

REQUIRED  
SUPPLEMENTARY INFORMATION

**TOWNSHIP OF FALLS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN PLAN'S NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE PENSION PLAN**  
**Last Ten Fiscal Years \***

	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service Cost	\$ 662,062	\$ 756,746	\$ 794,583	\$ 736,797
Interest	2,962,558	3,249,829	3,398,444	3,539,586
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	1,873,097	-	(943,976)
Changes of Assumptions	-	-	-	926,401
Benefit Payments, Including Refunds of Member Contributions	(1,927,596)	(2,075,442)	(2,297,995)	(2,408,790)
<b>Net Change in Total Pension Liability</b>	<u>1,697,024</u>	<u>3,804,230</u>	<u>1,895,032</u>	<u>1,850,018</u>
<b>Total Pension Liability - Beginning</b>	<u>37,333,715</u>	<u>39,030,739</u>	<u>42,834,969</u>	<u>44,730,001</u>
<b>Total Pension Liability - Ending</b>	<u>\$ 39,030,739</u>	<u>\$ 42,834,969</u>	<u>\$ 44,730,001</u>	<u>\$ 46,580,019</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 1,222,066	\$ 1,697,576	\$ 1,957,876	\$ 1,956,735
Contributions - State Aid	518,939	537,154	621,200	633,179
Contributions - Member	314,428	311,101	315,499	353,703
Net Investment Income	1,188,621	(190,002)	1,246,210	2,543,064
Benefit Payments, Including Refunds of Member Contributions	(1,927,596)	(2,075,442)	(2,297,995)	(2,408,790)
Administrative Expense	-	(19,154)	-	(20,126)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>1,316,458</u>	<u>261,233</u>	<u>1,842,790</u>	<u>3,057,765</u>
<b>Plan Net Position - Beginning</b>	<u>22,303,497</u>	<u>23,619,955</u>	<u>23,881,188</u>	<u>25,723,978</u>
<b>Plan Net Position - Ending</b>	<u>\$ 23,619,955</u>	<u>\$ 23,881,188</u>	<u>\$ 25,723,978</u>	<u>\$ 28,781,743</u>
<b>Plan's Net Pension Liability</b>	<u>\$ 15,410,784</u>	<u>\$ 18,953,781</u>	<u>\$ 19,006,023</u>	<u>\$ 17,798,276</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	60.5%	55.8%	57.5%	61.8%
<b>Covered Employee Payroll</b>	\$ 5,284,622	\$ 5,924,242	\$ 6,025,885	\$ 6,178,344
<b>Plan's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	291.6%	319.9%	315.4%	288.1%

**Notes to schedules:**

Assumption Change - In 2017, the mortality assumption was changed from the 1992 Railroad Board Table to the Blue Collar RP-2000 Table.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

**TOWNSHIP OF FALLS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN PLAN'S NET PENSION LIABILITY AND RELATED RATIOS**  
**NONUNIFORM PENSION PLAN**  
**Last Ten Fiscal Years \***

	2015	2016	2017
<b>Total Pension Liability</b>			
Service Cost	\$ 136,121	\$ 131,154	\$ 136,023
Interest	75,226	86,385	98,040
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	113	132	168
Changes of Assumptions	-	471	1,770
Benefit Payments, Including Refunds of Member Contributions	(5,191)	(5,191)	(5,191)
<b>Net Change in Total Pension Liability</b>	<u>206,269</u>	<u>212,951</u>	<u>230,810</u>
<b>Total Pension Liability - Beginning</b>	1,318,462	1,524,731	1,737,682
<b>Total Pension Liability - Ending</b>	<u>\$ 1,524,731</u>	<u>\$ 1,737,682</u>	<u>\$ 1,968,492</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 66,091	\$ 62,740	\$ 58,953
Contributions - PMRS assessments	-	-	20
Contributions - Member	70,029	68,414	77,070
Net Investment Income	70,284	(12,456)	131,230
Benefit Payments, Including Refunds of Member Contributions	(5,191)	(5,191)	(5,191)
Administrative Expense	(3,256)	(3,971)	(5,180)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>197,957</u>	<u>109,536</u>	<u>256,902</u>
<b>Plan Net Position - Beginning</b>	1,305,659	1,503,616	1,613,152
<b>Plan Net Position - Ending</b>	<u>\$ 1,503,616</u>	<u>\$ 1,613,152</u>	<u>\$ 1,870,054</u>
<b>Plan's Net Pension Liability</b>	<u>\$ 21,115</u>	<u>\$ 124,530</u>	<u>\$ 98,438</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	98.6%	92.8%	95.0%
<b>Covered Employee Payroll</b>	\$ 1,321,820	\$ 1,254,799	\$ 1,179,054
<b>Plan's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	1.6%	9.9%	8.3%

**Notes to schedules:**

None.

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**TOWNSHIP OF FALLS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**POLICE PENSION PLAN**  
 Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially determined contribution	\$ 862,493	\$ 1,060,137	\$ 1,570,253	\$ 1,313,893	\$ 1,318,901	\$ 1,470,557	\$ 1,741,005	\$ 2,234,730	\$ 2,579,076	\$ 2,589,914
Contributions made	862,493	1,060,137	1,570,253	1,313,893	1,318,901	1,470,557	1,741,005	2,234,730	2,579,076	2,589,914
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 3,889,048	\$ 4,312,643	\$ 4,209,698	\$ 4,574,694	\$ 4,628,098	\$ 4,719,500	\$ 5,284,622	\$ 5,924,242	\$ 6,025,885	\$ 6,178,344
Contributions as a Percentage of Covered Employee Payroll	22.2%	24.6%	37.3%	28.7%	28.5%	31.2%	32.9%	37.7%	42.8%	41.9%

**Notes to schedules:**

Valuation date - Actuarially determined contribution rates are calculated biennially as of January 1 - most recent valuation is January 1, 2015.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method Entry Age
- Amortization method Level Dollar
- Asset valuation method 5 Year Smoothing
- Inflation 2.25%
- Salary Increases 5.00%
- Investment rate of return 8.00% (Net of pension plan investment expenses including inflation)
- Retirement age 50
- Mortality rates Blue Collar RP-2000 Monatlity Table

**TOWNSHIP OF FALLS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**NONUNIFORM PENSION PLAN**  
**Last Ten Fiscal Years \***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutorily determined contribution	\$ 66,432	\$ 63,080	\$ 59,293	\$ 63,258
Contributions made	<u>66,091</u>	<u>62,740</u>	<u>58,973</u>	<u>63,258</u>
Contribution deficiency (excess)	<u>\$ 341</u>	<u>\$ 340</u>	<u>\$ 320</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 1,321,820	\$ 1,254,799	\$ 1,179,054	\$ 1,265,173
Contributions as a Percentage of Covered Employee Payroll	5.00%	5.00%	5.00%	5.00%

**Notes to schedules:**

Valuation date - Actuarially determined contribution rates are calculated biennially as of January 1 - most recent valuation is January 1, 2017.

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

Actuarial cost method	Entry Age Normal
Cost of living increases	2.80%
Salary Increases	3.30%
Investment rate of return	5.25% (Compounded annually, net of expenses)
Retirement age	60
Mortality rates	Males - RP-2000 Male Annuitant table projected 5 years with Scale AA; Females - RP-2000 Female Annuitant table projected 10 years with Scale AA

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**TOWNSHIP OF FALLS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF INVESTMENT RETURNS**  
**POLICE PENSION PLAN**  
**Last Ten Fiscal Years \***

	2014	2015	2016	2017
Annual money-weighted rate of return, net of investment expenses	\$ 5.50%	\$ -0.83%	\$ 5.16%	\$ 9.89%

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**TOWNSHIP OF FALLS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF INVESTMENT RETURNS**  
**NONUNIFORM PENSION PLAN**  
 Last Ten Fiscal Years \*

	2014	2015	2016	2017
Annual money-weighted rate of return, net of investment expenses	\$ 5.20%	\$ -0.27%	\$ 8.23%	\$ 17.84%

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**TOWNSHIP OF FALLS**  
**OTHER POST EMPLOYMENT BENEFITS**  
**SCHEDULE OF FUNDING PROGRESS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability AAL</u>	<u>Excess of Assets Over (Unfunded) AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 2011	\$ 0	\$ 9,007,616	\$ 9,007,616	0.0%	\$ 4,748,589	189.7%
January 1, 2014	\$ 0	\$ 10,672,524	\$ 10,672,524	0.0%	\$ 6,203,679	172.0%
January 1, 2017	\$ 0	\$ 11,443,561	\$ 11,443,561	0.0%	\$ 8,950,071	127.9%

SUPPLEMENTARY INFORMATION

## Nonmajor Governmental Funds

### Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Fire Hydrant Fund** – This fund is used to account for the revenue derived from a .34 mill real estate tax levy. The revenues of this fund are restricted to expenditures for the maintenance and repair of fire hydrants located within the Township.

**Highway Aid Fund** – This fund is used to account for the Township's share of the Liquid Fuels Grant disbursed by the Commonwealth of Pennsylvania. All monies in this fund are expended in accordance with Pennsylvania Department of Transportation rules and regulations for the construction, reconstruction and maintenance of all locally-owned roads, streets and bridges.

**Street Lighting Fund** – This fund is used to account for revenue derived from a .90 mill real estate tax levy. Major expenditures include the cost of electricity and maintenance of the highway and street lights located in the Township.

**Fire Protection Fund** – This fund is used to account for revenue derived from a 1.25 mill real estate tax levy in accordance with the agreement between the Township and local fire companies.

**Library Fund** – This fund is used to account for revenue derived from a .14 mill real estate tax levy to help support the Falls library.

**Recycling Fund** – This fund is used to account for revenue generated by the contractual agreement with GROWS and the Township. The percentage of revenue received from the dumping fees is restricted to subsequent recycling expenditures.

**Parks and Recreation Fund** – This fund is used to account for revenue derived from a 1.46 mill real estate tax levy that is restricted to the development of programs that are recreational in nature – such as maintenance of Township parks, Community Youth Association, the Senior Citizen's Association, Township committees, parades and civic events.

**Rescue Squad Fund** – This fund is used to account for revenue derived from a .50 mill real estate tax levy that is funding the local rescue squad.

**Crime Prevention Fund** – This fund is used to account for revenue from federal, state and local grants that are used to provide education to youth on the dangers of drug use.

TOWNSHIP OF FALLS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

	Special Revenue										Total Nonmajor Governmental Funds
	Fire Hydrant	Highway Aid	Street Lighting	Fire Protection	Library	Recycling	Parks & Recreation	Rescue Squad	Crime Prevention		
<b>ASSETS</b>											
Cash and cash equivalents	\$ 71,043	\$ 963,083	\$ 204,534	\$ 16,077	\$ 1,801	\$ 448,500	\$ 178,435	\$ 6,423	\$ 65,405	\$ 1,937,423	
Taxes receivable	4,336		12,154				18,201	6,431		59,000	
Interfund receivable							214			214	
Prepaid items							13,980		4,279	18,259	
<b>TOTAL ASSETS</b>	<b>\$ 75,379</b>	<b>\$ 963,083</b>	<b>\$ 216,688</b>	<b>\$ 16,077</b>	<b>\$ 1,801</b>	<b>\$ 448,500</b>	<b>\$ 210,830</b>	<b>\$ 12,854</b>	<b>\$ 69,684</b>	<b>\$ 2,014,896</b>	
<b>LIABILITIES</b>											
Accounts payable	\$ 14,976	\$ 33,975	\$ 5,050	\$ 2,418	\$ 1,287	\$	\$ 4,535	\$ 1,368	\$ 55	\$ 62,377	
Interfund payable				19,027			438			20,752	
Deposits							250			250	
Salaries and benefits payable							23,836		2,542	26,378	
<b>TOTAL LIABILITIES</b>	<b>14,976</b>	<b>33,975</b>	<b>5,050</b>	<b>21,445</b>	<b>1,287</b>	<b>-</b>	<b>29,059</b>	<b>1,368</b>	<b>2,597</b>	<b>109,757</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable revenue - real estate taxes	4,092		11,387	15,143	1,696		17,194	6,057		55,569	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>4,092</b>	<b>-</b>	<b>11,387</b>	<b>15,143</b>	<b>1,696</b>	<b>-</b>	<b>17,194</b>	<b>6,057</b>	<b>-</b>	<b>55,569</b>	
<b>FUND BALANCES</b>											
Nonspendable:											
Prepaid items							13,980		4,279	18,259	
Restricted for:											
Recycling expenditures						448,500				448,500	
Parks and recreation							150,597			150,597	
Rescue Squad								5,429		5,429	
Crime prevention									62,808	62,808	
Fire hydrant	56,311	929,108								929,108	
Highway aid			200,251							200,251	
Street lighting				(20,511)	(1,182)					(21,693)	
Unassigned	56,311	929,108	200,251	(20,511)	(1,182)	448,500	164,577	5,429	67,087	1,849,570	
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>56,311</b>	<b>929,108</b>	<b>200,251</b>	<b>(20,511)</b>	<b>(1,182)</b>	<b>448,500</b>	<b>164,577</b>	<b>5,429</b>	<b>67,087</b>	<b>1,849,570</b>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 75,379</b>	<b>\$ 963,083</b>	<b>\$ 216,688</b>	<b>\$ 16,077</b>	<b>\$ 1,801</b>	<b>\$ 448,500</b>	<b>\$ 210,830</b>	<b>\$ 12,854</b>	<b>\$ 69,684</b>	<b>\$ 2,014,896</b>	

**TOWNSHIP OF FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Special Revenue								Total Nonmajor Governmental Funds	
	Fire Hydrant	Highway Aid	Street Lighting	Fire Protection	Library	Recycling	Parks & Recreation	Rescue Squad		Crime Prevention
<b>REVENUES</b>										
Taxes										
Property	\$ 106,989	\$ 901,513	\$ 284,306	\$ 393,446	\$ 44,067	\$	\$ 458,549	\$ 157,378	\$	\$ 1,444,735
Motor fuel tax										901,513
Payment in lieu of taxes	3,532		9,349	12,984	1,454		15,166	5,194		47,679
Interest earnings	79	3,621	243	59	3	1,239	2,712	31	4	7,991
Rents							8,755			8,755
Intergovernmental				223,383			203,229			223,383
Charges for services							6,800			203,229
Contributions and donations									40,244	47,044
<b>TOTAL REVENUES</b>	<b>110,600</b>	<b>905,134</b>	<b>293,898</b>	<b>629,872</b>	<b>45,524</b>	<b>1,239</b>	<b>695,211</b>	<b>162,603</b>	<b>40,248</b>	<b>2,884,329</b>
<b>EXPENDITURES</b>										
Current										
Public safety	87,412			635,582						1,249,270
Public works - highways and streets		350,587	265,658				821,378			622,245
Culture and recreation					45,000					866,378
Capital outlay										
General government		50,000								50,000
Public safety										
Public works - highways and streets										
Culture and recreation										
<b>TOTAL EXPENDITURES</b>	<b>87,412</b>	<b>406,587</b>	<b>265,658</b>	<b>635,582</b>	<b>45,000</b>	<b>-</b>	<b>821,378</b>	<b>162,152</b>	<b>364,124</b>	<b>2,787,893</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>23,188</b>	<b>498,547</b>	<b>28,240</b>	<b>(5,710)</b>	<b>524</b>	<b>1,239</b>	<b>(126,167)</b>	<b>451</b>	<b>(323,876)</b>	<b>96,436</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in							270,000		350,000	620,000
Transfers out										
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270,000</b>	<b>-</b>	<b>350,000</b>	<b>620,000</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>23,188</b>	<b>498,547</b>	<b>28,240</b>	<b>(5,710)</b>	<b>524</b>	<b>1,239</b>	<b>143,833</b>	<b>451</b>	<b>26,124</b>	<b>716,436</b>
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	<b>33,123</b>	<b>430,561</b>	<b>172,011</b>	<b>(14,801)</b>	<b>(1,706)</b>	<b>447,261</b>	<b>20,744</b>	<b>4,978</b>	<b>40,963</b>	<b>1,133,134</b>
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<b>\$ 56,311</b>	<b>\$ 929,108</b>	<b>\$ 200,251</b>	<b>\$ (20,511)</b>	<b>\$ (1,182)</b>	<b>\$ 448,500</b>	<b>\$ 164,577</b>	<b>\$ 5,429</b>	<b>\$ 67,087</b>	<b>\$ 1,849,570</b>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FIRE HYDRANT SPECIAL REVENUE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property tax	\$ 110,337	\$ 110,337	\$ 106,989	\$ (3,348)
Payment in lieu of taxes	3,532	3,532	3,532	-
Interest earnings	10	10	79	69
<b>TOTAL REVENUES</b>	<u>113,879</u>	<u>113,879</u>	<u>110,600</u>	<u>(3,279)</u>
<b>EXPENDITURES</b>				
Current				
Public safety	<u>88,000</u>	<u>88,000</u>	<u>87,412</u>	<u>588</u>
<b>TOTAL EXPENDITURES</b>	<u>88,000</u>	<u>88,000</u>	<u>87,412</u>	<u>588</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<u>25,879</u>	<u>25,879</u>	<u>23,188</u>	<u>(2,691)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>32,683</u>	<u>32,683</u>	<u>33,123</u>	<u>440</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 58,562</u>	<u>\$ 58,562</u>	<u>\$ 56,311</u>	<u>\$ (2,251)</u>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**HIGHWAY AID SPECIAL REVENUE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Motor fuel tax	\$ 885,184	\$ 885,184	\$ 901,513	\$ 16,329
Interest earnings	200	200	3,621	3,421
<b>TOTAL REVENUES</b>	<b>885,384</b>	<b>885,384</b>	<b>905,134</b>	<b>19,750</b>
<b>EXPENDITURES</b>				
Current				
Public works - highways and streets	900,655	900,655	356,587	544,068
Capital outlay				
Public works - highways and streets	50,000	50,000	50,000	-
<b>TOTAL EXPENDITURES</b>	<b>950,655</b>	<b>950,655</b>	<b>406,587</b>	<b>544,068</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(65,271)	(65,271)	498,547	563,818
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	(65,271)	(65,271)	498,547	563,818
<b>FUND BALANCE, BEGINNING</b>	<b>229,102</b>	<b>229,102</b>	<b>430,561</b>	<b>201,459</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 163,831</b>	<b>\$ 163,831</b>	<b>\$ 929,108</b>	<b>\$ 765,277</b>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**STREET LIGHTING SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property tax	\$ 296,391	\$ 296,391	\$ 284,306	\$ (12,085)
Payment in lieu of taxes	9,349	9,349	9,349	-
Interest earnings	10	10	243	233
<b>TOTAL REVENUES</b>	<u>305,750</u>	<u>305,750</u>	<u>293,898</u>	<u>(11,852)</u>
EXPENDITURES				
Current				
Public works - highways and streets	295,000	295,000	265,658	29,342
<b>TOTAL EXPENDITURES</b>	<u>295,000</u>	<u>295,000</u>	<u>265,658</u>	<u>29,342</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	10,750	10,750	28,240	(41,194)
<b>FUND BALANCE, BEGINNING</b>	<u>161,613</u>	<u>161,613</u>	<u>172,011</u>	<u>10,398</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 172,363</u>	<u>\$ 172,363</u>	<u>\$ 200,251</u>	<u>\$ 27,888</u>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FIRE PROTECTION SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax	\$ 410,013	\$ 410,013	\$ 393,446	\$ (16,567)
Payment in lieu of taxes	12,985	12,985	12,984	(1)
Intergovernmental	250,500	250,500	223,383	(27,117)
Interest earnings	10	10	59	49
<b>TOTAL REVENUES</b>	<b>673,508</b>	<b>673,508</b>	<b>629,872</b>	<b>(43,636)</b>
EXPENDITURES				
Current				
Public Safety	659,200	659,200	635,582	23,618
<b>TOTAL EXPENDITURES</b>	<b>659,200</b>	<b>659,200</b>	<b>635,582</b>	<b>23,618</b>
NET INCREASE (DECREASE) IN FUND BALANCE	14,308	14,308	(5,710)	(67,254)
FUND BALANCE (DEFICIT), BEGINNING	(12,482)	(12,482)	(14,801)	(2,319)
FUND BALANCE (DEFICIT), ENDING	\$ 1,826	\$ 1,826	\$ (20,511)	\$ (22,337)

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**LIBRARY SPECIAL REVENUE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 45,799	\$ 45,799	\$ 44,067	\$ (1,732)
Payment in lieu of taxes	1,454	1,454	1,454	-
Interest earnings	-	-	3	3
<b>TOTAL REVENUES</b>	<b>47,253</b>	<b>47,253</b>	<b>45,524</b>	<b>(1,729)</b>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	45,000	45,000	45,000	-
<b>TOTAL EXPENDITURES</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<b>2,253</b>	<b>2,253</b>	<b>524</b>	<b>(1,729)</b>
<b>FUND BALANCE (DEFICIT), BEGINNING</b>	<b>(1,104)</b>	<b>(1,104)</b>	<b>(1,706)</b>	<b>(602)</b>
<b>FUND BALANCE (DEFICIT), ENDING</b>	<b>\$ 1,149</b>	<b>\$ 1,149</b>	<b>\$ (1,182)</b>	<b>\$ (2,331)</b>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**PARK AND RECREATION SPECIAL REVENUE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 477,295	\$ 477,295	\$ 458,549	\$ (18,746)
Payment in lieu of taxes	15,166	15,166	15,166	-
Rents	9,100	9,100	8,755	(345)
Charges for services	178,250	178,250	203,229	24,979
Interest earnings	300	300	2,712	2,412
Contributions and donations	1,000	1,000	6,800	5,800
<b>TOTAL REVENUES</b>	<u>681,111</u>	<u>681,111</u>	<u>695,211</u>	<u>14,100</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	<u>957,127</u>	<u>957,127</u>	<u>821,378</u>	<u>135,749</u>
<b>TOTAL EXPENDITURES</b>	<u>957,127</u>	<u>957,127</u>	<u>821,378</u>	<u>135,749</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(276,016)</u>	<u>(276,016)</u>	<u>(126,167)</u>	<u>149,849</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>270,000</u>	<u>270,000</u>	<u>270,000</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<u>(6,016)</u>	<u>(6,016)</u>	<u>143,833</u>	<u>149,849</u>
<b>FUND BALANCE (DEFICIT), BEGINNING</b>	<u>2,938</u>	<u>2,938</u>	<u>20,744</u>	<u>17,806</u>
<b>FUND BALANCE (DEFICIT), ENDING</b>	<u>\$ (3,078)</u>	<u>\$ (3,078)</u>	<u>\$ 164,577</u>	<u>\$ 167,655</u>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**RESCUE SQUAD SPECIAL REVENUE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property tax	\$ 163,595	\$ 163,595	\$ 157,378	\$ (6,217)
Payment in lieu of taxes	5,194	5,194	5,194	-
Interest earnings	5	5	31	26
<b>TOTAL REVENUES</b>	<u>168,794</u>	<u>168,794</u>	<u>162,603</u>	<u>(6,191)</u>
<b>EXPENDITURES</b>				
Current				
Public safety	<u>162,000</u>	<u>162,000</u>	<u>162,152</u>	<u>(152)</u>
<b>TOTAL EXPENDITURES</b>	<u>162,000</u>	<u>162,000</u>	<u>162,152</u>	<u>(152)</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<u>6,794</u>	<u>6,794</u>	<u>451</u>	<u>(6,343)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>5,287</u>	<u>5,287</u>	<u>4,978</u>	<u>(309)</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 12,081</u>	<u>\$ 12,081</u>	<u>\$ 5,429</u>	<u>\$ (6,652)</u>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**CRIME PREVENTION SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$	\$	\$ 4	\$ 4
Contributions and donations	48,250	48,250	40,244	(8,006)
TOTAL REVENUES	48,250	48,250	40,248	(8,002)
EXPENDITURES				
Current				
Public safety	403,734	403,734	364,124	39,610
TOTAL EXPENDITURES	403,734	403,734	364,124	39,610
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(355,484)	(355,484)	(323,876)	31,608
OTHER FINANCING SOURCES (USES)				
Transfers in	350,000	350,000	350,000	-
NET INCREASE (DECREASE) IN FUND BALANCE	(5,484)	(5,484)	26,124	31,608
FUND BALANCE, BEGINNING	35,457	35,457	40,963	5,506
FUND BALANCE, ENDING	<u>\$ 29,973</u>	<u>\$ 29,973</u>	<u>\$ 67,087</u>	<u>\$ 37,114</u>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**CAPITAL RESERVE CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest earnings	\$ 5,000	\$ 5,000	\$ 13,952	\$ 8,952
Intergovernmental			-	-
Refunds of prior years			456	456
<b>TOTAL REVENUES</b>	<u>5,000</u>	<u>5,000</u>	<u>14,408</u>	<u>9,408</u>
<b>EXPENDITURES</b>				
Current				
General Government	90,400	90,400	70,458	19,942
Public works - highways and streets	-	-	5,101	(5,101)
Culture and recreation	5,500	5,500	5,174	326
Capital Outlay				
General Government	18,500	18,500	11,243	7,257
<b>TOTAL EXPENDITURES</b>	<u>114,400</u>	<u>114,400</u>	<u>91,976</u>	<u>22,424</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(109,400)	(109,400)	(77,568)	31,832
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	-
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	(109,400)	(109,400)	(77,568)	31,832
<b>FUND BALANCE, BEGINNING</b>	<u>2,298,150</u>	<u>2,298,150</u>	<u>2,227,944</u>	<u>(70,206)</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 2,188,750</u>	<u>\$ 2,188,750</u>	<u>\$ 2,150,376</u>	<u>\$ (38,374)</u>

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**Fiduciary Funds**  
**Combining Financial Statements**

**Pension Trust Funds**

Police Pension Trust Fund – This fund accounts for the accumulation of resources for pension benefit payments to qualified uniformed police officers.

Non-uniformed Pension Trust Fund – This fund accounts for the accumulation of resources for pension benefit payments to qualified employees of the Township other than uniformed officers.

**Schedule of Changes in Assets and Liabilities**

**Agency Fund**

Township Escrow and Subdivision Fund – This fund is used to account for assets held by the Township in agent capacity for developers as required by developer agreements

**TOWNSHIP OF FALLS**  
**COMBINING STATEMENT OF PLAN NET POSITION**  
**ALL PENSION TRUST FUNDS**  
**DECEMBER 31, 2017**

	Non-Uniform Pension Fund	Police Pension Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$	\$ 10,283,997	\$ 10,283,997
Receivables		307,862	307,862
Investment, at fair value			
Common stock, mutual funds	<u>2,304,319</u>	<u>18,210,010</u>	<u>20,514,329</u>
<b>TOTAL ASSETS</b>	<u>2,304,319</u>	<u>28,801,869</u>	<u>31,106,188</u>
<b>LIABILITIES</b>			
Payables		<u>20,126</u>	<u>20,126</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>20,126</u>	<u>20,126</u>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<u>\$ 2,304,319</u>	<u>\$ 28,781,743</u>	<u>\$ 31,086,062</u>

**TOWNSHIP OF FALLS**

**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION**

**ALL PENSION TRUST FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2017

	Non-Uniform Pension Fund	Police Pension Fund	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 120,199	\$ 1,956,735	\$ 2,076,934
Plan Member		353,703	353,703
Commonwealth		633,179	633,179
Total Contributions	120,199	2,943,617	3,063,816
Investment Income			
Dividend income		510,580	510,580
Net appreciation (depreciation) in fair value of investments	276,579	2,109,656	2,386,235
Total investment income	276,579	2,620,236	2,896,815
Less: investment expenses		77,172	77,172
Net investment income	276,579	2,543,064	2,819,643
<b>TOTAL ADDITIONS</b>	<b>396,778</b>	<b>5,486,681</b>	<b>5,883,459</b>
<b>DEDUCTIONS</b>			
Benefits	72,035	2,403,414	2,475,449
Reimbursements		5,376	5,376
Administrative expenses	815	20,126	20,941
Total deductions	72,850	2,428,916	2,501,766
Change in Net Position	323,928	3,057,765	3,381,693
<b>NET POSITION BEGINNING YEAR</b>	<b>1,980,391</b>	<b>25,723,978</b>	<b>27,704,369</b>
<b>NET POSITION END OF YEAR</b>	<b>\$ 2,304,319</b>	<b>\$ 28,781,743</b>	<b>\$ 31,086,062</b>

**TOWNSHIP OF FALLS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**TOWNSHIP ESCROW SUBDIVISION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31</u>
<b><u>TOWNSHIP ESCROW AND SUBDIVISION</u></b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,492,834	\$ 797,875	\$ 1,035,305	\$ 3,255,404
Accounts receivable	<u>1,704</u>	<u>-</u>	<u>-</u>	<u>1,704</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,494,538</u>	<u>\$ 797,875</u>	<u>\$ 1,035,305</u>	<u>\$ 3,257,108</u>
<b>LIABILITIES</b>				
Deposits	<u>\$ 3,494,538</u>	<u>\$ 797,875</u>	<u>\$ 1,035,305</u>	<u>\$ 3,257,108</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 3,494,538</u>	<u>\$ 797,875</u>	<u>\$ 1,035,305</u>	<u>\$ 3,257,108</u>

CAPITAL ASSETS  
USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS

**TOWNSHIP OF FALLS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULES BY SOURCE**

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2017

	2016	2017
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land	\$ 16,460,926	\$ 16,460,926
Construction in progress	573,516	889,354
Building	5,953,049	5,964,291
Machinery and Equipment	5,167,522	5,273,868
Improvements	15,324,061	15,600,652
Infrastructure	110,584,540	112,523,952
Vehicles	3,715,937	3,922,590
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>\$ 157,779,551</b>	<b>\$ 160,635,633</b>
	2016	2017
<b>INVESTMENTS IN GOVERNMENTAL FUNDS</b>		
<b>CAPITAL ASSETS BY SOURCE</b>		
General Fund	\$ 6,482,240	\$ 6,482,240
Special Revenue Fund	2,599,855	2,649,855
Capital Reserve Fund	5,232,712	5,243,954
Host Community Fees Fund	137,723,157	140,517,997
Donations	5,741,587	5,741,587
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>\$ 157,779,551</b>	<b>\$ 160,635,633</b>

**TOWNSHIP OF FALLS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**

FOR THE YEAR ENDED DECEMBER 31, 2017

	Land	Construction in progress	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Vehicles	Total
<b>Function and Activity</b>								
<b>General government:</b>								
Supervisors			\$ 29,444		\$ 6,739			\$ 36,183
Manager					17,741			17,741
Finance and Administration			2,690,051		543,183			3,233,234
Other-unclassified		\$ 746,526	458,969		87,872			1,293,367
Total general government		<u>746,526</u>	<u>3,178,464</u>	-	<u>655,535</u>	-	-	<u>4,580,525</u>
<b>Public Safety</b>								
Police			188,233		2,055,150		\$ 2,219,005	\$ 4,462,388
Fire and Emergency					44,204		138,740	182,944
License and Inspection					46,847		84,135	130,982
Total public safety			<u>188,233</u>	-	<u>2,146,201</u>	-	<u>2,441,880</u>	<u>4,776,314</u>
<b>Highways and Streets:</b>								
Engineering						\$ 5,599,326		\$ 6,246,097
Maintenance				\$ 19,375	\$ 2,141,507	224,738	\$ 1,406,141	3,791,761
Street System	\$ 1,757,000		646,771		106,699,888			108,456,888
Total highways and streets	<u>1,757,000</u>		<u>646,771</u>	<u>19,375</u>	<u>2,141,507</u>	<u>112,523,952</u>	<u>1,406,141</u>	<u>118,494,746</u>
<b>Culture and recreation</b>	14,703,926	142,828	1,950,823	15,581,277	330,625	-	74,569	32,784,048
<b>Total governmental funds capital assets</b>	<u>\$ 16,460,926</u>	<u>\$ 889,354</u>	<u>\$ 5,964,291</u>	<u>\$ 15,600,652</u>	<u>\$ 5,273,868</u>	<u>\$ 112,523,952</u>	<u>\$ 3,922,590</u>	<u>\$ 160,635,633</u>

**TOWNSHIP OF FALLS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**

FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Function and Activity</u>	Governmental Funds Capital Assets <u>January 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Governmental Funds Capital Assets <u>December 31, 2017</u>
<b>General Government</b>				
Supervisors	\$ 36,183	\$ -	\$ -	\$ 36,183
Manager	17,741	-	-	17,741
Finance and Administration	3,602,193	215,145	-	3,817,338
Other-Unclassified	<u>720,505</u>	<u>-</u>	<u>-</u>	<u>720,505</u>
Total general government	4,376,622	215,145	-	4,591,767
<b>Public Safety</b>				
Police	4,380,646	219,855	149,355	4,451,146
Fire and Emergency Management	138,092	44,852	-	182,944
License and Inspection	<u>130,982</u>	<u>-</u>	<u>-</u>	<u>130,982</u>
Total public safety	4,649,720	264,707	149,355	4,765,072
<b>Highway and Streets</b>				
Engineering	6,063,196	182,900	-	6,246,096
Maintenance	3,594,114	235,117	37,470	3,791,761
Street system	<u>106,700,377</u>	<u>1,756,511</u>	<u>-</u>	<u>108,456,888</u>
Total highways and streets	116,357,687	2,174,528	37,470	118,494,745
<b>Culture and recreation</b>	<u>32,395,522</u>	<u>388,527</u>	<u>-</u>	<u>32,784,049</u>
<b>Total governmental funds capital assets</b>	<u>\$ 157,779,551</u>	<u>\$ 3,042,907</u>	<u>\$ 186,825</u>	<u>\$ 160,635,633</u>