3 - PROPERTY TAXES (Continued)**

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

Taxpayers are entitled to a 2% discount if taxes are paid prior to August 31st. Collections after November 1st are assessed a 10% penalty. Unpaid taxes are sent to the Townships Delinquent Real Estate Tax Collector for collection or subsequent lien with Allegheny County. Unpaid taxes as of December 31, 2017 totaling \$68,348 represent 2.2% of the original assessment for 2017 of 3,112,303.

The tax millage assessment for the 2017 calendar year is 3.13 mills on the assessed value of land and buildings, which represents \$3.13 of revenue for every \$1,000 of assessed value. For 2017 fiscal year, the Township earmarked 2.73 mills for general purposes and .40 mills for emergency service fees. Taxes receivable as shown in the government-wide statement of net position includes prior year property taxes of \$115,939 (net of allowance account). For purposes of the governmental fund financial statements, the above property taxes receivable, although measurable, does not meet the available criteria to finance current fiscal year operations. Accordingly, this amount (\$115,939) is equally off-set as a credit to deferred flow of resources in the fund financial statements.

The effect of recognizing property tax revenue when taxes are levied, as opposed to when they are received using the 'measurable and available' criteria under the modified accrual basis of accounting, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

Taxes receivable are comprised of the following at December 31, 2017:

|                     |    |            |
|---------------------|----|------------|
| Property Taxes, Net | \$ | 115,939    |
| Act 511 Taxes       |    | 537,677    |
|                     |    | \$ 653,616 |

**NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS**

The 'Due from other Governmental Units' total of \$27,471, as reflected in Exhibit A and C, represents amounts earned by and due to the Township of Collier as follows:

|                                  |    |           |
|----------------------------------|----|-----------|
| Sale & Use 1% County Tax         | \$ | 11,721    |
| Chartiers Valley School District |    | 15,750    |
|                                  |    | \$ 27,471 |

**NOTE 5 – PREPAID EXPENDITURES**

The 'Prepaid Expenditures' total of \$63,607, as reflected in Exhibit A and C, represents advance payments by the Township of Collier as follows:

|                          |    |           |
|--------------------------|----|-----------|
| Employee Health Benefits | \$ | 41,007    |
| MRM - Worker's Comp      |    | 21,636    |
| Miscellaneous            |    | 964       |
|                          |    | \$ 63,607 |

**NOTE 6 - CAPITAL ASSETS**

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

A summary of the governmental fixed asset activity for the 2017 calendar year was as follows:

|                                       | <b>Balance<br/>1/1/2017</b> | <b>Additions</b>         | <b>Deductions</b>        | <b>Balance<br/>12/31/2017</b> |
|---------------------------------------|-----------------------------|--------------------------|--------------------------|-------------------------------|
| Land                                  | \$ 350,280                  | \$ -                     | \$ -                     | \$ 350,280                    |
| Land Improvements                     | 2,074,205                   | 520,671                  | -                        | 2,594,876                     |
| Building and Improvements             | 2,745,537                   | 6,256                    | -                        | 2,751,793                     |
| Equipment, Furniture & Fixtures       | 1,044,505                   | 52,021                   | -                        | 1,096,526                     |
| Vehicles                              | 1,858,408                   | 98,134                   | -                        | 1,956,542                     |
| Collier Community Park                | 11,032,585                  | -                        | -                        | 11,032,585                    |
| Construction in Progress              | 945,415                     | 105,546                  | 521,303                  | 529,658                       |
| Infrastructure                        | 788,772                     | -                        | -                        | 788,772                       |
|                                       | <u>\$ 20,839,707</u>        | <u>\$ 782,628</u>        | <u>\$ 521,303</u>        | <u>\$ 21,101,032</u>          |
| <b>Less: Accumulated depreciation</b> |                             |                          |                          |                               |
| Land Improvements                     | \$ (839,732)                | \$ (43,999)              | \$ -                     | \$ (883,731)                  |
| Building and Improvements             | (1,058,298)                 | (52,406)                 | -                        | (1,110,704)                   |
| Equipment, Furniture & Fixtures       | (1,025,457)                 | (13,360)                 | -                        | (1,038,817)                   |
| Vehicles                              | (1,304,453)                 | (134,147)                | -                        | (1,438,600)                   |
| Community Park                        | -                           | (220,652)                | -                        | (220,652)                     |
| Infrastructure                        | (126,202)                   | (15,775)                 | -                        | (141,977)                     |
|                                       | <u>\$ (4,354,142)</u>       | <u>\$ (480,339)</u>      | <u>\$ -</u>              | <u>\$ (4,834,481)</u>         |
| <b>Governmental Activities</b>        |                             |                          |                          |                               |
| <b>Capital Assets, Net</b>            | <u><b>\$ 16,485,565</b></u> | <u><b>\$ 302,289</b></u> | <u><b>\$ 521,303</b></u> | <u><b>\$ 16,266,551</b></u>   |

Depreciation expense was allocated to governmental functions as follows:

|                        |                          |
|------------------------|--------------------------|
| General Government     | \$ 64,434                |
| Public Safety          | 35,039                   |
| Public Works           | 32,997                   |
| Culture and Recreation | 347,869                  |
|                        | <u><b>\$ 480,339</b></u> |

**NOTE 7 – INTER-FUND OBLIGATIONS AND TRANSFERS**

At December 31, 2017, there were no inter-fund obligations of the Township. Inter-fund transfers as reflected on the governmental funds balance sheet (Exhibit E) are as follows:

|                         | <b>TO</b>                | <b>FROM</b>              |
|-------------------------|--------------------------|--------------------------|
| General Fund            | \$ 231,450               | \$ 340,266               |
| Liquid Fuels Fund       | -                        | 231,450                  |
| Solar Roof Project Fund | 25,000                   | -                        |
| Capital Project Fund    | 340,266                  | 25,000                   |
|                         | <u><b>\$ 596,716</b></u> | <u><b>\$ 596,716</b></u> |

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 7 – INTER-FUND OBLIGATIONS AND TRANSFERS (Continued)**

During the year ended December 31, 2017, the Liquid Fuels Fund transferred \$231,450 to reimburse the General Fund for expenditures paid from the General Fund. The General Fund transferred \$340,266 to the Capital Project Fund to finance the development of Township parks and equipment purchases, and the Capital Project Fund transferred \$25,000 to the Solar Roof Project Fund to finance the future solar roof project.

**NOTE 8 - LONG-TERM DEBT OBLIGATIONS**

**BONDS PAYABLE – SERIES OF 2014**

In February of 2014, the Township of Collier issued General Obligation Bonds – Series of 2014 in the amount of \$3,205,000 to finance a portion of the costs of the development of Collier Township Park, to finance storm water improvements of the Township, to fund capitalized interest, and to pay the costs of issuing the bonds. The bonds were issued in denominations of \$5,000 with interest payable semi-annually on February 1 and August 1 at rates ranging between 2.0% and 4.0%. The bonds are scheduled to mature on August 1, 2031 and are secured by the full faith and taxing power of the Township.

**BONDS PAYABLE – SERIES OF 2016**

In August of 2016, the Township of Collier issued General Obligation Bonds – Series of 2016 in the amount of \$4,185,000 to advance refund the Township's General Obligation Bonds, Series of 2012, to finance various capital projects of the Township, including, but not limited to, the purchase of public works equipment, and to pay the costs of issuing the bonds. The bonds were issued in denominations of \$5,000 with interest payable semi-annually on February 1 and August 1 at rates ranging between 2.0% and 3.0%. The bonds are scheduled to mature on August 1, 2031 and are secured by the full faith and taxing power of the Township.

In connection with General Obligation Bonds, the Township paid approximately \$69,700 in bond discount. This cost is being amortized on a straight-line basis over the life of the bond issue. The unamortized amount of bond discount totaling \$49,120 is reflected as a component of 'Bonds Payable – Long-Term Portion (Net)' in the governmental activities column on the government-wide statement of net position. Amortization expense for the year ended December 31, 2017 was \$3,605. This amount is expensed in the miscellaneous expense function in the statement of activities.

General Obligation Bonds, Series of 2014 and Series of 2016, were issued at premiums totaling \$50,172. These premiums are being accreted as a component of interest expense on a straight-line basis over the life of the bond issue. The un-accreted amount of bond premium totaling \$44,994 is reflected as a component of 'Bonds Payable – Long-Term Portion (Net)' in the governmental activities column on the government-wide statement of net position. Premium accretion for the year ended December 31, 2017 was \$3,312. This amount was credited to the 'Interest on Long-Term Debt' expense category in the statement of activities.

During the year ended December 31, 2017, the Township has defeased various bond issues by entering into irrevocable trust agreements with The Bank of New York Mellon to purchase U.S. Government Securities in an amount sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the total amount of defeased debt outstanding was removed as a liability from the Township's statement of net position as of December 31, 2017.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 8 - LONG-TERM DEBT OBLIGATIONS (Continued)**

The difference between the Township's defeased debt and the reacquisition prices (amounts deposited with escrow agent for refunding purposes) totaling \$90,731, is considered 'deferred interest' and is being amortized over the life of the new bond issues. The remaining amount of deferred interest on refunding totaling \$82,621 is reflected as a component of 'deferred outflow of resources' in the governmental activities column on the government-wide statement of net position. Total amortization for the year ending December 31, 2017 was \$6,083 and was charged to the 'interest on long-term debt' expense category in the statement of activities.

A schedule of the December 31, 2017 debt service requirement on the general obligation bonds is as follows:

| <b>Year End<br/>31-Dec</b> | <b>Series 2014<br/>Principal</b> | <b>Series 2016<br/>Principal</b> | <b>Total<br/>Interest</b> | <b>Total</b>        |
|----------------------------|----------------------------------|----------------------------------|---------------------------|---------------------|
| 2018                       | \$ 180,000                       | \$ 260,000                       | \$ 184,537                | \$ 624,537          |
| 2019                       | 185,000                          | 260,000                          | 175,737                   | 620,737             |
| 2020                       | 190,000                          | 265,000                          | 166,838                   | 621,838             |
| 2021                       | 195,000                          | 275,000                          | 155,088                   | 625,088             |
| 2022                       | 200,000                          | 285,000                          | 144,713                   | 629,713             |
| 2023-2027                  | 625,000                          | 1,500,000                        | 558,300                   | 2,683,300           |
| 2028-2031                  | 1,450,000                        | 1,315,000                        | 221,369                   | 2,986,369           |
|                            | <b>\$ 3,025,000</b>              | <b>\$ 4,160,000</b>              | <b>\$ 1,606,582</b>       | <b>\$ 8,791,582</b> |

The following represents the changes in the Township's long-term liabilities during the 2017 year:

|                                     | <b>1/1/2017</b>      | <b>Additions</b> | <b>Reductions</b> | <b>12/31/2017</b>   | <b>Due Within<br/>One Year</b> |
|-------------------------------------|----------------------|------------------|-------------------|---------------------|--------------------------------|
| General Obligation Bonds            | \$ 7,620,000         | \$ -             | \$ 435,000        | \$ 7,185,000        | \$ 440,000                     |
| Lease Purchase Obligations          | 62,047               | -                | 62,047            | -                   | -                              |
| Net Pension Liability - Police      | 1,679,705            | -                | 451,966           | 1,227,739           | -                              |
| Net Pension Liability - Non-Uniform | 654,652              | 9,759            | -                 | 664,411             | -                              |
| Compensated Absences                | 328,441              | 5,142            | -                 | 333,583             | -                              |
|                                     | <b>\$ 10,344,845</b> | <b>\$ 14,901</b> | <b>\$ 949,013</b> | <b>\$ 9,410,733</b> | <b>\$ 440,000</b>              |

**NOTE 9 – OPERATING LEASES**

The Township of Collier has entered into various operating leases for copier equipment throughout the Township. Copier machines lease expense totaled \$4,375 during 2017. Although purchase options are available for certain leased equipment, the Township's intention is to renew lease contracts with updated technology at the conclusion of each lease term. Lease agreements provide for non-appropriation clauses on an annual basis, with equipment returned to the lessor, in the event the Township chooses not to appropriate funds for continued use of this equipment.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 9 – OPERATING LEASES (Continued)**

A summary of the remaining obligations on leased equipment as of December 31, 2017 is as follows:

|                                 | <b><u>MONTHLY<br/>PAYMENT</u></b> | <b><u>TERM</u></b> | <b><u>REMAINING<br/>PAYMENTS<br/>12/31/2017</u></b> |
|---------------------------------|-----------------------------------|--------------------|-----------------------------------------------------|
| Copier Equipment (new)          | \$ 1,294                          | 60 Months          | \$ 64,700                                           |
| Copier Equipment (old - buyout) | 782                               | 60 Months          | 3,911                                               |

**NOTE 10 - TOWNSHIP PENSION PLANS**

**POLICE PENSION PLAN** - The Township of Collier Police Pension Plan is a single-employer defined benefit pension plan. The plan was established October 15, 1958 and amended and restated effective January 1, 2003. The plan covers substantially all full-time employees and is considered to be an agent multi-employer plan held by the Pennsylvania State Association of Townships Municipal Retirement Trust (PSABMRT). The plan is governed by the Collier Township Board of Commissioners who are responsible for the management of plan assets. The Board of Commissioners has delegated the Township to manage certain plan assets to the PSABMRT.

Plan membership as of December 31, 2017 was comprised of:

|                                                                         |                  |
|-------------------------------------------------------------------------|------------------|
| Active employees                                                        | 18               |
| Retirees and beneficiaries currently receiving benefits                 | 7                |
| Terminated employees entitled to benefits<br>but not yet receiving them | <u>1</u>         |
| Total                                                                   | <u><u>26</u></u> |

The summary of the plans provisions are as follows:

|                                      |                                                                                                                                                                                                                           |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><u>PARTICIPANTS</u></b> -         | All full-time policemen of the Township of Collier police department.                                                                                                                                                     |
| <b><u>ELIGIBILITY</u></b> -          | All participants are eligible for retirement benefits provided that they have completed twenty-five years of aggregate service as a Township employee and have attained the age of fifty five.                            |
| <b><u>BENEFITS</u></b> -             | Based on 50 percent of the participant's base salary averaged over the final 36 months prior to retirement.                                                                                                               |
| <b><u>TERMINATION OR DEATH</u></b> - | The plan provides the surviving spouse fifty percent of a deceased members pension benefit.                                                                                                                               |
| <b><u>FUNDING</u></b> -              | Employees will contribute 8% of covered payroll and Township contributions are to be determined by the actuary. The Township's contribution for 2017 was \$276,990, which included \$165,177 of Pension State-Aid monies. |
| <b><u>VESTING</u></b> -              | Participants are 100% vested after twelve years of service.                                                                                                                                                               |

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 10 - TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**Pension Plan Investment Policy:**

The purpose of the Investment Policy Statement (IPS) is to set forth the objectives, policies, and guidelines for the investment of the assets of the Township's Police Pension Plan. Township Council reserves the right to establish or amend any or all portions of the IPS. The IPS defines target allocations for the plan assets as reflected under the Long-Term Expected Rate of Return on Investments.

As of the current year, the investment manager's stated allocations are as follows:

| <u>Asset Class</u>      | <u>Target<br/>Allocation</u> |
|-------------------------|------------------------------|
| Fixed Income            | 35.0%                        |
| Domestic Equity         | 48.0%                        |
| International Equity    | 12.0%                        |
| Alternative/Real Estate | 5.0%                         |
| Cash                    | 0.0%                         |

Additional information on the Investment Policy of the fund, including allowable asset classes, concentrations, and risk control measures can be found in the formal IPS which may be requested from the Township or Investment Consultant.

**NET PENSION LIABILITY**

The Collier Township's net pension liability for the police pension plan was measured as of December 31, 2017. Total pension liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement based on census data as of January 1, 2017:

- Actuarial Cost Method – Entry Age Normal
- Investment Rate of Return – 7.5%
- Projected Salary Increases – 5%
- Underlying Inflation Rate – 2.25%
- Mortality Table – RP 2000 Mortality Table Projected to the Valuation Date
- Employee Termination – None
- Retirement (Police) – 100% at age 55 with 25 years of service
- Disability – 50% of salary at disablement, offset by social security disability benefits received for the same illness or injury.

**Long-Term Expected Rate of Return on Investments:**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which a best-estimate of expected future real rates of return is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation were provided through a poll of major investment advisory firms and are summarized as follows:

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 10 - TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**NET PENSION LIABILITY (Continued)**

| <u>Asset Class</u>        | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------|--------------------------|-----------------------------------------------|
| Domestic Equity Large Cap | 39.0%                    | 7.8%                                          |
| Domestic Equity Mid Cap   | 4.5%                     | 8.4%                                          |
| Domestic Equity Small Cap | 4.5%                     | 9.2%                                          |
| International Equity      | 12.0%                    | 8.0%                                          |
| Fixed Income              | 35.0%                    | 2.8%                                          |
| Alternative/Real Estate   | 5.0%                     | 5.1%                                          |
| Cash                      | 0.0%                     | .45%                                          |

Implied Long-term Rate of Return

Long-term Expected Rate of Return (Including Inflation)

**Discount Rate:**

The discount rate used to measure the total pension liability is 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions would continue at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Based upon the plan's current target investment allocation and the associated long-term expected investment returns for its asset classes, the plan's long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability. This may result in future increased total and net pension liability.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 10 - TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**CHANGES IN THE NET PENSION LIABILITY – POLICE PENSION PLAN**

|                                   | <b>Total Pension<br/>Liability<br/>( a )</b> | <b>Plan Fiduciary<br/>Net Position<br/>( b )</b> | <b>Net Pension<br/>Liability<br/>( c )</b> |
|-----------------------------------|----------------------------------------------|--------------------------------------------------|--------------------------------------------|
| <b>Balance, beginning of year</b> | \$ 6,007,027                                 | \$ 4,327,322                                     | \$ 1,679,705                               |
| Changes for the year:             |                                              |                                                  |                                            |
| Service cost                      | 251,411                                      | -                                                | 251,411                                    |
| Interest                          | 437,123                                      | -                                                | 437,123                                    |
| Experience (gain)/loss            | (327,787)                                    |                                                  | (327,787)                                  |
| Assumption (gain)/loss            | 18,030                                       |                                                  | 18,030                                     |
| Plan change                       |                                              |                                                  | -                                          |
| Contributions-employer            |                                              | 111,813                                          | (111,813)                                  |
| Contributions-state aid           |                                              | 165,177                                          | (165,177)                                  |
| Contributions-employee            |                                              | 130,305                                          | (130,305)                                  |
| Net investment income             |                                              | 452,865                                          | (452,865)                                  |
| Benefit payments                  | (240,742)                                    | (240,742)                                        | -                                          |
| Actuarial costs                   |                                              | (29,417)                                         | 29,417                                     |
| Other                             | -                                            | -                                                | -                                          |
| Net changes                       | <u>138,035</u>                               | <u>590,001</u>                                   | <u>(451,966)</u>                           |
| <b>Balance, End of Year</b>       | <u>\$ 6,145,062</u>                          | <u>\$ 4,917,323</u>                              | <u>\$ 1,227,739</u>                        |

**Sensitivity of the net pension liability to changes in the discount rate:**

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 7.5% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate.

|                     | <b>1% Decrease<br/>(6.5%)</b> | <b>Current<br/>Discount Rate<br/>(7.5%)</b> | <b>1% Increase<br/>(8.5%)</b> |
|---------------------|-------------------------------|---------------------------------------------|-------------------------------|
| Police Pension Plan | \$ 2,007,035                  | \$ 1,227,739                                | \$ 569,203                    |

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 10 - TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

For the year ended December 31, 2017, total reported deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

|                                                                                  | <b>----POLICE ----</b>                               |                                                     |
|----------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
|                                                                                  | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
| Differences between expected and actual experience                               | \$ -                                                 | \$ (321,769)                                        |
| Changes of assumptions                                                           | 106,538                                              | -                                                   |
| Net difference between projected and actual earnings on pension plan investments | <u>111,199</u>                                       | <u>-</u>                                            |
| TOTAL                                                                            | <u><u>\$ 217,737</u></u>                             | <u><u>\$ (321,769)</u></u>                          |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b><u>Year ended<br/>December 31,</u></b> | <b><u>POLICE PENSION<br/>PLAN</u></b> |
|-------------------------------------------|---------------------------------------|
| 2018                                      | \$ 49,090                             |
| 2019                                      | 49,092                                |
| 2020                                      | (10,979)                              |
| 2021                                      | (42,232)                              |
| 2022                                      | (16,557)                              |
| Thereafter                                | (132,446)                             |

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 10 - TOWNSHIP PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS)**

**DESCRIPTION OF PLAN**

The Collier Township plan for non-uniform employees is a single-employer defined benefit pension plan controlled by the provisions of a resolution adopted pursuant to Act 15 of 1974. The plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained by contacting the PMRS accounting office or visiting their website at pmrs.state.pa.us.

**PLAN MEMBERSHIP**

Plan membership consisted of the following as of December 31, 2017:

|                                     |           |
|-------------------------------------|-----------|
| Active plan members                 | 22        |
| Retirees and beneficiaries          |           |
| currently receiving benefits        | 13        |
| Terminated employees entitled to    |           |
| benefits but not yet receiving them | -         |
| Total                               | <u>35</u> |

**PLAN BENEFITS**

The plan provides retirement and death benefits to eligible plan members and their beneficiaries. Effective January 1, 2009, the plan allows for a normal retirement benefit at age 60 or older with at least 20 years of credited service. No early retirement benefits are available. Monthly pension benefits are detailed in plan documents. Participants are fully vested upon completion of three (3) years of service.

**PLAN CONTRIBUTION REQUIREMENTS**

Employer contributions are actuarially determined reflecting a payment equal to annual Normal Cost, the expected Administrative Expenses, and an amount necessary to amortize the remaining Unfunded Actuarial Liability as a level dollar amount over a closed period. This contribution is based upon the Minimum Municipal Obligation (MMO) as defined in Act 205. For the calendar year 2017, the Township contributed \$133,130 to the plan. This contribution to the pension plan, subsequent to the measurement date of the Township's net pension liability (NPL), is recognized as a component of 'deferred outflows of resources – pension' on the statement of net position. Employee contributions are currently not required.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 10 - TOWNSHIP PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES**  
**AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

The Township's net pension liability (NPL) was measured as of December 31, 2016. The total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date using a set of actuarial assumptions. These assumptions are based on the PMRS Experience Study for the period covering January 1, 2005 through December 31, 2008 issued by the actuary in July 2010, covering the defined benefit plan participants and all retirees, as well as subsequent Board approved assumption changes, such as the decrease in the regular interest to 5.25% for the January 1, 2017 actuarial valuation.

The following shows the changes in the Total Pension Liability (TPL), the Plan Fiduciary Net Position (fair value of plan assets), and the Net Pension Liability (NPL) as of the Measurement date.

|                                                       | <u>Liability</u><br><u>( a )</u> | <u>Net Position</u><br><u>( b )</u> | <u>Liability</u><br><u>( c )</u> |
|-------------------------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| <b>Balances at 12/31/15</b>                           | \$ 3,504,466                     | \$ 2,849,814                        | \$ 654,652                       |
| Changes for the year:                                 |                                  |                                     |                                  |
| Service cost                                          | 113,890                          | -                                   | 113,890                          |
| Interest                                              | 194,761                          | -                                   | 194,761                          |
| Changes of benefits                                   | -                                | -                                   | -                                |
| Changes of assumptions                                | 103,081                          | -                                   | 103,081                          |
| Differences between expected<br>and actual experience | (148,735)                        | -                                   | (148,735)                        |
| Contributions - employer                              | -                                | 97,487                              | (97,487)                         |
| Contributions - PMRS assessment                       | -                                | 780                                 | (780)                            |
| Contributions - member                                | -                                | 44,356                              | (44,356)                         |
| PMRS investment income                                | -                                | 164,330                             | (164,330)                        |
| Market value investment income**                      | -                                | (44,944)                            | 44,944                           |
| Transfers                                             | -                                | -                                   | -                                |
| Benefit payments                                      | (156,603)                        | (156,603)                           | -                                |
| PMRS administrative expense                           | -                                | (720)                               | 720                              |
| Additional administrative expense                     | -                                | (8,051)                             | 8,051                            |
| Net changes                                           | <u>106,394</u>                   | <u>96,635</u>                       | <u>9,759</u>                     |
| <b>Balances at 12/31/16</b>                           | <u>\$ 3,610,860</u>              | <u>\$ 2,946,449</u>                 | <u>\$ 664,411</u>                |

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 10 - TOWNSHIP PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES**  
**AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)**

The above does not reflect changes in benefits or assumptions after January 1, 2017. Because the beginning and end of year TPL are based upon different actuarial valuation dates, there is a difference between expected and actual experience reported this year. The beginning of year TPL is based upon the January 1, 2015 actuarial valuation with liabilities measured at December 31, 2014, rolled forward to December 31, 2015 and reflecting the impact of assumption changes and plan changes, if applicable. The end of year TPL is based upon the January 1, 2017 actuarial valuation with liabilities measured at December 31, 2016. The TPL as of December 31, 2016 was based upon the following actuarial methods and assumptions:

- **Actuarial Cost Method** – Entry Age Normal
  - **Rates of Pre-Retirement Mortality** – Males RP 2000, Females RP 2000 with five year setback.
  - **Rates of Post-Retirement Mortality** – Males and females RP 2000 Sex-Distinct Mortality Table
  - **Disabled Life Mortality Rates:** Males and females: RP 2000 with 10 year set forward
  - **Termination Rates Before Retirement:** Less than 25 active members – sliding scale 1 year 15% down to 10 plus years at 2.5%. More than 25 active members – sliding scale 1 year 18% down to 10 plus years at 4%.
  - **Disability Incidence Rates:** 40% of 1964 OASDI (Social Security)
  - **Workers Compensation:** Service related disability benefits payable from municipal plans are offset by 25% of final average salary
  - **Salary Scale:** Sliding scale - age 25 (7.05%) down to age 65 (2.8%)
  - **Rates of Retirement:** Under age 45 (2%), age 45 (8%), age 46 (10%), age 47-50 (15%), age 51-54 (17%), age 55 (22%), age 56-59 (14%), age 60-64 (18%), age 65 (25%), age 66-74 (20%), age 75 (100%)
  - **Marital Status and Spouse's Age (if applicable):** 80% of active members are assumed to be married for retirees with the 50% J&S form of payment. Male spouses are assumed to be 3 years older than female spouses
  - **Social Security Projections (if applicable):** Social security wage base will increase 3.3% compounded annually. CPI will increase 2.8% compounded annually, average total wages will increase 3.3% compounded annually
  - **Post-Retirement Cost of Living Increases:** 2.8% per year, subject to plan limitations
  - **Investment Return:** 5.25% compounded annually, net of expenses
  - **Administrative expenses:** The expense assumption is based upon the expected expenses for the current year

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 10 - TOWNSHIP PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES**  
**AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)**

According to Governmental Accounting Standards Board (GASB) Statements No. 67 and 68, PMRS is required to allocate/distribute all funds to the respective participating employers for financial reporting purposes, to determine the respective employer 'plan fiduciary net position.' PMRS has determined that net investment income or loss and administrative expenses will be allocated to the employer/municipality accounts pro-rata based on their beginning Fiduciary Net Position balance adjusted for cash flows throughout the year. The 'Additional administrative expenses' are the expenses in excess of the 'PMRS administrative expense' (i.e. \$20 per participant expense paid by each plan). The 'PMRS investment income' is based upon the regular and excess interest used to credit accounts annually. The 'Market value investment income' reflects the investment income/loss during the year net of PMRS investment income and the income/loss due to the difference between expected and actual asset values, including the impact from allocation of assets in support of the underlying retiree liabilities.

The impact of investment gains or losses for expensing is recognized over a period of five years. The impact of experience gains or losses and assumption changes on the TPL are recognized in the collective pension expense over the average expected remaining service live of all active and inactive members of the Plan. There were experience gains or losses between the beginning of the year and end of year liabilities because the liabilities are based upon two different actuarial valuation dates. However, there were no assumption changes as of the Measurement Date.

The following is a schedule of collective deferred inflows and outflows:

|                                                                                  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|----------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience                               | \$ 21,870                                     | \$ -                                         |
| Changes of assumptions                                                           | 74,320                                        | -                                            |
| Net difference between projected and actual earnings on pension plan investments | 78,091                                        | -                                            |
| TOTAL                                                                            | \$ 174,281                                    | \$ -                                         |

Amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

| <b>Year ended<br/>December 31,</b> |         |
|------------------------------------|---------|
| 2018                               | 66,976  |
| 2019                               | 70,395  |
| 2020                               | 43,120  |
| 2021                               | (6,210) |
| Thereafter                         | -       |

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 10 - TOWNSHIP PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES**  
**AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)**

The annual pension expense recognized can be calculated two different ways. First, it is the change in the amounts reported on for the Employer's Statement of Net Position that relate to the plan and are not attributable to employer contributions. That is, the change in Net Pension Liability (NPL) plus the changes in deferred outflows and deferred inflows plus employer contributions.

Alternatively, annual pension expense can be calculated by its individual components. Although not required by GASB, PMRS provides an example of this calculation at [pmrs.state.pa.us/yearendrptg](http://pmrs.state.pa.us/yearendrptg).

**INVESTMENT ASSET ALLOCATION**

The PMRS System's long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return are developed for each major asset class, for the portfolio as a whole and at different levels of probability or confidence.

There are four steps to the method as follows:

1. Expected future real rates of return are based primarily on the 20 year historic nominal rates of return as reflected by applicable return indexes and may be adjusted for specific asset classes if, in the Board's opinion, any such asset classes are expected in the future to significantly vary from its 20 year historical returns. These nominal rates of return further assume that investment expenses will be offset by the additional return performance derived from active investment management.
2. The nominal rates of return by asset class are adjusted by a constant rate of expected future annual inflation rate of 3% to produce real rates of return.
3. The real rates of return are further adjusted by weighing each asset class using the PMRS portfolio target asset allocations. The results from steps 1 through 3 are shown below in the table labeled 'System Nominal and Real Rates of Return by Asset Class'.
4. These weighted real rates of return are then subjected to a probability simulation to understand the likelihood of success in achieving various portfolio return levels. Based on the most recent asset allocation study conducted by Dahab Associates, the minimum acceptable confidence level for the Board has been determined to be 70%. The table labeled 'Confidence Levels for System Nominal and Real Rates of Return' identifies simulated portfolio returns at various confidence levels.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 10 - TOWNSHIP PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**INVESTMENT ALLOCATION (Continued)**

**System Nominal and Real Rates of Return by Asset Class**

| <b>Asset Class</b>                          | <b>Target<br/>Asset<br/>Allocation</b> | <b>Nominal<br/>Rate of<br/>Return</b> | <b>Long-Term<br/>Expected<br/>Real Rate<br/>of Return</b> |
|---------------------------------------------|----------------------------------------|---------------------------------------|-----------------------------------------------------------|
| Domestic Equities (large cap)               | 25%                                    | 9.4%                                  | 6.4%                                                      |
| Domestic Equities (small cap)               | 15%                                    | 10.0%                                 | 7.0%                                                      |
| International Equities (developing markets) | 15%                                    | 6.7%                                  | 3.7%                                                      |
| International Equities (emerging markets)   | 10%                                    | 10.9%                                 | 7.9%                                                      |
| Real Estate                                 | 20%                                    | 10.0%                                 | 7.0%                                                      |
| Fixed Income                                | 15%                                    | 5.4%                                  | 2.4%                                                      |
| Total Portfolio                             | 100%                                   | 8.8%                                  | 5.8%                                                      |

**Confidence Levels for System Nominal and Real Rates of Return**

| <b>Confidence<br/>Interval</b> | <b>Nominal<br/>Rate of<br/>Return</b> | <b>Long-Term<br/>Expected<br/>Real Rate<br/>of Return</b> |
|--------------------------------|---------------------------------------|-----------------------------------------------------------|
| 95%                            | 3.3%                                  | 0.3%                                                      |
| 90%                            | 4.4%                                  | 1.4%                                                      |
| 85%                            | 5.0%                                  | 2.0%                                                      |
| 80%                            | 5.6%                                  | 2.6%                                                      |
| 75%                            | 6.0%                                  | 3.0%                                                      |
| 70%                            | 6.5%                                  | 3.5%                                                      |
| 50%                            | 7.9%                                  | 4.9%                                                      |

Based on the four part analysis, the Board established the System's Long-Term Expected Rate of Return at 7.5%.

In addition to determining the System's Long-Term Expected Rate of Return, PMRS also develops a Long-Term Expected Rate of Return for individual municipalities. The Long-Term Expected Rate of Return for individual participating municipalities is also referred to as the Regular Interest Rate. Under the laws of the Commonwealth of Pennsylvania (Act 15 of 1974), the Board is obligated to apply the Regular Interest Rate to each of the individual participating municipalities' actuarial asset accounts held by PMRS. Therefore under the law, the Long-Term Expected Rate of Return for individual participating municipalities is equal to the Regular Interest Rate. The rationale for the difference between the System's Long-Term Expected Rate of Return and the individual participating municipalities' Regular Interest Rate is describe herein under the section 'Discount Rate'. As of December 31, 2016, this rate is equal to 5.25%.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 10 - TOWNSHIP PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**INVESTMENT ALLOCATION (Continued)**

The System's policy in regards to the investment income allocation on invested assets is established and may be amended by the PMRS Board. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of PMRS.

**DISCOUNT RATE**

While it is often common practice to establish an actuarial Discount Rate that is equal to the Long-Term Expected Rate of return, PMRS is required by law (Act 15 of 1974) to establish a Discount Rate equal to the Regular Interest Rate. The PMRS Board establishes the Regular Interest Rate on the basis of expected stable and consistent earnings on investments to be applied to the accounts of the individual participating municipalities and includes the accounts of plan participants, municipalities, and plan retirees each year. The Board considers the following five quantitative factors in establishing the Regular Interest Rate:

1. Retiree Plan liability as a percentage of total Plan liability,
2. Active Plan participant liability as a percentage of total Plan liability,
3. Smoothed Pension Benefit Guarantee Corporation (PBGC) annuity rates,
4. PMRS System Long-Term Expected Rate of Return, and
5. PMRS administrative expenses

The formula using these factors is as follows:

Regular Interest Rate = (Retiree Liability Percentage x Smoothed PBGC Annuity Rates) + (Active Employee Liability Percentage x System Long-Term Expected Rate of Return) – (Administrative Expenses as a percentage of assets)

The Board may then adjust the Regular Interest Rate derived from the formula due to a variety of qualitative factors such as the desire to minimize Regular Interest Rate volatility, trending of PBGC annuity rates, total PMRS actuarial and market value funding ratios, feedback from existing PMRS municipalities, and recommendations from the System's investment and actuarial consultants. The Discount Rate adopted by the Board and used to measure the individual participating municipalities' total pension liability was 5.25% as of December 31, 2016.

The Regular Interest Rate/Discount Rate will likely result in a System Long-Term Expected Rate of Return. Should the System experience a prolonged period of investment returns in excess of the Regular Interest Rate, the Board is authorized to allocate any applicable portion of any such excess in accordance with Board policies in the form of Excess Interest as provided for in the law.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 10 - TOWNSHIP PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**DISCOUNT RATE (Continued)**

The projection of cash flows for each underlying municipal plan, used to determine if any adjustment to the Discount Rate was required ("depletion testing"), used the following assumptions: 1) member contributions will be made at the current contribution rate, 2) participating plan sponsors contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate, and 3) the System's Long-Term Expected Rate of Return will be used in the depletion testing of projected cash flows. Based on those assumptions, the PMRS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The table below shows the sensitivity of the NPL to the discount rate with two additional measures, plus and minus one percent from the rate used for the disclosure.

|                                                                      | <b><u>1% Decrease</u></b><br><b><u>(4.25%)</u></b> | <b><u>Discount Rate</u></b><br><b><u>(5.2%)</u></b> | <b><u>1% Increase</u></b><br><b><u>(6.2%)</u></b> |
|----------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------|---------------------------------------------------|
| Total Pension Liability                                              | \$ 4,067,581                                       | \$ 3,610,860                                        | \$ 3,222,168                                      |
| Plan Fiduciary Net Position                                          | 2,946,449                                          | 2,946,449                                           | 2,946,449                                         |
| Net Pension Liability                                                | \$ 1,121,132                                       | \$ 664,411                                          | \$ 275,719                                        |
| Plan Fiduciary Net Position as a<br>% of the Total Pension Liability | 72.4%                                              | 81.6%                                               | 91.4%                                             |

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION**

The Township of Collier provides health insurance benefits to members of its police department who retire until such time as they are eligible for Medicare benefits. Beginning January 1, 2006, individual health insurance will be provided to the retiree only. The benefit was established through a contract agreement with the Board of Commissioners.

The total postemployment benefit paid by the Township on behalf of two retirees in 2017 was \$10,697. The amount is recorded as an expenditure when paid from the general fund.

**TOWNSHIP OF COLLIER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 12 - RISK MANAGEMENT**

**GENERAL**

The Township of Collier is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters.

These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

**WORKMEN'S COMPENSATION**

For its workmen's compensation insurance coverage, the Township participates in the Municipal Risk Management Workmen's Compensation Pooled Trust (Trust), a public entity risk pool operated for the benefit of 199 cities, municipalities, Townships, townships, and municipal authorities. Trust underwriting and rate-settings policies are established after consultation with an independent actuary and certain approvals of the Pennsylvania Department of Labor and Industry as mandated by Act 44 of 1993 (Act 44). All Trust participants may be subject to a supplemental assessment/dividend based on the overall experience of the participants, pursuant to Act 44. Dividends received in 2017 were \$59,039. Each participant of the Trust agrees to jointly and severally assume and discharge the liabilities arising under the participant of the Trust. Political subdivisions joining the Trust must remain members for a minimum of four years; a member may withdraw from the Trust after that time by giving ninety days' notice, subject to approval by the Trust actuary under specified circumstances related to the continued fiscal stability of the pool. At the time of withdrawal, the participant is responsible for their share of assessments, but has no claim on any assets of the Trust.

**NOTE 13 - CONTINGENT LIABILITIES**

**LEGAL MATTERS**

The Township, on occasion, can be party to various legal actions arising from normal business operations. As of December 31, 2017, the Township is unaware of any pending litigation that would be material to the financial position of the Township of Collier.

**STATE FUNDING**

The Township of Collier's state funded programs are subject to audit by various governmental agencies. The Township is potentially liable for any expenditure disallowed by the results of these audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**NOTE 14 – SUBSEQUENT EVENTS**

The Township evaluated its December 31, 2017 financial statements for subsequent events through the date of the 'Independent Auditors Report', which is the date the financial statements were available to be issued. The Township is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

# **SUPPLEMENTARY INFORMATION**

**TOWNSHIP OF COLLIER**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                       | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>(MEMORANDUM ONLY)</u><br><u>2016</u> |
|---------------------------------------|---------------------|---------------------|-----------------------------------------|
| <b><u>TAXES:</u></b>                  |                     |                     |                                         |
| Real Estate Tax - Current             | \$ 2,585,000        | \$ 2,606,791        | \$ 2,521,163                            |
| Real Estate Tax - Delinquent          | 71,000              | 151,685             | 105,543                                 |
| Deed Transfer Tax                     | 295,000             | 500,039             | 340,593                                 |
| Earned Income Tax - Current           | 1,430,000           | 1,398,115           | 1,786,913                               |
| Earned Income Tax - Prior             | 570,000             | 1,044,550           | 169,133                                 |
| Mercantile Tax - Current              | 157,000             | 160,601             | 154,655                                 |
| Mercantile Tax - Prior                | 58,000              | 61,245              | 58,520                                  |
| Business Privelege Tax - Current      | 178,000             | 150,092             | 177,219                                 |
| Business Privelege Tax - Prior        | 9,000               | 6,177               | 10,246                                  |
| Local Service Tax - Current           | 225,000             | 222,321             | 226,160                                 |
| Local Service Tax - Prior             | 85,000              | 72,989              | 90,635                                  |
| Penalty & Interest - Delinquent Taxes | 41,000              | 34,620              | 34,903                                  |
| <b>TOTAL TAXES</b>                    | <b>\$ 5,704,000</b> | <b>\$ 6,409,225</b> | <b>\$ 5,675,684</b>                     |
| <b><u>LICENSES AND PERMITS:</u></b>   |                     |                     |                                         |
| Alarm Permits - Police                | \$ 2,500            | \$ 1,005            | \$ 2,175                                |
| Alarm Permits - False Alarms          | 500                 | 1,350               | 1,700                                   |
| Transient Retail/Peddler's Permit     | 50                  | 650                 | 650                                     |
| Mechanical Amusement Devices          | 27,000              | 25,900              | 26,601                                  |
| Cable Television Franchise Fee        | 130,000             | 139,659             | 133,597                                 |
| Street Opening Bonds                  | -                   | (310)               | 613                                     |
| Street Opening Permits                | 4,000               | 3,679               | 10,223                                  |
| <b>TOTAL LICENSES AND PERMITS</b>     | <b>\$ 164,050</b>   | <b>\$ 171,933</b>   | <b>\$ 175,559</b>                       |
| <b><u>FINES AND FORFEITURES:</u></b>  |                     |                     |                                         |
| Court - District Magistrate           | \$ 2,500            | \$ 3,855            | \$ 540                                  |
| Vehicle Code Violation                | 25,000              | 11,498              | 22,010                                  |
| DUI Fines                             | 12,000              | 10,372              | 6,846                                   |
| Township Ordinance/Code Violations    | 1,500               | 15                  | 2,035                                   |
| <b>TOTAL FINES AND FORFEITURES</b>    | <b>\$ 41,000</b>    | <b>\$ 25,740</b>    | <b>\$ 31,431</b>                        |
| <b><u>INTEREST AND RENTS:</u></b>     |                     |                     |                                         |
| Interest Earnings                     | \$ 600              | \$ 480              | \$ 2,232                                |
| CRC Rentals - Gym and Classroom       | 1,500               | 2,365               | 3,095                                   |
| CRC Rentals - Banquet and Party Room  | 20,000              | 23,803              | 18,363                                  |
| Rental - Community/Meeting Rooms      | 4,000               | 4,422               | 5,453                                   |
| Rents, Royalties - Other              | 500                 | 950                 | 620                                     |
| Sponsor Advertising                   | 10,000              | 5,089               | 1,203                                   |
| <b>TOTAL INTEREST AND RENTS</b>       | <b>\$ 36,600</b>    | <b>\$ 37,109</b>    | <b>\$ 30,964</b>                        |
| <b><u>INTERGOVERNMENTAL:</u></b>      |                     |                     |                                         |
| Recycling Performance Grant           | \$ 3,000            | \$ 9,736            | \$ 3,589                                |
| Act 13 Oil & Gas Impact Fee           | 3,000               | 3,306               | 3,347                                   |
| PURTA Distribution                    | 6,000               | 5,967               | 7,061                                   |
| Liquor Licenses                       | 3,500               | 3,500               | 3,500                                   |
| Gen Munic State Pension Aid           | 250,000             | 266,119             | 236,231                                 |
| Foreign Fire Ins Prem Tax             | 64,000              | 58,535              | 63,217                                  |
| Sale & Use 1% County Tax              | 140,000             | 149,320             | 145,060                                 |
| <b>TOTAL INTERGOVERNMENTAL</b>        | <b>\$ 469,500</b>   | <b>\$ 496,483</b>   | <b>\$ 462,004</b>                       |

**TOWNSHIP OF COLLIER**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                                       | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>(MEMORANDUM<br/>ONLY)<br/>2016</u> |
|-------------------------------------------------------|---------------------|---------------------|---------------------------------------|
| <b><u>CHARGES FOR SERVICES:</u></b>                   |                     |                     |                                       |
| Zoning, Sub & Land Devel Fees                         | \$ 5,000            | \$ 11,143           | \$ 7,448                              |
| Engineer Review, Site Inspect                         | 3,000               | 10,106              | -                                     |
| Zoning, Sub & Land Devel Permits                      | -                   | -                   | 2,833                                 |
| Hearing Fees                                          | 3,500               | 1,900               | 1,900                                 |
| Stormwater Maintenance Fees                           | 6,500               | 3,246               | 11,016                                |
| Sale of Maps, Ordinances, Etc                         | 150                 | 256                 | 85                                    |
| No Lien Letters - Township                            | 5,500               | 5,945               | 5,105                                 |
| Special Police Services                               | 85,000              | 36,218              | 84,628                                |
| SRO - Officer 1 and 2                                 | 189,000             | 171,959             | 188,707                               |
| Police Accident Reports                               | 4,000               | 3,187               | 3,099                                 |
| Civil Service Fees                                    | -                   | 1,035               | -                                     |
| Emergency Service Fees                                | -                   | -                   | -                                     |
| Building Permits                                      | 140,000             | 109,854             | 299,220                               |
| Occupancy Permits                                     | 4,500               | 5,340               | 6,520                                 |
| Business Registration                                 | 8,000               | 12,851              | 13,652                                |
| Tenant Registration                                   | 2,500               | -                   | -                                     |
| PENNDOT Snow Removal Contract                         | 70,000              | 76,940              | 66,409                                |
| Snow Removal - Developers Contract                    | 11,000              | 5,185               | 5,887                                 |
| Webb Pavilion & Fields Rentals                        | 6,000               | 11,945              | 5,110                                 |
| Summer Recreation Fees                                | 4,000               | -                   | -                                     |
| Program Fees                                          | 55,000              | 61,654              | 49,588                                |
| Membership Fees                                       | 60,000              | 54,639              | 62,642                                |
| Child Care Fees                                       | -                   | -                   | 229                                   |
| Concerts in the Park                                  | 1,000               | -                   | -                                     |
| Oktoberfest                                           | 8,000               | 13,094              | 7,381                                 |
| Senior Luncheon Program                               | 2,000               | 1,683               | 2,006                                 |
| <b>TOTAL CHARGES FOR SERVICES</b>                     | <b>\$ 673,650</b>   | <b>\$ 598,178</b>   | <b>\$ 823,465</b>                     |
| <b><u>MISCELLANEOUS:</u></b>                          |                     |                     |                                       |
| Miscellaneous Revenues                                | \$ 10,000           | \$ 5,704            | \$ 3,288                              |
| CT Square Sewer Pass Thru Fees                        | 130,000             | 130,998             | 131,558                               |
| Resale Supplies                                       | -                   | 10                  | 185                                   |
| Beverage Permits                                      | 2,500               | 3,570               | 3,130                                 |
| <b>TOTAL MISCELLANEOUS</b>                            | <b>\$ 142,500</b>   | <b>\$ 140,281</b>   | <b>\$ 138,161</b>                     |
| <b><u>OTHER FINANCIAL SOURCES:</u></b>                |                     |                     |                                       |
| Sale of Surplus Vehicles/Assets                       | \$ 2,000            | \$ -                | \$ 300                                |
| Transfer - Liquid Fuels Fund                          | 220,000             | 231,450             | 220,139                               |
| Refund of Prior Year Expenses                         | 40,000              | 16,506              | -                                     |
| Refund Insurance Premium                              | 50,000              | 59,039              | 62,781                                |
| <b>TOTAL OTHER FINANCIAL SOURCES</b>                  | <b>\$ 312,000</b>   | <b>\$ 306,995</b>   | <b>\$ 283,220</b>                     |
| <b>TOTAL REVENUES AND<br/>OTHER FINANCIAL SOURCES</b> | <b>\$ 7,543,300</b> | <b>\$ 8,185,945</b> | <b>\$ 7,620,489</b>                   |

**TOWNSHIP OF COLLIER**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                   | <u>BUDGET</u>     | <u>ACTUAL</u>     | <u>(MEMORANDUM<br/>ONLY)<br/>2016</u> |
|-----------------------------------|-------------------|-------------------|---------------------------------------|
| <b><u>GENERAL GOVERNMENT:</u></b> |                   |                   |                                       |
| <b><u>ADMINISTRATION:</u></b>     |                   |                   |                                       |
| Salary - Elected Officials        | \$ 12,500         | \$ 12,500         | \$ 12,500                             |
| General Government/Inst. Expense  | 700               | 224               | -                                     |
| Dues, Subscription & Membership   | 1,500             | 870               | 1,594                                 |
| Meetings, Conferences, Con. Edu   | 3,000             | 2,233             | 8,253                                 |
| Historical Society Development    | 3,000             | 1,856             | 248                                   |
| Township Manager - Salary         | 70,000            | 69,964            | 111,338                               |
| Dues, Subscription & Membership   | 500               | 1,095             | 633                                   |
| Meetings, Conferences, Con. Edu   | 2,700             | 2,885             | 2,834                                 |
| Clerical Assistant - Wages        | 34,124            | 34,133            | 33,259                                |
| Financial Director                | 43,895            | 43,884            | 42,624                                |
| Auditing Services - Twp           | 10,000            | 8,844             | 10,494                                |
| Bank Analysis Charges             | 4,000             | 172               | 2,999                                 |
| Consultant & Misc. Fees           | 300               | 70                | 2,704                                 |
| <b>TOTAL ADMINISTRATION</b>       | <b>\$ 186,219</b> | <b>\$ 178,730</b> | <b>\$ 229,479</b>                     |
| <b><u>TAX COLLECTION:</u></b>     |                   |                   |                                       |
| Jordan Commission & Fees          | \$ 99,000         | \$ 90,757         | \$ 94,210                             |
| <b>TOTAL TAX COLLECTION</b>       | <b>\$ 99,000</b>  | <b>\$ 90,757</b>  | <b>\$ 94,210</b>                      |
| <b><u>LEGAL FEES:</u></b>         |                   |                   |                                       |
| Legal - Twp. Solicitor            | \$ 75,000         | \$ 42,797         | \$ 81,809                             |
| Legal - Contract/Arbitration      | 1,000             | 3,542             | 9,699                                 |
| Legal - Civil Service Commission  | 1,000             | -                 | 990                                   |
| <b>TOTAL LEGAL FEES</b>           | <b>\$ 77,000</b>  | <b>\$ 46,339</b>  | <b>\$ 92,498</b>                      |
| <b><u>CLERICAL STAFFING:</u></b>  |                   |                   |                                       |
| Township Secretary - Wages        | \$ 48,594         | \$ 48,589         | \$ 47,068                             |
| Interns                           | -                 | -                 | 5,122                                 |
| Township Secretary - Overtime     | 1,400             | 2,155             | 2,126                                 |
| Office Supplies                   | 2,000             | 4,023             | 2,876                                 |
| Postage                           | 3,000             | 1,549             | 2,683                                 |
| Minor Office Equipment            | 1,000             | 241               | 1,761                                 |
| Mileage Reimbursement             | 200               | 120               | 222                                   |
| Advertising                       | 3,000             | 5,330             | 3,805                                 |
| Printing/Forms                    | 1,000             | 224               | 1,481                                 |
| Meeting, Conferences, Con Edu     | 500               | 476               | 296                                   |
| <b>TOTAL CLERICAL STAFFING</b>    | <b>\$ 60,694</b>  | <b>\$ 62,707</b>  | <b>\$ 67,441</b>                      |

**TOWNSHIP OF COLLIER**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                             | <u>BUDGET</u>     | <u>ACTUAL</u>     | <u>(MEMORANDUM<br/>ONLY)<br/>2016</u> |
|---------------------------------------------|-------------------|-------------------|---------------------------------------|
| <b>GENERAL GOVERNMENT: (Continued)</b>      |                   |                   |                                       |
| <b>COMPUTERS/DATA PROCESSING:</b>           |                   |                   |                                       |
| Computer/Copier Supplies                    | \$ 1,200          | \$ 475            | \$ 995                                |
| Website Development                         | 2,000             | 10,695            | 1,479                                 |
| IT/Networking Contracted Ser                | 5,500             | 4,120             | 5,869                                 |
| Internet Ser/Maint. Contract                | 7,500             | 8,979             | 7,739                                 |
| Software Maintenance Contracts              | 500               | -                 | 975                                   |
| Comp/Printer - Purch Hard/Software          | -                 | 1,471             | 4,320                                 |
| Copier Maint/Lease - Purchase               | 7,000             | (2,813)           | 5,120                                 |
| <b>TOTAL COMPUTERS/DATA PROCESSING</b>      | <b>\$ 23,700</b>  | <b>\$ 22,927</b>  | <b>\$ 26,497</b>                      |
| <b>ENGINEERING:</b>                         |                   |                   |                                       |
| Engineering Service fees                    | \$ 45,000         | \$ 40,213         | \$ 30,138                             |
| <b>TOTAL ENGINEERING</b>                    | <b>\$ 45,000</b>  | <b>\$ 40,213</b>  | <b>\$ 30,138</b>                      |
| <b>GENERAL GOVERNMENT BLDG &amp; PLANT:</b> |                   |                   |                                       |
| Custodian - Part-time                       | \$ 26,595         | \$ 24,863         | \$ 26,305                             |
| Cleaning Materials & Supplies               | 3,000             | 2,632             | 1,433                                 |
| Building Supplies/Light Bulbs               | 800               | 207               | 437                                   |
| Telephone                                   | 12,000            | 14,050            | 12,232                                |
| Telephone - Maint/Installation              | -                 | 1,740             | 1,740                                 |
| Telephone - Cellular Services               | 10,000            | 9,917             | 12,066                                |
| Electricity                                 | 20,000            | 17,505            | 22,120                                |
| Gas                                         | 6,000             | 5,767             | 6,520                                 |
| Water                                       | 2,500             | 6,172             | 7,149                                 |
| Landscaping - General                       | 1,500             | 924               | 1,965                                 |
| Bldg Maint. - Monument & Pond               | 2,000             | 616               | 1,107                                 |
| Heating/AC Maintenance                      | 2,000             | 1,905             | 926                                   |
| Bldg Maint. Contracted Services             | 8,300             | 12,326            | 10,834                                |
| Building - Maintenance and Repairs          | 4,000             | 765               | 4,109                                 |
| <b>TOTAL GENERAL GOV. BLDG &amp; PLANT</b>  | <b>\$ 98,695</b>  | <b>\$ 99,388</b>  | <b>\$ 108,943</b>                     |
| <b>TOTAL GENERAL GOVERNMENT</b>             | <b>\$ 590,308</b> | <b>\$ 541,061</b> | <b>\$ 649,206</b>                     |

**TOWNSHIP OF COLLIER**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                   | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>(MEMORANDUM ONLY)<br/>2016</u> |
|-----------------------------------|---------------------|---------------------|-----------------------------------|
| <b><u>PUBLIC SAFETY:</u></b>      |                     |                     |                                   |
| <b><u>POLICE PROTECTION:</u></b>  |                     |                     |                                   |
| Records Technician - Wage         | \$ 42,389           | \$ 58,807           | \$ 38,250                         |
| Salary - Chief                    | 107,416             | 107,416             | 104,678                           |
| Sergeants - Wage                  | 277,808             | 312,702             | 270,122                           |
| Patrolmen - Wage                  | 1,023,435           | 868,437             | 930,585                           |
| Longevity                         | 25,000              | 31,597              | 28,387                            |
| Overtime - Police                 | 50,000              | 99,524              | 100,415                           |
| Police District Court             | 16,300              | 16,883              | 11,904                            |
| Police County Court               | 15,000              | 22,723              | 9,774                             |
| Police Special Details            | 85,000              | 31,237              | 49,710                            |
| Educational Benefits              | 4,250               | 5,100               | 4,250                             |
| Police Clerk Overtime             | -                   | -                   | 74                                |
| Agility Test Payments             | 9,000               | 7,500               | -                                 |
| Police Shift Differential         | 4,500               | 4,183               | 4,387                             |
| Uniforms - Allowance Reimb        | 16,650              | 18,797              | 29,416                            |
| Heart & Lung Payments             | 33,000              | 91,306              | 71,580                            |
| Operating Supplies                | 6,000               | 7,009               | 7,014                             |
| Emergency Equipment/Supplies      | 4,000               | 4,276               | 3,774                             |
| Ammunition                        | 10,000              | 10,800              | 17,141                            |
| Vehicle Maint. - Parts            | 6,000               | 3,425               | 9,203                             |
| Vehicle Maint. - Tires            | 3,000               | 3,388               | 4,426                             |
| Radio Equipment Maintenance       | 1,000               | -                   | 1,435                             |
| Travel Expense - Mileage Reimb    | 1,000               | 1,384               | 946                               |
| Dues, Subscription & Membership   | 500                 | 961                 | 465                               |
| Vehicle Maint - Contracted Repair | 8,000               | 18,997              | 12,297                            |
| IT/Networking Contracted Service  | 3,500               | 3,615               | 3,527                             |
| Internet Ser/Maint Contract       | 5,000               | 3,473               | 3,458                             |
| Software Maintenance Contracts    | 5,000               | 8,222               | 4,084                             |
| Training, Mtgs, Confers, Con Ed   | 45,000              | 36,180              | 26,245                            |
| Scott Twp. Lock-up Facility       | 4,200               | 4,200               | 4,200                             |
| Contracted Animal Control Serv    | 7,000               | 7,525               | 7,805                             |
| Civil Service Testing Fees        | -                   | 700                 | -                                 |
| Radio Equipment Purchase          | -                   | -                   | 5,488                             |
| <b>TOTAL POLICE PROTECTION</b>    | <b>\$ 1,818,948</b> | <b>\$ 1,790,365</b> | <b>\$ 1,765,037</b>               |
| <b><u>FIRE PROTECTION:</u></b>    |                     |                     |                                   |
| Emergency Management              | \$ 1,000            | \$ -                | \$ -                              |
| Hydrant Rental                    | 62,000              | 61,388              | 59,783                            |
| Vol Fire Dept Contributions       | 4,000               | -                   | 180,500                           |
| Fire Relief Contributions         | 64,000              | 58,535              | 63,217                            |
| <b>TOTAL FIRE PROTECTION</b>      | <b>\$ 131,000</b>   | <b>\$ 119,922</b>   | <b>\$ 303,500</b>                 |

**TOWNSHIP OF COLLIER**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                   | BUDGET              | ACTUAL              | (MEMORANDUM<br>ONLY)<br>2016 |
|-----------------------------------|---------------------|---------------------|------------------------------|
| <b>PUBLIC SAFETY: (Continued)</b> |                     |                     |                              |
| <b>CODES AND FIRE:</b>            |                     |                     |                              |
| Salary - Code/Fire Inspection     | \$ 58,000           | \$ 58,000           | \$ 54,805                    |
| Codes Clerk - Wage                | 41,003              | 40,997              | 38,429                       |
| Codes Clerk - Overtime            | 600                 | 177                 | 409                          |
| Office Supplies                   | -                   | -                   | -                            |
| Identification/Clothing           | 200                 | 205                 | 268                          |
| Operating Supplies                | 500                 | -                   | 534                          |
| Vehicle main/Parts and Tires      | 500                 | 760                 | 2,646                        |
| Vehicle maint/Contracted Repair   | 500                 | 58                  | 500                          |
| Engineering Services              | 17,500              | 17,240              | 26,435                       |
| Printing/Forms/Maps               | 200                 | -                   | -                            |
| Dues, Subscription & Membership   | 500                 | 511                 | 294                          |
| UCC Quarterly Fees                | 900                 | 636                 | 896                          |
| Meeting, Conferences, Training    | 1,000               | 908                 | 581                          |
| GeoPlan Software Update           | 6,000               | 2,669               | 2,467                        |
| <b>TOTAL CODES AND FIRE</b>       | <b>\$ 127,403</b>   | <b>\$ 122,161</b>   | <b>\$ 128,265</b>            |
| <b>PLANNING AND ZONING:</b>       |                     |                     |                              |
| Salary - Planning Commission      | \$ 9,000            | \$ 9,000            | \$ 9,000                     |
| Salary - Planning Director        | 69,782              | 61,774              | 68,003                       |
| Identification/Clothing           | 200                 | 189                 | 82                           |
| Operating Supplies                | -                   | -                   | 60                           |
| Vehicle Maint/Parts and Tires     | 500                 | 282                 | 57                           |
| Vehicle Maint/Contracted Repair   | -                   | 57                  | -                            |
| Legal Services - Planning         | -                   | -                   | 3,764                        |
| Engineering Services              | -                   | -                   | 15,667                       |
| Legal Service - Zoning            | 4,000               | 3,630               | -                            |
| Land Development Assistance       | -                   | 1,133               | -                            |
| Stenographers Fees                | 1,000               | 800                 | 2,340                        |
| Advertising                       | 500                 | -                   | 317                          |
| Printing/Forms/Maps               | 500                 | -                   | -                            |
| Dues, Subscription & Membership   | 500                 | 180                 | 367                          |
| GIS Mapping                       | 500                 | 400                 | 617                          |
| Meeting, Conferences, Con Edu     | 500                 | 264                 | 58                           |
| Codification                      | 13,000              | 9,978               | -                            |
| <b>TOTAL PLANNING AND ZONING</b>  | <b>\$ 99,982</b>    | <b>\$ 87,687</b>    | <b>\$ 100,331</b>            |
| <b>TOTAL PUBLIC SAFETY</b>        | <b>\$ 2,177,333</b> | <b>\$ 2,120,135</b> | <b>\$ 2,297,133</b>          |
| <b>PUBLIC WORKS:</b>              |                     |                     |                              |
| <b>SANITATION:</b>                |                     |                     |                              |
| Solid Waste Collection            | \$ 490,000          | \$ 537,465          | \$ 491,913                   |
| <b>TOTAL SANITATION</b>           | <b>\$ 490,000</b>   | <b>\$ 537,465</b>   | <b>\$ 491,913</b>            |
| <b>HIGHWAYS:</b>                  |                     |                     |                              |
| PW Supervisor - Salary            | \$ 64,890           | \$ 64,891           | \$ 47,602                    |
| PW Crew - Wages                   | 635,554             | 602,402             | 580,036                      |
| PW Summer Help                    | 15,000              | 25,235              | 24,917                       |
| PW Crew - Longevity               | 8,800               | 9,700               | 9,400                        |
| PW Crew - Overtime                | 55,000              | 56,131              | 63,241                       |
| Office Supplies                   | 500                 | 396                 | 517                          |
| Vehicle Fuel - Gas & Diesel       | 65,000              | 58,396              | 52,627                       |
| Vehicle Oil                       | 2,000               | 1,835               | 2,403                        |
| Uniform, Shoes - Contract         | 6,000               | 3,617               | 5,243                        |
| Highway Materials/ Supplies       | 15,000              | 13,556              | 11,999                       |
| General Materials & Supplies      | 15,000              | 11,787              | 12,416                       |
| Vehicle Parts/ Repair             | 30,000              | 12,667              | 10,227                       |
| Hand Tools - Purchase             | 10,000              | 5,933               | 6,979                        |

**TOWNSHIP OF COLLIER**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                          | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>(MEMORANDUM<br/>ONLY)<br/>2016</u> |
|------------------------------------------|---------------------|---------------------|---------------------------------------|
| <b><u>PUBLIC WORKS: (Continued)</u></b>  |                     |                     |                                       |
| <b><u>HIGHWAYS: (Continued)</u></b>      |                     |                     |                                       |
| Equipment Repairs/ Parts                 | 13,000              | 10,857              | 11,581                                |
| Equipment Rental                         | 5,000               | -                   | 842                                   |
| Contracted Tree Removal                  | 2,500               | -                   | -                                     |
| Vehicle Maint. - Contract Repair         | 16,000              | 24,385              | 22,436                                |
| Vehicle - Tires                          | 7,000               | 5,387               | 11,767                                |
| Training, Mtgs, Confer, Con Ed           | 500                 | 445                 | 327                                   |
| PA One Call System                       | 1,500               | 1,176               | 1,288                                 |
| Salt, Etc.                               | 225,000             | 132,036             | 220,955                               |
| Traffic Signal Electricity               | 5,700               | 5,531               | 5,643                                 |
| Traffic Signal Repair                    | 10,000              | 8,409               | 8,344                                 |
| Street Lighting Electricity              | 87,000              | 87,107              | 86,744                                |
| Crosswalk Paint                          | 2,000               | -                   | 2,790                                 |
| <b>TOTAL HIGHWAYS</b>                    | <b>\$ 1,297,944</b> | <b>\$ 1,141,877</b> | <b>\$ 1,200,327</b>                   |
| <b>TOTAL PUBLIC WORKS</b>                | <b>\$ 1,787,944</b> | <b>\$ 1,679,343</b> | <b>\$ 1,692,240</b>                   |
| <b><u>CULTURE AND RECREATION:</u></b>    |                     |                     |                                       |
| <b><u>ADMINISTRATION:</u></b>            |                     |                     |                                       |
| Parks & Recreation Director              | \$ 51,950           | \$ 55,379           | \$ 50,630                             |
| Program Coordinator                      | 41,200              | 47,500              | 40,154                                |
| PT Community Center Employees            | 100,000             | 98,660              | 112,367                               |
| Parks Department Overtime                | 2,500               | -                   | -                                     |
| Recreation/Parks Facility Tec            | 48,218              | 48,218              | 46,989                                |
| Postage                                  | 2,000               | 1,359               | 1,181                                 |
| Identification/Clothing                  | 1,000               | 895                 | 871                                   |
| Minor Office Equipment/Furniture         | 1,000               | 748                 | -                                     |
| Advertising- Programs                    | 5,000               | 3,923               | 4,533                                 |
| Mag/Newsltr/Recycling Printing           | 5,000               | 2,960               | 157                                   |
| Contractual Services - Programs          | 25,000              | 8,703               | 16,210                                |
| Summer Recreation Director               | 2,000               | -                   | -                                     |
| Summer Recreation Counselors             | 2,000               | -                   | -                                     |
| Summer Recreation Supplies               | 1,000               | 464                 | 295                                   |
| Parks Office Supplies                    | -                   | 8                   | 1,943                                 |
| T-Shirt Awards/Program Participation     | 2,500               | 2,098               | 2,205                                 |
| Birthday Party Packages                  | 3,000               | 3,816               | -                                     |
| Cleaning Materials and Supplies          | -                   | 24                  | 2,835                                 |
| Parks Vehicle Maintenance                | 500                 | 86                  | 80                                    |
| Building Supplies                        | 1,000               | 525                 | 744                                   |
| Program Supplies                         | 10,000              | 31,644              | 9,866                                 |
| Resale Supplies                          | 1,500               | 1,173               | 1,186                                 |
| Concerts in the Park                     | 4,500               | 4,150               | 4,500                                 |
| Dues, Subscriptions & Memberships        | 500                 | 219                 | 329                                   |
| Meetings, Conferences, and Training      | 2,000               | 2,135               | 1,996                                 |
| Building Maintenance Contracted Services | 10,000              | 12,393              | 7,409                                 |
| Internet - Network Expense               | 1,500               | 1,857               | 1,893                                 |
| Building - Land Maintenance              | 1,500               | 1,306               | 3,910                                 |
| Computer/Software Purchases              | 7,000               | 4,757               | 4,102                                 |
| Copier Maintenance/Lease                 | 6,000               | 7,154               | 6,364                                 |
| Senior Luncheon Program                  | 2,000               | 2,260               | 2,446                                 |
| <b>TOTAL ADMINISTRATION</b>              | <b>\$ 341,368</b>   | <b>\$ 344,414</b>   | <b>\$ 325,196</b>                     |
| <b><u>PARKS</u></b>                      |                     |                     |                                       |
| Webb Park Utilities/Maint                | \$ 12,000           | \$ 7,372            | \$ 8,229                              |
| CCP Utilities/Maint                      | 80,000              | 59,707              | 82,222                                |
| Kelly Park Utilities/Maint               | 12,000              | 6,307               | 10,697                                |
| Hilltop Park Utilities/Maint             | 2,000               | 2,708               | 2,835                                 |
| Presto Park Utilities/Maint              | 500                 | 950                 | 570                                   |
| Skavarca Park Utilities/Maint            | 3,000               | 3,423               | 3,142                                 |
| Dek Hockey Utilities/Maint               | 250                 | 30                  | -                                     |
| LED Signage - Twp Bldg Lot               | 250                 | -                   | -                                     |
| <b>TOTAL PARKS</b>                       | <b>\$ 110,000</b>   | <b>\$ 80,497</b>    | <b>\$ 107,694</b>                     |

**TOWNSHIP OF COLLIER**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                                  | <u>BUDGET</u>            | <u>ACTUAL</u>            | <u>(MEMORANDUM<br/>ONLY)<br/>2016</u> |
|--------------------------------------------------|--------------------------|--------------------------|---------------------------------------|
| <b><u>TOWNSHIP ACTIVITIES</u></b>                |                          |                          |                                       |
| Township Fireworks/Events                        | \$ 9,000                 | \$ 8,396                 | \$ 9,549                              |
| Collier Twp Athletic Assoc Supp                  | 7,000                    | 7,000                    | 7,000                                 |
| Panhandle Trail Support                          | 4,000                    | 4,100                    | 4,515                                 |
| Neville House Donation Support                   | 2,000                    | 2,000                    | 4,000                                 |
| Oktoberfest Event                                | 9,000                    | 11,815                   | 15,572                                |
| Pioneers West Historical Society                 | 2,000                    | 2,000                    | -                                     |
| <b>TOTAL CIVIC AND MILITARY CELEBRATIONS</b>     | <b><u>\$ 33,000</u></b>  | <b><u>\$ 35,311</u></b>  | <b><u>\$ 40,636</u></b>               |
| <b>TOTAL CULTURE AND RECREATION</b>              | <b><u>\$ 484,368</u></b> | <b><u>\$ 460,221</u></b> | <b><u>\$ 473,526</u></b>              |
| <b><u>INTERGOVERNMENTAL EXPENDITURES:</u></b>    |                          |                          |                                       |
| Chartiers Valley Flood Control                   | \$ 12,600                | \$ 12,512                | \$ 12,512                             |
| Char-West COG                                    | 5,400                    | 5,097                    | 4,638                                 |
| Collier Town Square sewage/PAWC                  | 91,000                   | 71,004                   | 89,415                                |
| <b>TOTAL INTERGOVERNMENTAL EXPENDITURES</b>      | <b><u>\$ 109,000</u></b> | <b><u>\$ 88,613</u></b>  | <b><u>\$ 106,565</u></b>              |
| <b><u>DEBT SERVICE:</u></b>                      |                          |                          |                                       |
| Bldg. Principal (Bond)                           | \$ 435,000               | \$ 435,000               | \$ 410,000                            |
| First Niagara Lease Principal                    | 62,047                   | 62,047                   | 60,705                                |
| Bldg Interest (Bond)                             | 179,585                  | 180,874                  | 217,689                               |
| First Niagara Lease Interest                     | 1,371                    | 1,371                    | 2,713                                 |
| Debt Service Fee                                 | 1,500                    | 1,250                    | 1,000                                 |
| <b>TOTAL DEBT SERVICE</b>                        | <b><u>\$ 679,503</u></b> | <b><u>\$ 680,542</u></b> | <b><u>\$ 692,107</u></b>              |
| <b><u>PERSONNEL EXPENSE &amp; INSURANCE:</u></b> |                          |                          |                                       |
| Employer Payroll Taxes                           | \$ 131,250               | \$ 131,787               | \$ 127,599                            |
| Unemployment Comp                                | 3,000                    | 7,041                    | 10,378                                |
| Payroll Service                                  | 5,700                    | 5,989                    | 4,748                                 |
| New Employee Costs                               | 2,000                    | 1,104                    | 1,523                                 |
| Contingency - Wages                              | 28,535                   | 96                       | 12,186                                |
| Police Pension Contribution                      | 276,990                  | 276,990                  | 278,038                               |
| Non-Uniform Pension Contribution                 | 133,130                  | 133,130                  | 98,207                                |
| Workers Compensation                             | 233,000                  | 266,142                  | 237,428                               |
| Insurance & Bonding                              | 120,000                  | 106,645                  | 102,598                               |
| <b>TOTAL PERSONNEL EXPENSE &amp; INSURANCE</b>   | <b><u>\$ 933,605</u></b> | <b><u>\$ 928,924</u></b> | <b><u>\$ 872,705</u></b>              |

**TOWNSHIP OF COLLIER**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                                    | <u>BUDGET</u>              | <u>ACTUAL</u>              | <u>(MEMORANDUM ONLY)<br/>2016</u> |
|----------------------------------------------------|----------------------------|----------------------------|-----------------------------------|
| <b>HEALTH INSURANCE BENEFIT:</b>                   |                            |                            |                                   |
| Flexible Spending Account                          | \$ 22,800                  | \$ 17,874                  | \$ 17,937                         |
| Hospitalization                                    | 509,500                    | 470,378                    | 441,011                           |
| Dental Insurance                                   | 42,000                     | 37,384                     | 43,354                            |
| Eye Insurance                                      | 5,000                      | 4,334                      | 5,168                             |
| Life/Ad&D Insurance                                | 12,000                     | 11,064                     | 11,249                            |
| <b>TOTAL HEALTH INSURANCE BENEFIT</b>              | <b><u>\$ 591,300</u></b>   | <b><u>\$ 541,035</u></b>   | <b><u>\$ 518,719</u></b>          |
| <b>OTHER FINANCING USES:</b>                       |                            |                            |                                   |
| Real Estate Tax Refunds                            | \$ -                       | \$ 2,119                   | \$ 54,705                         |
| Transfer to Capital Project Fund                   | 169,000                    | 340,266                    | 390,345                           |
| <b>TOTAL OTHER FINANCING USES</b>                  | <b><u>\$ 169,000</u></b>   | <b><u>\$ 342,384</u></b>   | <b><u>\$ 445,050</u></b>          |
| <b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b> | <b><u>\$ 7,522,361</u></b> | <b><u>\$ 7,382,259</u></b> | <b><u>\$ 7,747,251</u></b>        |

**TOWNSHIP OF COLLIER  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                                | <b>HIGHWAY AID<br/>FUND</b> | <b>MEMORIAL<br/>MAINTENANCE<br/>FUND</b> | <b>TRAFFIC<br/>IMPACT FEE<br/>FUND</b> | <b>SOLAR<br/>ROOF<br/>FUND</b> | <b>TOTAL</b>      |
|------------------------------------------------|-----------------------------|------------------------------------------|----------------------------------------|--------------------------------|-------------------|
| <b>ASSETS:</b>                                 |                             |                                          |                                        |                                |                   |
| Cash and Cash Equivalents                      | \$ 58                       | \$ 1,734                                 | \$ 116,535                             | \$ 125,000                     | \$ 243,327        |
| <b>TOTAL ASSETS</b>                            | <b>\$ 58</b>                | <b>\$ 1,734</b>                          | <b>\$ 116,535</b>                      | <b>\$ 125,000</b>              | <b>\$ 243,327</b> |
| <b>LIABILITIES AND FUND BALANCE:</b>           |                             |                                          |                                        |                                |                   |
| <b>LIABILITIES:</b>                            |                             |                                          |                                        |                                |                   |
| Due to Other Funds                             | \$ -                        | \$ -                                     | \$ -                                   | \$ -                           | \$ -              |
| <b>TOTAL LIABILITIES</b>                       | <b>\$ -</b>                 | <b>\$ -</b>                              | <b>\$ -</b>                            | <b>\$ -</b>                    | <b>\$ -</b>       |
| <b>FUND BALANCES:</b>                          |                             |                                          |                                        |                                |                   |
| Assigned                                       | \$ 58                       | \$ 1,734                                 | \$ 116,535                             | \$ 125,000                     | \$ 243,327        |
| <b>TOTAL FUND BALANCES</b>                     | <b>\$ 58</b>                | <b>\$ 1,734</b>                          | <b>\$ 116,535</b>                      | <b>\$ 125,000</b>              | <b>\$ 243,327</b> |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 58</b>                | <b>\$ 1,734</b>                          | <b>\$ 116,535</b>                      | <b>\$ 125,000</b>              | <b>\$ 243,327</b> |

**TOWNSHIP OF COLLIER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                                        | <u>HIGHWAY<br/>AID FUND</u> | <u>EMERGENCY<br/>SERVICES<br/>TAX FUND</u> | <u>MEMORIAL<br/>MAINTENANCE<br/>FUND</u> | <u>TRAFFIC<br/>IMPACT FEE<br/>FUND</u> | <u>SOLAR<br/>ROOF<br/>FUND</u> | <u>TOTAL</u>      |
|--------------------------------------------------------|-----------------------------|--------------------------------------------|------------------------------------------|----------------------------------------|--------------------------------|-------------------|
| <b>REVENUES:</b>                                       |                             |                                            |                                          |                                        |                                |                   |
| Real estate tax - current                              | \$ -                        | \$ 382,184                                 | \$ -                                     | \$ -                                   | \$ -                           | \$ 382,184        |
| Liquid fuels allocation                                | 231,048                     | -                                          | -                                        | -                                      | -                              | 231,048           |
| Charges for services                                   | -                           | -                                          | -                                        | 10,255                                 | -                              | 10,255            |
| Interest                                               | 450                         | -                                          | -                                        | 239                                    | -                              | 689               |
| <b>TOTAL REVENUES</b>                                  | <b>\$ 231,498</b>           | <b>\$ 382,184</b>                          | <b>\$ -</b>                              | <b>\$ 10,494</b>                       | <b>\$ -</b>                    | <b>\$ 624,176</b> |
| <b>OTHER FINANCING SOURCES:</b>                        |                             |                                            |                                          |                                        |                                |                   |
| Operating transfers in                                 | \$ -                        | \$ -                                       | \$ -                                     | \$ -                                   | \$ 25,000                      | \$ 25,000         |
| <b>TOTAL OTHER FINANCING SOURCES</b>                   | <b>\$ -</b>                 | <b>\$ -</b>                                | <b>\$ -</b>                              | <b>\$ -</b>                            | <b>\$ 25,000</b>               | <b>\$ 25,000</b>  |
| <b>TOTAL REVENUES AND OTHER<br/>FINANCING SOURCES</b>  | <b>\$ 231,498</b>           | <b>\$ 382,184</b>                          | <b>\$ -</b>                              | <b>\$ 10,494</b>                       | <b>\$ 25,000</b>               | <b>\$ 649,176</b> |
| <b>EXPENDITURES:</b>                                   |                             |                                            |                                          |                                        |                                |                   |
| Public safety                                          | \$ -                        | \$ 382,184                                 | \$ -                                     | \$ -                                   | \$ -                           | \$ 382,184        |
| <b>TOTAL EXPENDITURES</b>                              | <b>\$ -</b>                 | <b>\$ 382,184</b>                          | <b>\$ -</b>                              | <b>\$ -</b>                            | <b>\$ -</b>                    | <b>\$ 382,184</b> |
| <b>OTHER FINANCING USES:</b>                           |                             |                                            |                                          |                                        |                                |                   |
| Operating transfers out                                | \$ 231,450                  | \$ -                                       | \$ -                                     | \$ -                                   | \$ -                           | \$ 231,450        |
| <b>TOTAL OTHER FINANCING USES</b>                      | <b>\$ 231,450</b>           | <b>\$ -</b>                                | <b>\$ -</b>                              | <b>\$ -</b>                            | <b>\$ -</b>                    | <b>\$ 231,450</b> |
| <b>TOTAL EXPENDITURES AND<br/>OTHER FINANCING USES</b> | <b>\$ 231,450</b>           | <b>\$ 382,184</b>                          | <b>\$ -</b>                              | <b>\$ -</b>                            | <b>\$ -</b>                    | <b>\$ 613,634</b> |
| EXCESS REVENUES OVER<br>(UNDER) EXPENDITURES           | \$ 48                       | \$ -                                       | \$ -                                     | \$ 10,494                              | \$ 25,000                      | \$ 35,542         |
| FUND BALANCE - January 1, 2017                         | 10                          | -                                          | 1,734                                    | 106,041                                | 100,000                        | 207,785           |
| <b>FUND BALANCE - December 31, 2017</b>                | <b>\$ 58</b>                | <b>\$ -</b>                                | <b>\$ 1,734</b>                          | <b>\$ 116,535</b>                      | <b>\$ 125,000</b>              | <b>\$ 243,327</b> |

**TOWNSHIP OF COLLIER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL**  
**CAPITAL PROJECT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                                               | Budgeted Amounts    |                     | Actual<br>(Budgetary Basis) | Variance with<br>Final Budget<br>Positive |
|---------------------------------------------------------------|---------------------|---------------------|-----------------------------|-------------------------------------------|
|                                                               | Original            | Final               |                             |                                           |
| <b>REVENUES</b>                                               |                     |                     |                             |                                           |
| Interest                                                      | \$ 150              | \$ 150              | \$ 377                      | \$ 227                                    |
| Intergovernmental                                             | 219,347             | 219,347             | 179,058                     | (40,289)                                  |
| Recreation Fee                                                | -                   | -                   | 40,200                      | 40,200                                    |
| <b>Total Revenues</b>                                         | <b>\$ 219,497</b>   | <b>\$ 219,497</b>   | <b>\$ 219,635</b>           | <b>\$ 138</b>                             |
| <b>EXPENDITURES</b>                                           |                     |                     |                             |                                           |
| General Government                                            | \$ 12,000           | \$ 12,000           | \$ -                        | \$ (12,000)                               |
| Public Safety - Police                                        | 128,276             | 128,276             | 66,929                      | (61,347)                                  |
| Public Safety - Codes & Fire                                  | 1,000               | 1,000               | -                           | (1,000)                                   |
| Public Works - Highways                                       | 275,500             | 275,500             | 278,985                     | 3,485                                     |
| Public Works - Storm Sewers                                   | 20,200              | 20,200              | 22,560                      | 2,360                                     |
| Culture and Recreation - General                              | 22,000              | 22,000              | 18,370                      | (3,630)                                   |
| Culture and Recreation - Parks                                | 196,000             | 196,000             | 104,912                     | (91,088)                                  |
| <b>Total Expenditures</b>                                     | <b>\$ 654,976</b>   | <b>\$ 654,976</b>   | <b>\$ 491,756</b>           | <b>\$ (163,220)</b>                       |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ (435,479)</b> | <b>\$ (435,479)</b> | <b>\$ (272,121)</b>         | <b>\$ 163,358</b>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                     |                     |                             |                                           |
| Operating Transfers In                                        | \$ 300,223          | \$ 300,223          | \$ 340,266                  | \$ 40,043                                 |
| Operating Transfers Out                                       | -                   | -                   | (25,000)                    | (25,000)                                  |
| Rollover of Prior Year Expenses                               | 136,000             | 136,000             | -                           | (136,000)                                 |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ 436,223</b>   | <b>\$ 436,223</b>   | <b>\$ 315,266</b>           | <b>\$ (120,957)</b>                       |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ 744</b>       | <b>\$ 744</b>       | <b>\$ 43,145</b>            | <b>\$ 42,401</b>                          |
| FUND BALANCE - JANUARY 1, 2017                                | (744)               | (744)               | 110,302                     | 883,148                                   |
| <b>FUND BALANCE - DECEMBER 31, 2017</b>                       | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 153,447</b>           | <b>\$ 925,549</b>                         |

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**COLLIER TOWNSHIP**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE PENSION PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

|                                                                        | Measurement<br>Year<br>12/31/2017 | Measurement<br>Year<br>12/31/2016 | Measurement<br>Year<br>12/31/2015 | Measurement<br>Year<br>12/31/2014 |
|------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>Total pension liability-beginning</b>                               | \$ 6,007,027                      | \$ 5,620,250                      | \$ 5,177,897                      | \$ 4,909,359                      |
| Service Cost                                                           | 251,411                           | 211,638                           | 201,560                           | 182,934                           |
| Interest                                                               | 437,123                           | 427,913                           | 401,167                           | 371,212                           |
| Actual (gain)/loss                                                     | (327,787)                         | -                                 | (33,545)                          | -                                 |
| Assumption (gain)/loss                                                 | 18,030                            | -                                 | 132,790                           | -                                 |
| Plan changes                                                           | -                                 | -                                 | -                                 | -                                 |
| Benefit payments                                                       | (240,742)                         | (252,774)                         | (259,619)                         | (285,608)                         |
| Net change in total pension liability                                  | <u>\$ 138,035</u>                 | <u>\$ 386,777</u>                 | <u>\$ 442,353</u>                 | <u>\$ 268,538</u>                 |
| Total pension liability-ending                                         | <u>\$ 6,145,062</u>               | <u>\$ 6,007,027</u>               | <u>\$ 5,620,250</u>               | <u>\$ 5,177,897</u>               |
| <br>                                                                   |                                   |                                   |                                   |                                   |
| Plan fiduciary net position-beginning                                  | \$ 4,327,322                      | \$ 4,057,994                      | \$ 4,001,397                      | \$ 3,802,043                      |
| Contributions-employer                                                 | 111,813                           | 138,048                           | 114,902                           | 83,392                            |
| Contributions-state aid                                                | 165,177                           | 139,990                           | 101,942                           | 134,741                           |
| Contributions-member                                                   | 130,305                           | 121,391                           | 126,585                           | 103,913                           |
| Net investment income                                                  | 452,865                           | 147,459                           | (2,116)                           | 183,014                           |
| Benefit payments                                                       | (240,742)                         | (252,774)                         | (259,619)                         | (285,608)                         |
| Administrative expenses                                                | (29,417)                          | (24,786)                          | (25,097)                          | (20,098)                          |
| Change in plan fiduciary net position                                  | <u>\$ 590,001</u>                 | <u>\$ 269,328</u>                 | <u>\$ 56,597</u>                  | <u>\$ 199,354</u>                 |
| Plan fiduciary net position-ending                                     | <u>\$ 4,917,323</u>               | <u>\$ 4,327,322</u>               | <u>\$ 4,057,994</u>               | <u>\$ 4,001,397</u>               |
| <br>                                                                   |                                   |                                   |                                   |                                   |
| Net pension liability-beginning                                        | <u>\$ 1,679,705</u>               | <u>\$ 1,562,256</u>               | <u>\$ 1,176,500</u>               | <u>\$ 1,107,316</u>               |
| Net pension liability-ending                                           | <u>\$ 1,227,739</u>               | <u>\$ 1,679,705</u>               | <u>\$ 1,562,256</u>               | <u>\$ 1,176,500</u>               |
| <br>                                                                   |                                   |                                   |                                   |                                   |
| <b>RATIOS:</b>                                                         |                                   |                                   |                                   |                                   |
| Plan fiduciary net position as a percentage of total pension liability | 80.02%                            | 72.04%                            | 72.20%                            | 77.28%                            |
| <br>                                                                   |                                   |                                   |                                   |                                   |
| Covered-employee payroll                                               | \$ 1,616,224                      | \$ 1,616,224                      | \$ 1,208,466                      | \$ 1,227,710                      |
| <br>                                                                   |                                   |                                   |                                   |                                   |
| Net pension liability as a percentage of covered-employee payroll      | 75.96%                            | 103.93%                           | 129.28%                           | 95.83%                            |

NOTE: The Authority is required to present the information for past 10 calendar years. Additional years will be displayed they become available.

**COLLIER TOWNSHIP**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**NON-UNIFORM PENSION PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

|                                                                        | Measurement<br>Year<br>12/31/2016 | Measurement<br>Year<br>12/31/2015 | Measurement<br>Year<br>12/31/2014 |
|------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>Total pension liability-beginning</b>                               | \$ 3,504,466                      | \$ 3,352,191                      | \$ 2,961,394                      |
| Service Cost                                                           | 113,890                           | 115,058                           | 96,187                            |
| Interest                                                               | 194,761                           | 186,386                           | 164,047                           |
| Actual (gain)/loss                                                     | (148,735)                         | -                                 | 318,780                           |
| Assumption (gain)/loss                                                 | 103,081                           | 9,799                             | -                                 |
| Plan changes                                                           | -                                 | -                                 | -                                 |
| Benefit payments                                                       | (156,603)                         | (158,968)                         | (151,836)                         |
| Net change in total pension liability                                  | <u>\$ 106,394</u>                 | <u>\$ 152,275</u>                 | <u>\$ 427,178</u>                 |
| Total pension liability-ending                                         | <u>\$ 3,610,860</u>               | <u>\$ 3,504,466</u>               | <u>\$ 3,388,572</u>               |
| <br>                                                                   |                                   |                                   |                                   |
| Plan fiduciary net position-beginning                                  | \$ 2,849,814                      | \$ 2,859,577                      | \$ 2,747,977                      |
| Contributions-employer                                                 | 97,487                            | 91,749                            | 64,034                            |
| Contributions-state aid                                                | -                                 | -                                 | -                                 |
| Contributions-PMRS assessment                                          | 780                               | 720                               | -                                 |
| Contributions-member                                                   | 44,356                            | 43,066                            | 38,663                            |
| Net investment income                                                  | 119,386                           | 20,948                            | 167,217                           |
| Benefit payments                                                       | (156,603)                         | (158,968)                         | (151,836)                         |
| Administrative expenses                                                | (8,771)                           | (7,278)                           | (6,478)                           |
| Change in plan fiduciary net position                                  | <u>\$ 96,635</u>                  | <u>\$ (9,763)</u>                 | <u>\$ 111,600</u>                 |
| Plan fiduciary net position-ending                                     | <u>\$ 2,946,449</u>               | <u>\$ 2,849,814</u>               | <u>\$ 2,859,577</u>               |
| <br>                                                                   |                                   |                                   |                                   |
| Net pension liability-beginning                                        | <u>\$ 654,652</u>                 | <u>\$ 492,614</u>                 | <u>\$ 213,417</u>                 |
| <br>                                                                   |                                   |                                   |                                   |
| Net pension liability-ending                                           | <u>\$ 664,411</u>                 | <u>\$ 654,652</u>                 | <u>\$ 492,614</u>                 |
| <br>                                                                   |                                   |                                   |                                   |
| <b>RATIOS:</b>                                                         |                                   |                                   |                                   |
| Plan fiduciary net position as a percentage of total pension liability | 81.60%                            | 81.32%                            | 84.39%                            |
| <br>                                                                   |                                   |                                   |                                   |
| Covered-employee payroll                                               | \$ 1,267,320                      | \$ 1,230,449                      | \$ 1,023,737                      |
| <br>                                                                   |                                   |                                   |                                   |
| Net pension liability as a percentage of covered-employee payroll      | 52.43%                            | 53.20%                            | 48.12%                            |

NOTE: The Authority is required to present the information for past 10 calendar years. Additional years will be displayed they become available.

**COLLIER TOWNSHIP**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**POLICE PENSION PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

|                                     | <u>12/31/2017</u> | <u>12/31/2016</u> | <u>12/31/2015</u> | <u>12/31/2014</u> |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Actuarially determined contribution | \$ 276,990        | \$ 278,038        | \$ 216,844        | \$ 218,133        |
| Contributions                       | <u>276,990</u>    | <u>278,038</u>    | <u>216,844</u>    | <u>218,133</u>    |
| Contribution deficiency (excess)    | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       |

**RATIOS:**

|                                                           |              |              |              |              |
|-----------------------------------------------------------|--------------|--------------|--------------|--------------|
| Covered-employee payroll                                  | \$ 1,600,000 | \$ 1,616,224 | \$ 1,208,466 | \$ 1,227,710 |
| Contributions as a percentage of covered-employee payroll | 17.31%       | 17.20%       | 17.94%       | 17.77%       |

**NOTES TO SCHEDULE:**

Valuation Date                      Actuarially determined contribution rates are calculated as of January 1, 2015  
Update procedures were used to rollforward to the plan's fiscal plan year ending December 31, 2017

**Methods and assumptions used to determine contribution rates:**

|                               |                                                         |
|-------------------------------|---------------------------------------------------------|
| Actuarial cost method         | Entry Age Normal                                        |
| Amortization method           | Level Dollar Open                                       |
| Remaining amortization period | 11 years                                                |
| Asset valuation method        | Market Value                                            |
| Inflation                     | 2.3%                                                    |
| Investment rate of return     | 7.5%                                                    |
| Salary increases              | 5.0%                                                    |
| Disability Rates              | 40% of rates set forth in 1964 OASDI (Social Security)  |
| Employee Termination          | Based on years of service and number of members in plan |
| Mortality                     | RP-2000 Mortality Tables                                |

NOTE: The Township is required to present the information for past 10 calendar years. Additional years will be displayed as they become available.

**COLLIER TOWNSHIP**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**NON-UNIFORM PENSION PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

|                                     | <u>12/31/2016</u> | <u>12/31/2015</u> | <u>12/31/2014</u> |
|-------------------------------------|-------------------|-------------------|-------------------|
| Actuarially determined contribution | \$ 98,207         | \$ 92,409         | \$ 63,994         |
| Contributions                       | <u>98,267</u>     | <u>92,469</u>     | <u>64,034</u>     |
| Contribution deficiency (excess)    | <u>\$ (60)</u>    | <u>\$ (60)</u>    | <u>\$ (40)</u>    |

**RATIOS:**

|                                                           |              |              |              |
|-----------------------------------------------------------|--------------|--------------|--------------|
| Covered-employee payroll                                  | \$ 1,267,320 | \$ 1,230,449 | \$ 1,023,737 |
| Contributions as a percentage of covered-employee payroll | 7.75%        | 7.52%        | 6.25%        |

**NOTES TO SCHEDULE:**

Valuation Date                      Actuarially determined contribution rates are calculated as of January 1, 2017

**Methods and assumptions used to determine contribution rates:**

|                               |                                                         |
|-------------------------------|---------------------------------------------------------|
| Actuarial cost method         | Entry Age Normal                                        |
| Amortization method           | Level Dollar Closed                                     |
| Remaining amortization period | 10.2 Years                                              |
| Asset valuation method        | Fair Value                                              |
| Inflation                     | 3%                                                      |
| Investment rate of return     | 5.50%                                                   |
| Salary increases              | age related scale with merit and inflation component    |
| Disability Rates              | 40% of rates set forth in 1964 OASDI (Social Security)  |
| Employee Termination          | Based on years of service and number of members in plan |
| Mortality                     | RP-2000 Mortality Tables                                |

NOTE: The Authority is required to present the information for past 10 calendar years. Additional years will be displayed as they become available.

**COLLIER TOWNSHIP**  
**SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN NET OF INVESTMENT EXPENSE**  
**POLICE PENSION PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

|                                                                   | <u>12/31/2017</u> | <u>12/31/2016</u> | <u>12/31/2015</u> | <u>12/31/2014</u> |
|-------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Annual money-weighted rate of return<br>net of investment expense | 10.47%            | 3.63%             | 3.99%             | 4.04%             |

NOTE: The Authority is required to present the information for past 10 calendar years. Additional years will be displayed as they become available.

**COLLIER TOWNSHIP**  
**SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN NET OF INVESTMENT EXPENSE**  
**NON-UNIFORM PENSION PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2017**

|                                                                   | <u>12/31/2016</u> | <u>12/31/2015</u> | <u>12/31/2014</u> |
|-------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Annual money-weighted rate of return<br>net of investment expense |                   | 5.90%             | 7.00%             |

NOTE: Schedule requires information for past 10 calendar years. Most recent actuarial valuation presents information for three most recent years.

**TOWNSHIP OF COLLIER**  
**SCHEDULES OF FUNDING PROGRESS**  
**POLICE PENSION PLAN**  
**DECEMBER 31, 2017**

**SCHEDULES OF FUNDING PROGRESS:**

|                                         | (A)                                      | (B)                                        | (B-A)<br>(UAAL)<br>UNFUNDED<br>ACTUARIAL<br>ACCRUED<br>LIABILITY | (A/B)<br>FUNDED<br>RATIO | (C)<br>COVERED<br>PAYROLL  | (B-A)/C<br>UAAL AS A<br>% OF<br>COVERED<br>PAYROLL |
|-----------------------------------------|------------------------------------------|--------------------------------------------|------------------------------------------------------------------|--------------------------|----------------------------|----------------------------------------------------|
| <u>ACTUARIAL<br/>VALUATION<br/>DATE</u> | <u>ACTUARIAL<br/>VALUE OF<br/>ASSETS</u> | <u>ACTUARIAL<br/>ACCRUED<br/>LIABILITY</u> | <u>ACTUARIAL<br/>ACCRUED<br/>LIABILITY</u>                       | <u>FUNDED<br/>RATIO</u>  | <u>COVERED<br/>PAYROLL</u> | <u>UAAL AS A<br/>% OF<br/>COVERED<br/>PAYROLL</u>  |
| 1/1/05                                  | \$ 2,843,299                             | \$ 2,879,562                               | \$ 36,263                                                        | 99%                      | \$ 741,154                 | 4.9%                                               |
| 1/1/07                                  | 3,094,392                                | 3,397,892                                  | 303,500                                                          | 91%                      | 762,764                    | 39.8%                                              |
| 1/1/09                                  | 3,359,484                                | 3,736,355                                  | 376,871                                                          | 90%                      | 893,122                    | 42.2%                                              |
| 1/1/11                                  | 3,788,748                                | 4,238,188                                  | 449,440                                                          | 89%                      | 1,229,377                  | 36.6%                                              |
| 1/1/13                                  | 3,682,404                                | 4,716,323                                  | 1,033,919                                                        | 78%                      | 1,186,153                  | 87.2%                                              |
| 1/1/15                                  | 4,001,397                                | 5,277,142                                  | 1,275,745                                                        | 78%                      | 1,393,740                  | 91.5%                                              |
| 1/1/17                                  | 4,327,322                                | 5,697,270                                  | 1,369,948                                                        | 78%                      | 1,724,916                  | 79.4%                                              |

**SCHEDULES OF EMPLOYER'S CONTRIBUTIONS:**

| <u>YEAR ENDED<br/>DECEMBER 31</u> | <u>ANNUAL<br/>REQUIRED<br/>CONTRIBUTION</u> | <u>REQUIRED<br/>PERCENTAGE<br/>CONTRIBUTED</u> |
|-----------------------------------|---------------------------------------------|------------------------------------------------|
| 2007                              | 83,920                                      | 100%                                           |
| 2008                              | 80,459                                      | 100%                                           |
| 2009                              | 83,489                                      | 100%                                           |
| 2010                              | 85,221                                      | 100%                                           |
| 2011                              | 114,825                                     | 100%                                           |
| 2012                              | 132,866                                     | 100%                                           |
| 2013                              | 166,171                                     | 100%                                           |
| 2014                              | 218,133                                     | 100%                                           |
| 2015                              | 216,844                                     | 100%                                           |
| 2016                              | 278,038                                     | 100%                                           |
| 2017                              | 276,990                                     | 100%                                           |

The annual required contribution is the Minimum Municipal Obligation as defined by Act 205.

**TOWNSHIP OF COLLIER**  
**SCHEDULES OF FUNDING PROGRESS**  
**NON-UNIFORM PENSION PLAN**  
**DECEMBER 31, 2017**

**SCHEDULES OF FUNDING PROGRESS:**

|                                | (A)                             | (B)                               | (B-A)<br>(UAAL)<br>UNFUNDED<br>ACTUARIAL<br>ACCRUED<br>LIABILITY | (A/B)<br>FUNDED<br>RATIO | (C)<br>COVERED<br>PAYROLL | (B-A)/C<br>UAAL AS A<br>% OF<br>COVERED<br>PAYROLL |
|--------------------------------|---------------------------------|-----------------------------------|------------------------------------------------------------------|--------------------------|---------------------------|----------------------------------------------------|
| ACTUARIAL<br>VALUATION<br>DATE | ACTUARIAL<br>VALUE OF<br>ASSETS | ACTUARIAL<br>ACCRUED<br>LIABILITY |                                                                  |                          |                           |                                                    |
| 1/1/05                         | \$ 1,733,026                    | \$ 1,863,581                      | \$ 130,555                                                       | 93%                      | \$ 662,343                | 48.8%                                              |
| 1/1/07                         | 1,902,360                       | 2,133,185                         | 230,825                                                          | 89%                      | 771,542                   | 29.9%                                              |
| 1/1/09                         | 2,071,162                       | 2,321,585                         | 250,423                                                          | 89%                      | 853,894                   | 29.3%                                              |
| 1/1/11                         | 2,248,974                       | 2,378,082                         | 129,108                                                          | 95%                      | 870,002                   | 8.3%                                               |
| 1/1/13                         | 2,610,257                       | 2,864,502                         | 254,245                                                          | 91%                      | 982,473                   | 25.9%                                              |
| 1/1/15                         | 2,931,815                       | 3,388,572                         | 456,757                                                          | 87%                      | 1,011,430                 | 45.2%                                              |
| 1/1/17                         | 3,173,327                       | 3,610,860                         | 437,533                                                          | 88%                      | 1,215,103                 | 36.0%                                              |

**SCHEDULES OF EMPLOYER'S CONTRIBUTIONS:**

| YEAR ENDED<br>DECEMBER 31 | ANNUAL<br>REQUIRED<br>CONTRIBUTION | REQUIRED<br>PERCENTAGE<br>CONTRIBUTED |
|---------------------------|------------------------------------|---------------------------------------|
| 2007                      | 53,338                             | 100%                                  |
| 2008                      | 57,799                             | 100%                                  |
| 2009                      | 65,202                             | 100%                                  |
| 2010                      | 62,263                             | 100%                                  |
| 2011                      | 73,140                             | 100%                                  |
| 2012                      | 76,008                             | 100%                                  |
| 2013                      | 62,567                             | 100%                                  |
| 2014                      | 63,994                             | 100%                                  |
| 2015                      | 92,409                             | 100%                                  |
| 2016                      | 98,207                             | 100%                                  |
| 2017                      | 133,130                            | 100%                                  |

The annual required contribution is the Minimum Municipal Obligation as defined by Act 205.