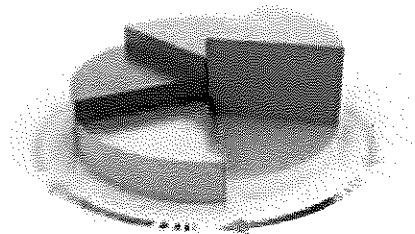


Budget Advisory Committee

Report

August 4, 2016



Members: Lou Mahlman, Controller
Charlie Luthar, Resident
Tina Krasnansky, Resident
Cathy Gorman, Director of Finance
Priscilla deLeon, Council Liaison

Lower Saucon Township Council created the Budget Advisory Committee on January 21, 2015 after a recommendation by an independent accountant to review and make recommendations on the Township's budgeting process. Council implemented these budget document changes with the adoption of the 2015 budget. One recommendation from the accountant was to create a Budget Advisory Committee.

Council assigned the Lower Saucon Township Budget Advisory Committee with the following scope of work:

Lower Saucon Township Budget Advisory Committee Responsibilities

Scope

- Become familiar with General Accepted Accounting Practices (GAAP).
- Review annual budgets with a focus on expenditures and revenues to evaluate and recommend financial strategies that will benefit the Township.
- Review the process used to prepare financial information and reports submitted to the Council.
- Have an understanding of the financial software used by the Finance Office.
- Review and make recommendations on the 5-year planning model.
- Review and make recommendations on financial controls and processes utilized by the Finance Department.
- Work on recommendations to create the following policies:
 - Minimum General Fund Balance Policy
 - Fund Balance Policy
 - Long term Capital Planning Policy (investing and debt service policies)
- Prepare a debt service analysis.
- Review annual financial audits, pension audits, and any other mandated audit performed on the Township's finances.
- Meet with Department Heads to review their needs prior to preparation of 2016 Budget.

Composition

- Budget committee should consist of the Finance Director, Township Controller, a Council representative and, at minimum, two (2) Township residents with accounting or finance backgrounds.

Requirements

- The Committee shall meet at least four (4) times during 2015
 - The Committee shall submit a report with any recommendations to Council by October 1, 2015

Special care was taken in developing the scope of work as to not violate the Township's Administrative Code in the aspect that the Manager prepares and presents the budget and Council approves or makes fiduciary decisions in funding or policy changes that have financial implications. The committee was careful in not wanting to recommend policy that hampers the operations of the Township. Council should determine the services required by the Township with staff and the Manager presenting the best course of action to provide these services. With that being said, the following recommendations are being presented to Council based on the experience of the members and what they believe is an approach to providing a methodology by which Council can address questions raised by residents or concerned individuals.

The committee met with Department Heads and reviewed the budgeting process as presented. The Committee determined they wanted to hold additional meetings through the process due to the complexity of the information in order to provide the most informative recommendations to Council.

The committee members are familiar with the reporting process for budgeting requirements with the State of Pennsylvania and GAAP and are familiar with the database capabilities. The Committee is making the following recommendations in this document. Enclosed are reporting recommendations, financial controls, and recommended policies.

Lower Saucon Township Council approved the committee's request for an extension due to a delay in attaining required membership composition. Council requested that the committee provide an update on the status of the report in December 2015.

Lower Saucon Township's mission statement is:

To provide the residents of Lower Saucon Township courteous, professional, quality services; always taking into consideration the best use of the taxpayer's dollars.

To enthusiastically obey and enforce the laws of the United States, the Commonwealth, and the Township, and insure that all residents, business owners, and developers are treated equitably under the laws and ordinances.

To be responsive to resident's concerns and problems.

To carry out the promulgated mandates of the elected officials.

This report will provide recommendations based on the review of the current reporting and budgeting mechanisms as determined in the scope provided the committee. The committee also incorporated the recommendations given by Cindy Bergvall at Bee, Bergvall & Co in 2014.

GAAP:

The committee members are individuals that have or do work with municipal or 501 C3 finances and budgets. They are all knowledgeable of GAAP standards.

BUDGET REVIEW:

Members reviewed the 2015 budget, audits and financial reports. The committee discussed the revenue options that included tax increases (real estate, local services tax). Knowing the limitations of revenue with government agencies, the committee felt that the results of the Economic Task Force study would benefit in increasing the assessed value of the Township.

The Committee reviewed the revenues and the expenses. The fixed expenses listed are a measure determined by the level of service the Township provides. The Committee, as stated earlier, felt they were not in the position to determine the level of services necessary to meet the needs of the Township residents. There are some recommendations made as to utilizing Liquid Fuel monies more heavily, question the need for donating to programs, and other programs that the Township supports. It is not in this Committee's scope to determine cutting programs or services but the enclosed recommendations will determine the effectiveness of the expense. This is under our reporting recommendations.

Financial System Software:

The current financial software is a Freedom Systems product called CityShare. Updated in 2015, the software design is in accordance to GAAP and Pennsylvania State reporting requirements. A component included in the system is the capability of project (annual) and program (multi-year) tracking requested by Council. Early identification of a project classification will maximize the functions. Finance has been tracking project expenses related to fixed assets and expenses isolated to grant applications.

System Recommendations:

The Committee feels that the current system is adequate to provide the financial information requested and there is no need to expend additional funds to modify the system. Any changes to the database would require significant funding and would not necessarily change the end-result of the information requested.

Financial Reporting:

Administration Staff and the Controller receive a comparison report monthly. Department Heads receive a Comparison report quarterly for review. (See exhibit 1- Reports)

Currently the financial reports sent to Council are month end balance sheets and the check register with the general ledger codes. (See exhibit 2)

The Finance Department also submits a semi-annual report to Council.

Reporting Recommendations:

Continue with the semi-annual report submission to Council; including the summary comparison report with explanations of deviations.

Continue providing Department Heads with quarterly reports and highlight potential deviations. Department Heads have the ability to see the funding left in each line item through the purchasing system.

The financial reports to Council do not include revenue, which is a major component of the monthly reporting process. The Committee is recommending a revenue report as attached (See exhibit 3) to be submitted monthly to Council.

In order to minimize the length of the report, Council should consider modifying the check register not include the general ledger code, reducing the length of the document from approximately 25 pages to 12.

The Finance Department can clarify any questions as to where an expense is itemized.

It is the Committee's opinion that the majority of residents are more interested in the cost spent for a product or service as opposed to the general ledger code it is be posted to.

Provide Council with an internal CAFR (Comprehensive Annual Financial Report) by March 31st of the following year. This would be a companion piece to the financial report provided by the independent Auditor in June. This will be similar to the semi-annual report presented mid-year.

Budget Process:

Currently the budget process is:

- 1) Finance Department gathers existing data and vendor information for the current maintenance agreements, contracts and programs and updates the information for the following year.

- 2) Department Heads and consultants submit their budgets (incomplete or new projects) to Finance
- 3) Finance compiles the budgets submitted with the projected revenue forecast and provides to the Manager
- 4) Manager makes recommendations to eliminate or reduce an expense, and confers with the Director of Finance and Department Heads as to the justification.
- 5) Manager approves/denies request
- 6) Staff compiles Budget information and requests and presents to Council for discussion in late October.
- 7) Administrative staff makes changes and/or corrections along with updated projections as directed by Council.
- 8) The Administrative staff revises the document and presents to Council for approval to advertise the Proposed Budget.
- 9) Document available for public inspection for 20 days
- 10) Document is approved by Council at the last meeting of the year

GFOA states in their Recommended Budgeting Practices:

"A good budget process is characterized by several essential features. A good budget process:

- *Incorporates a long term prospective,*
- *Establishes linkages to broad organizational goals,*
- *Focuses budget decisions on results and outcomes,*
- *Involves and promotes effective communication with stakeholders, and*
- *Provides incentives to government management and employees.*

These key characteristics of good budgeting make clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. A good budgeting process moves beyond traditional concept of line item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency and effectiveness."

Reporting Recommendations:

Although we do not start the budgeting process until later in the year, GFOA recommends starting budgeting earlier. Decisions of Council throughout the year have financial impacts. Impacts could be limited, such as an approved study, litigation or a roof replacement. Other expenditures such as added police services, road maintenance or additional programs could be long term and have lasting impacts. Policies adopted by Council drive costs. The Committee would make the following recommendations:

- 1) Begin the budgeting process earlier by reviewing departmental requirements independently. The Manager presents a budget based on the policies, programs and services Council previously approved. If Council wishes to examine the cost effectiveness of a policy, program or service, they should start the review process in the beginning of the year so that

the administrative staff can budget for those services, policies or programs. For instance, if Council wishes to examine a program like the Senior Citizens program, the administrative staff can provide the number of seniors participating, the cost per participant, and benefit to the community. Council can review what the cost/benefit is for the program and if they feel the cost/benefit does not substantiate the program, Council can look at options for the next year such as “pay to use” systems, or to RFP the service.

- 2) Continue with consultant annual reviews and, at Council’s discretion, RFP for services. The Administrative staff will present a cost/benefit report for Council’s consideration.
- 3) Council can RFP for new projects. When a new project is under consideration, prior to directing any professional consultant review, Council should consider requesting a scope of work for the service from the Township consultant. If Council is not satisfied with the costs provided, prepare an RFP for the work. This not only will provide budgetary constraints for a project but also presumably lower the costs due to competition.¹
- 4) Recognize that there will be a cost for a service. It is not effective to direct staff to cut their budgets by a certain percentage. For example, if Public Works funding is limited and cutting a percentage means they order less material that will then result in less roads being repaired to the detriment of the road infrastructure. A quick fix such as this may solve an immediate problem in the short term but it could be detrimental in the long term.
- 5) In the budgeting process, look at the services provided and determine if those services are essential to the public welfare. If those services are beneficial to the Township then funding for these should continue, or other equally beneficial alternatives to the service should be considered.
- 6) Recognize that not everyone is going to get what he or she wants. Adhering to the policies discussed in the following pages will provide Council the means to delay, defray, cancel, or provide full support. You will see these methods with each policy discussed therein.
- 7) For formatting, continue as recommended by Bee & Bergvall but move expenses to departments where they may be a better fit or break apart expenses in one line item to several in varying departments. For instance, the newsletter should not be in Zoning/Community Development. Although it was a function of that department at one time, it is the function of the Administration Department. Also, break out the expenses categorized in employee benefits to the actual department as a benefit line item. This will allow determining the actual costs of each department easier.

Budget Presentation:

Currently the budget presentation is as follows:

- 1) Draft budget submitted to Council (full version) and put on the website.
- 2) Special meeting is dedicated to the budget on the last Wednesday in October.
- 3) Manager and staff present to Council and answer questions.
- 4) Power Point presentation is on the overhead to go through each department.

¹ Recommended Budgeting Practices A Framework for Improved State and Local Government Budgeting, National Advisory Council on State and Local Budgeting; Government Finance Officers Association

Budget Presentation Recommendations:

- 1) Manager shall schedule more time to meet with Department Heads prior to the October budget meeting.
- 2) At the preliminary budget meeting, allow the Manager and staff to present the entire budget before a question and answer period. Often questions are answered within the presentation.
- 3) Review the budget in terms of an annual document but also recognize the long-term implications on future spending.
- 4) If any of the fund balance is being used and/or saved, discussions would continue as to the appropriateness of that decision. This recommendation is in the fund balance policy recommended in this document.
- 5) We normally present the full budget. We recommend focusing on the budget sheets at the preliminary meeting. The information discussed should only pertain to the revenues received and the expenses paid. Too much time spent on reviewing other pages of the budget that are supplemental and for information purposes. This information is subject to frequent change. Narratives and graphs are often changed and do not impede the issuance of the budget. The revenue/expense charts are what constitute as the "budget" and should be the initial focus at the preliminary budget meetings. Staff modifies the other parts of the budget to reflect changes of the current financial condition as well as any changes Council directs of staff.

Financial Policies:

Investment Policy**Introduction:**

The intent of the Investment Policy of Lower Saucon Township is to define the management parameters of the funds. In methods, procedures and practices, the policy exercised formalizes the framework of the Lower Saucon Township's investment activities to ensure effective and judicious fiscal and investment management of Lower Saucon Township's funds. The intended guidelines are broad enough to allow the investment team to function properly within the parameters of responsibility and authority, yet adequately specific enough to safeguard the investment assets.

Legislative:

The Administrative Code provides for investments of funds in accordance to §5-19; Temporary Investment of Funds.

The State of Pennsylvania permits investments pursuant to Second Class Township Code Section 3204; Investment of Township Funds.

Currently all invested funds, not available for immediate release, are in Money Market Accounts and are FDIC and the Township insurance policy covers some revenue shortfalls.

Delegation of Duty:

The Administrative Code delegates the responsibility to the Manager, Controller and Director of Finance to invest idle funds in a manner to maximize interest income.

Scope:

This policy applies to the activities of Lower Saucon Township with regard to investing the financial assets of all funds and funds governed by State regulations. Excluded funds include funds held by trustees or fiscal agents are exempt from these rules. The Lower Saucon Township's Financial Report identifies funds, and any new funds received by Lower Saucon Township Council, unless specifically exempted by the some other legal entity and this policy.

Excluded funds are as follows:

- Employee retirement funds; investment procedures were already recommended by the Pension Advisory Committee and adopted by Council.
- Any endowments or bond issuances would require an additional policy to manage the funds.
- State Liquid Fuel Funding may be invested based on Pennsylvania State Department of Transportation permitted amounts and funding types as this is a Pennsylvania State controlled funding source; State Publication 9, 2.5
- The Open Space funding is subject to Local Ordinance 2011-03.

General Objectives:

- 1) Safety – The safety and security of the investment principal is paramount. Investment decisions shall ensure the security of principal amount of the investment. The goal will be to mitigate the credit risk and the interest rate risk.
- 2) Liquidity – Investments shall provide for the liquidity required to operate the Township and account for any reasonably anticipated expenditures.
- 3) ROI – Return of investment – The objective is to design a portfolio that will maximize the rate of return through budgetary and economic cycles, taking into account the need for liquidity.
- 4) Special Considerations – Where possible, fund investments shall be that are most advantageous of the Township.

Standard of Care:

- 1) Prudence – The standard of care to be used by investment officials shall be the “prudent person” standard and shall be applied in managing the overall portfolio. Investment Officers acting in accordance to the provision set by this policy, written procedures and exercising due diligence shall be relieved of personal liability for an individual security credit risk or market place changes beyond the officials’ control, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control further adverse developments.
- 2) Ethics and Conflict of Interests – Officers shall refrain from personal activity that could conflict with the management of Township funds. Staff shall disclose conflicts to Council if a conflict exists. Officers shall disclose any material interests in financial institutions. Officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of Lower Saucon Township. Violations and penalties for misconduct are detailed in the Administrative Code §5-23

Authorized Financial Institutions:

By resolution at the beginning of each year, Council approves the financial institutions authorized to provide investment services. If a financial institution wishes to conduct business with the Township those entities must supply:

- 1) An audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- 2) Proof of state registration
- 3) Evidence of adequate insurance coverage

Administrative staff shall conduct periodic reviews.

Internal Controls:

Administrative staff is responsible for establishing and maintaining an internal control structure designed to ensure that the protection of the Township's assets from loss, theft or misuse. Administrative staff shall document specifics for the internal controls in adherence to the policy and reviews or updates made periodically.

The design of the internal control structure will provide reasonable assurance to meet objectives. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely derived and the valuation of costs and benefits requires estimates and judgements by the Administrative staff. The internal controls shall address the following minimum points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear designation of authority to other subordinate staff members
- Written confirmation of transactions for investment and wire transfers
- Dual authorization of wire transfers for CD purchases or investments
- Staff training for exceptional circumstances
- Review, maintenance, and monitoring of security procedures both manual and automated

The external auditor shall provide an annual independent review to assure compliance.

Suitable and Authorized Investments:

Township Manager, Controller and Director of Finance may RFP for certificate of deposit rates that will maximize interest income for idle funds.

Investment periods shall be no longer than two years and the percentage of the funds available to be invested shall be proportioned as:

- 20% - six months
- 40% - 1 year - or the determined amount of unrestricted fund balance required pursuant to the Fund Balance Policy.
- 40% - 2 year

Investment thresholds are to maximize interest rates available but also permit use of said funds in future budgets as Council directs.

Investments shall not contradict any debt agreements already approved by Council.

Township Manager, Controller and the Director of Finance may invest 100% of funds for a maximum of 2 or more years in the event that the funds are legally controlled; for example:

- Reserve funds that are assigned for a specific purpose
- Capital funds that are assigned for a specific purpose
- Committed fund expenses not anticipated in the two-year period.

Investment of funds shall be in US Treasuries or Insured Certificates of Deposits, unless otherwise legally restricted.

Insurance –Administrative staff will revisit the Township insurance policy on a periodic basis for the protection of assets.

This policy is a living document and should be reviewed and amended to ensure compliance with Federal, State and Local ordinances or mandates.

Debt Policy

Introduction:

The intent of the Debt Policy of Lower Saucon Township is to define the parameters within which funding can be borrowed and structured. In methods, procedures and practices, the policy exercised formalizes the framework of the Lower Saucon Township's debt service activities to ensure effective and judicious fiscal debt management of Lower Saucon Township's obligations. The intended guidelines are broad enough to allow the issuance team to function properly within the parameters of responsibility and authority, yet adequately specific enough to safeguard the credit limits of Lower Saucon Township.

Legislative:

The Administrative Code is silent on any Township regulations for the issuance of debt therefore authority defaults to Section 1509 of the Code and the Local Government Unit Debt Act.

The State of Pennsylvania permits debt issuance pursuant to Second Class Township Code Section 1509, Indebtedness.

For any future bond issuance, Administrative staff will proceed in accordance to the PA Local Government Unit Debt Act.

Delegation of Duty:

The Administrative Code delegates the responsibility to the Council to approve the issuance of debt. The Township Manager, Controller and Director of Finance will assist Council in the decision making process. If the process of securing debt is beyond the knowledge of the individuals holding these positions, preparing an RFP for services is applicable.

Scope:

This policy applies to the activities of Lower Saucon Township with regard to issuance of debt for the Township. This policy is to provide clear direction as to when to incur debt. It covers current debt, and any new debt created by Lower Saucon Township Council. Administrative staff is responsible for the implementation of these terms upon approval of this policy, unless specifically exempt by a State or Federal restriction or if tied to any regulations or restrictions provided in an offsetting awarded grant. The debt levels will itemized in Lower Saucon Township's Comprehensive Annual Finance Report.

Debt should not be incurred to provide for the following:

-
- Any actuarially founded shortfalls in police or non-uniform pension plans. Actuarial smoothing utilized by the Township in the past and should continue to avoid the potential of an unfunded minimal municipal obligation.
 - Debt issuance for road work utilizing State funding under the Liquid Fuels Act 655 dated 1956, will be restricted by the regulations of that Act (Act 655 Section 2.6.2) which states funds can be used exclusively for the improvement of roads and streets.
 - Any debt issuance related to future Open Space funding would require following Act 115 and approval by referendum and ordinance as to the use of the funding.

General Objectives:

- 1) Safety – The safety and security of the debt issuance is paramount. Council shall secure the required debt amount. The explanations of interest rate considerations are later in this policy.
- 2) Liquidity – Debt incurrence shall have provisions for early payments and minimize penalties to provide Township Council opportunities to liquidate any debt issuance. Reviews periodically done to provide for additional funding, when able, to pay down the principal payment and limit interest paid.
- 3) ROI – Return of investment – The objective is to design a debt structure to increase credit rating and also to minimize the interest paid and maximize the interest earned.
- 4) Special Considerations – Where possible, issuance of debt can occur when it is to be most advantageous of the Township.

Standard of Care:

- 1) Prudence – The standard of care to be used by officials shall be the “prudent person” standard and shall be applied in managing the debt issuance. Officers acting in accordance to the provision set by this policy, written procedures and exercising due diligence shall be relieved of personal liability for an individual security credit risk or market place changes beyond the officials’ control, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to further control adverse developments.
- 2) Ethics and Conflict of Interests – Officers shall refrain from personal activity that could conflict with the management of Township assets and debt. Staff shall disclose conflicts to Council if a conflict exists. Officers shall disclose any material interests in financial institutions. Officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of Lower Saucon Township. Violations and penalties for misconduct are detailed in the Administrative Code §5-23 Ethics and Conflict of Interests.

Authorized Financial Institutions:

By resolution at the beginning of each year, Council approves the financial institutions authorized to provide financial services. If a financial institution wishes to conduct business with the Township those entities must supply:

- 1) Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- 2) Proof of state registration
- 3) Evidence of adequate insurance coverage

Administrative staff shall conduct periodic reviews.

Internal Controls:

The Administrative staff is responsible for establishing and maintaining an internal control structure designed to ensure protection of Lower Saucon Township's debt from loss, theft or misuse. There will be specific documentation of the internal controls in adherence to the policy and reviews updated periodically.

The designed internal control structure shall provide reasonable assurance that staff has met the objectives. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely derived and the valuation of costs and benefits requires estimates and judgements by the Administrative staff. The internal controls shall address the following minimum points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Clear designation of authority to other subordinate staff members
- Written confirmation of transactions and wire transfers
- Dual authorization payment of debt and Council approval for additional payments on principal
- Staff training in exceptional circumstances
- Review, maintenance, and monitoring of security procedures both manual and automated

The external auditor shall provide an annual independent review to assure compliance.

Type of Debt

- **General Obligation Notes**
- **Revenue Debt**
- **Bonds**
- **Short term notes**

Suitable Authorization of Debt:

When pursuing the issuance of debt, staff should conclude if the project has a 15 to 30 - year life acquisition or infrastructure improvement before presenting to Council for consideration.

Staff shall consider utilization of the Township's Capital plan for any other Township expenditure that would meet the requirements of being identified as a capital expense and the expense can be delayed if need be.

Payment of Loan:

Recording of the payment for loans is in the General Fund Budget.

Township Council has and can institute a tax for a specific purpose where the receipts of that tax will pay for loan payments.

Township can utilize one or limited time sources of funding however, resolutions by Council will restrict those funding sources for the purpose of debt payment throughout the term of the loan. Staff will recommend a course of action to Council for their consideration. Staff will identify the results of these recommendations in annual budgets and financial reports until the debt is closed.

Prepayments of loans:

Whenever possible, the Administrative staff shall present prepayment options to Council where it is financially feasible on a year-to-year basis.

Debt Amounts:

Debt minimums and maximums shall be no less than 5 years and no more than 15 years in length. Any expenditure confined to within a 5 to 10 year period for completion, will be included in the General Fund if under \$25,000.00 or the Capital Fund if over \$25,000.00.

Interest Rates:

First, the Administrative staff will study the fixed interest rate options. Staff should only consider variable rates if it is financially advantageous for Township Council.

This policy does not restrict Council in pursuing debt in the event of an emergency. The Operational Reserve Fund should limit this possibility.

When directed by Council, the Township Manager, Controller and the Director of Finance will RFP lending institutions for both fixed and variable rates at a term between 5 and 15 years. Funding from the debt shall be placed in the Capital Fund or a fund that is restricted for that purpose. The debt carried shall be reported in the General Fund budget, as it is the obligation of the Township.

This policy is a living document and should be reviewed and amended to ensure compliance with Federal, State and Local ordinances or mandates.

Current Debt Analysis

The first chart is the current debt of the Township. We are in year three of the 10-year term. The other charts are examples of how much can be saved and the shortening of the term of the loan if Council appropriates additional funding to the principal. Examples include:

The second chart shows the effect if we add an additional \$200,000.00 towards the principal each year. This will save \$89,918.25 in interest for the term of the loan and shorten the term of the loan by 2 years

The third chart show the effect if we adhere to paying back an additional 10% principal of the remaining debt balance each year. This option saves \$106,808.16 in interest and shortens the term of the loan by 2 years

The fourth chart shows an option of utilizing Open Space funding, if passed by voter referendum and additional principal payments made. This option saves \$191,489.78 in interest and shortens the term of the loan by 4 years.

There is no prepayment penalty clause in the current loan documents (article IV).

LOAN AMORTIZATION SCHEDULE

Loan Amount: \$4,750,000.00	Repayment Schedule: Princiupal and Interest
Interest Rate: 2.780%	Calculation Method: 365/360 U.S. Rule
Term (# of Payments): 10	Principal & Interest Payment Amount: \$551,702.44
Disbursement Date: December 1, 2014	Finance Charge: \$609,732.68
First Payment Date: December 31, 2014	Total of Payments: \$5,359,732.68

NOTICE: This amortization schedule is not intended for use in the calculation of exact payoff amounts. It will only provide an approximation of unpaid balances as it will not reflect variances caused by any actual payments being made on any dates other than the stated due dates and/or for any amounts other than the stated payment amounts. Furthermore, the calculations used to create this amortization schedule may contain minor rounding differences with the Bank's loan accounting system which may also cause variances to occur.

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	12/31/14	551,702.44	11,004.17	540,698.27	4,209,301.73
2	12/31/15	551,702.44	118,643.85	433,058.59	3,776,243.13
3	12/31/16	551,702.44	106,729.22	444,973.22	3,331,269.91
4	12/31/17	551,702.44	93,895.54	457,806.90	2,873,463.02
5	12/31/18	551,702.44	80,991.75	470,710.69	2,402,752.32
6	12/31/19	551,702.44	67,724.24	483,978.20	1,918,774.13
7	12/31/20	551,702.44	54,230.95	497,471.49	1,421,302.64
8	12/31/21	551,702.44	40,060.99	511,641.45	909,661.19
9	12/31/22	551,702.44	25,639.81	526,062.63	383,598.57
10	12/31/23	394,410.72	10,812.15	383,598.57	0.00

LOAN AMORTIZATION SCHEDULE

Amount: \$4,750,000.00
 Rate: 2.780%
 Term (annual): 10
 **With 10% Additional Principal Paydown beginning in 12/2017

Month	Payment	Monthly Principal	Additional Principal	Total Payment	Cumulative Principal	Monthly Interest	Cumulative Interest	Ending Principal
0								4,750,000.00
		551,702.44			551,702.44			4,198,297.56
2015	\$551,702.44	417,818.41	0.00	551,702.44	969,520.85	133,884.03	133,884.03	3,780,479.15
2016	\$551,702.44	445,145.43	0.00	551,702.44	1,414,666.29	106,557.01	240,441.03	3,335,333.71
2017	\$551,702.44	791,225.72	333,533.37	885,235.81	2,205,892.01	94,010.09	334,451.12	2,544,107.99
2018	\$551,702.44	734,404.73	254,410.80	806,113.24	2,940,296.74	71,708.51	406,159.63	1,809,703.26
2019	\$551,702.44	681,664.27	180,970.33	732,672.77	3,621,961.01	51,008.50	457,168.13	1,128,038.99
2020	\$551,702.44	632,711.31	112,803.90	664,506.34	4,254,672.31	31,795.03	488,963.16	495,327.69
2021	\$551,702.44	495,327.69		509,289.05	4,750,000.00	13,961.36	502,924.52	0.00
2022								
2023								
2024								

LOAN AMORTIZATION SCHEDULE

Amount: \$4,750,000.00

Rate: 2.780%

Term (annual): 10

**With \$200,000 Additional Principal Paydown beginning in 12/2017

Month	Payment	Monthly Principal	Additional Principal	Total Payment	Cumulative Principal	Monthly Interest	Cumulative Interest	Ending Principal
0		551,702.44			551,702.44			4,750,000.00
2015	\$551,702.44	417,818.41	0.00	551,702.44	969,520.85	133,884.03	133,884.03	4,198,297.56
2016	\$551,702.44	445,145.43	0.00	551,702.44	1,414,666.29	106,557.01	240,441.03	3,335,333.71
2017	\$551,702.44	657,692.35	200,000.00	751,702.44	2,072,358.64	94,010.09	334,451.12	2,677,641.36
2018	\$551,702.44	676,230.14	200,000.00	751,702.44	2,748,588.78	75,472.30	409,923.42	2,001,411.22
2019	\$551,702.44	695,290.44	200,000.00	751,702.44	3,443,879.22	56,412.00	466,335.42	1,306,120.78
2020	\$551,702.44	714,887.97	200,000.00	751,702.44	4,158,767.19	36,814.47	503,149.88	591,232.81
2021	\$551,702.44	591,232.81	0.00	607,897.36	4,750,000.00	16,664.55	519,814.43	0.00
2022								
2023								
2024								

LOAN AMORTIZATION SCHEDULE

Amount: \$4,750,000.00
 Rate: 2.780%
 Term (annual): 10
 **With Additional Principal Paydown beginning in 12/2017

Month	Original Payment	Total Monthly Principal	Additional Principal	Total Payment	Cumulative Principal	Monthly Interest	Cumulative Interest	Ending Principal
0								4,750,000.00
		551,702.44			551,702.44			4,198,297.56
2015	\$551,702.44	417,818.41	0.00	551,702.44	969,520.85	133,884.03	133,884.03	3,780,479.15
2016	\$551,702.44	445,145.43	0.00	551,702.44	1,414,666.29	106,557.01	240,441.03	3,335,333.71
2017	\$551,702.44	1,325,553.35	867,861.00	1,419,563.44	2,740,219.64	94,010.09	334,451.12	2,009,780.36
2018	\$551,702.44	1,046,756.99	551,702.44	1,103,404.88	3,786,976.62	56,647.89	391,099.01	963,023.38
2019	\$551,702.44	963,023.38	438,464.82	990,167.26	4,750,000.00	27,143.88	418,242.90	0.00
2020								
2021								
2022								
2023								
2024								

Unrestricted Fund Balance Policy

Introduction:

The intent of the Unrestricted Fund Balance Policy of Lower Saucon Township is to define the level of unrestricted fund balance that is required for the Township. In methods, procedures and practices, the policy exercised formalizes the framework of the Lower Saucon Township's fund balance activities. The guidelines are broad enough to allow the budget team to function properly within the parameters of responsibility and authority, yet adequately specific enough to safeguard the investment assets.

Legislative:

The Administrative Code provides for finances in accordance to §5-12, Officers and Employees

The State of Pennsylvania permits investments pursuant to Second Class Township Code Section §706, Use of Special Funds §1508 Capital Reserve Fund, §1508.1 Operational Reserve Fund and §3204 Investment of Township Funds

There is currently no determined amount of percentage of unrestricted fund balance limit in the Township's Administrative Code.

Delegation of Duty:

Responsibility designation of reporting is to the Township Manager, Controller and Director of Finance. Council is responsible for the decisions regarding oversight and is to determine the minimum required amount on an annual basis pursuant to the methodology provided in the policy.

Scope:

This policy applies to the activities of Lower Saucon Township with regard to determining the financial minimum fund balance requirements of all Township funds; taking into account the Township's vulnerabilities, outside government funding sources and historical volatile revenues.

The policy is to ensure that there is funding available so that operations can continue into the next fiscal cycle taking into account the timeliness of the Township's taxation revenue.

General Objectives:

- 1) Safety – The safety and security of the unrestricted fund balance to be maintained and to avoid possible usage for other purposes
- 2) Liquidity – Ensure the liquidity of this unrestricted fund balance for possible usage the following year

-
- 3) Public Awareness – to explain to residents the need for the fund balance and to explain the need for any additional funds to stabilize future budgets
 - 4) Repayment – to develop a means of repayment to achieve the minimum amount required on an annual basis

Standard of Care:

- 1) Prudence – The standard of care to be used by the responsible officials shall be the “prudent person” standard and shall be applied in managing the amount required. Officers acting in accordance to the provision set by this policy, written procedures and exercising due diligence shall be relieved of personal liability for an individual security credit risk or budgetary changes beyond the officials’ control, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control further adverse developments.
- 2) Ethics and Conflict of Interests – Officers shall refrain from personal activity that could conflict with the management of Township funds. Staff shall disclose conflicts to Council if a conflict exists. Officers shall disclose any material interests in financial institutions. Officers shall refrain from undertaking any personal investment transactions with the same individual with whom business conducted on behalf of Lower Saucon Township. Violations and penalties for misconduct are detailed in the Administrative Code §5-23

Authorized Financial Institutions:

By resolution at the beginning of each year, Council approves the financial institutions authorized to hold Township funds. If a financial institution wishes to conduct business with the Township those entities must supply:

- 1) Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- 2) Proof of state registration
- 3) Evidence of adequate insurance coverage

Administrative Staff shall conduct periodic reviews.

Internal Controls:

The Administrative staff is responsible for establishing and maintaining an internal control structure designed to ensure the protection of the assets of Lower Saucon Township from loss, theft or misuse. There will be specific documentation of the internal controls in adherence to the policy and reviews updated periodically.

The designed internal control structure shall provide reasonable assurance that staff has met the objectives. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely derived and the valuation of costs and benefits requires estimates and judgements by the Administrative staff. The internal controls shall address the following minimum points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear designation of authority to other subordinate staff members
- Written confirmation of transactions for investment and wire transfers
- Dual authorization of wire transfers for CD purchases or investments
- Staff training in exceptional circumstances
- Review, maintenance, and monitoring of security procedures both manual and automated

The external auditor shall provide an annual independent review to assure compliance.

Funding Levels:

Township Manager, Controller and Director of Finance may invest the fund balance pursuant to the investment policy, however the fund balance requirement shall be determined as follows:

- Funding levels will be determined as a percentage of the operating budget and
- Three months cash flow projections and
- Acknowledgement of one time payments and or expenses

The determination of the minimum fund balance where liquidity is necessary or only invested for 6 months, is the average of years of the first three months of cash flow utilized. Please see Exhibit 4

Administrative Staff shall isolate increased costs above the norm of 2%-3% or revenue amounts received that are one time payments i.e., FEMA or PEMA grant funding, and exclude these items as ongoing General Fund revenue.

The Administrative staff shall determine the General Fund expenses for 2 months. For example, the 2015 expenses for the first two months was \$1,070,000.00. This amount will then be compared to budget percentage 15% of approved budget - $\$7,500,000.00 \times 15\% = \$1,125,000.00$. *The minimum fund balance shall be the higher of the two to ensure funding into the next fiscal year.* If the

Unrestricted Fund Balance exceeds this amount, investment of the funds will be pursuant to the investment schedule.

The maximum Unrestricted Fund Balance shall be set at \$3,000,000.00

Staff will report allocations of annual minimum amounts in the General Fund for the CIP or Capital Improvement Plan.

The Administrative staff will recommend to Council appropriations to the Operational Reserve Fund or the Capital Funds if funding exceeds the maximum unrestricted balance.

If budgets call upon the utilization of fund between the minimum and the maximum, the Administrative staff will make recommendations to replace the funding with a smoothing method. Examples provided in Exhibit 4.

This policy is a living document and should be reviewed and amended to ensure compliance with Federal, State and Local ordinances or mandates.

Capital Improvement Fund Policy

Introduction:

The intent of the Capital Fund Improvement Policy of Lower Saucon Township is to define the level of restricted, committed, and unrestricted fund balance that are required for the Township. In methods, procedures and practices, the policy formalizes and determines the framework of decisions regarding the Lower Saucon Township's fund balance. The intended guidelines are broad enough to allow the budget team to function properly within the parameters of responsibility and authority, yet adequately specific enough to safeguard the investment assets.

Legislative:

The Administrative Code provides for finances in accordance to §5-12 Officers and Employees, §5-14 Annual Budget and §5-15 Capital Program

The State of Pennsylvania permits investments pursuant to Second Class Township Code Section §1508 Capital Reserve Fund

There is currently no determined amount of percentage of funding limits or maximums in the Township Code.

Delegation of Duty:

Staff recommends minimum levels with input from Council and Council approved funding and expenditures.

Scope:

This policy applies to the activities of Lower Saucon Township with regard to determining the financial minimum thresholds and classifications of funding in the Capital Fund.

The policy is to ensure that there is funding available to ensure completion of long-term improvements and continue to fund projects to meet the needs and desires of the residents of Lower Saucon Township.

General Objectives:

- 1) Purpose – The purpose of the capital plan is to make small incremental investments to assist in payment of capital equipment or long term projects. The reasoning is to amortize funding requirements annually to prepare for the estimated expense when a project or replacement of equipment is due. A one-time project can affect a general operating budget and influence the funding of normal operating costs.

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- 2) Definition – The capital plan is for infrastructure improvements, major building repairs and equipment that have minimum expense of \$25,000.00 and have a life expectancy of 15 or more years and the ongoing replacement of police vehicles.
 - 3) Safety – The safety and security of the Capital fund balance from the possible usage for other purposes.
 - 4) Liquidity – To ensure the liquidity of these committed funds for usage for an anticipated project.
 - 5) Public Awareness – To ability to explain to residents the need for the funds and to address future improvements or vehicle replacements
 - 6) Funding – Provided to ensure that the minimum required funding for long term improvements

Standard of Care:

- 1) Prudence – The standard of care to be used by the responsible officials shall be the “prudent person” standard and shall be applied in managing the amount required. Officers acting in accordance to the provision set by this policy, written procedures and exercising due diligence shall be relieved of personal liability for an individual security credit risk or budgetary changes beyond the officials’ control, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control further adverse developments.
- 2) Ethics and Conflict of Interests – Officers shall refrain from personal activity that could conflict with the management of Township funds. Staff shall disclose conflicts to Council if a conflict exists. Officers shall disclose any material interests in financial institutions. Officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of Lower Saucon Township.
Violations and penalties for misconduct are detailed in the Administrative Code §5-23

Authorized Financial Institutions:

By resolution at the beginning of each year, Council approves the financial institutions authorized to hold Township funds. If a financial institution wishes to conduct business with the Township those entities must supply:

- 1) Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- 2) Proof of state registration
- 3) Evidence of adequate insurance coverage

Administrative staff shall conduct periodic reviews.

Internal Controls:

Council is responsible for establishing and the Administrative staff is responsible for maintaining an internal control structure designed to ensure the protection of assets of Lower Saucon Township from loss, theft or misuse. The Administrative staff will review policy and update periodically the internal controls for adherence to the policy.

The designed internal control structure shall provide reasonable assurance that staff has met the objectives. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely derived and the valuation of costs and benefits requires estimates and judgements by the Administrative staff. The internal controls shall address the following minimum points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear designation of authority to other subordinate staff members
- Written confirmation of transactions for investment and wire transfers
- Dual authorization of wire transfers for CD purchases or investments
- Staff training in exceptional circumstances
- Reviewing, maintaining, and monitoring of security procedures both manual and automated.

Funds for specific expenses will be categorized as:

- Restricted – such as a developer road improvement fee or tree fee
- Committed – Council approved funding for a specific expense i.e., a traffic signal
- Assigned – funding for a specific purpose although an expense has not been identified i.e., storm water issues, vehicle replacement, building repairs
- Unrestricted – Funding not appropriated to any project but available as detailed in the investment policy.

The external auditor shall provide an annual independent review to assure compliance.

Funding Levels:

Township Manager, Director of Finance, and the Controller may invest the committed funds that are idle pursuant to the investment policy.

Council and the Administrative staff shall, as inquiries arise, review projects by need or request.

Funding requirements are determined and the addition of the projected added to the Township's CIP report.

Timing of new projects will be dependent on two factors:

- 1) Need
- 2) Uncommitted funding available

Pursuant to the Township's Administrative Code this report is presented to Council in August of every year (§5-15 Capital Program).

Council decides to delay specific projects, which projects will start, and which projects cancelled.

There are no maximum balance requirements as this is a fund created for future known and unknown projects. Unrestricted balances required for projects may materialize and partial funding appropriated.

Appropriations for minimum funding requirements made during budgeting process when funding is available or if Council resolves to appropriate a portion of the Township's taxing base for this purpose.

This policy is a living document and should be reviewed and amended to ensure compliance with Federal, State and Local ordinances or mandates.

Financial Reporting

EXHIBIT 1

Lower Saucon Township
Statement of Revenues and Expenditures - Compared to Budget
Year (2016) Period (1)

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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
01 General Fund						
Revenue						
REAL PROPERTY TAXES						
01-301-100	Real Estate Taxes - Current Ye	\$2,305,767.00	(\$301.23)	(\$301.23)	-0.01%	\$2,306,068.23
01-301-200	Real Estate Taxes - Prior Year	\$25,000.00	\$7,266.83	\$7,266.83	29.07%	\$17,733.17
01-301-400	Real Estate Taxes - Delinquent	\$45,000.00	\$609.89	\$609.89	1.36%	\$44,390.11
01-301-600	Real Estate Taxes - Interim	\$800.00	\$0.00	\$0.00	0.00%	\$800.00
01-301-601	Real Estate Tax-Interim-Prior	\$400.00	\$431.98	\$431.98	108.00%	(\$31.98)
	Subtotal	\$2,376,967.00	\$8,007.47	\$8,007.47	0.34%	\$2,368,959.53
LOCAL TAX ENABLING ACT						
01-310-100	Real Estate Transfer Tax	\$310,000.00	\$0.00	\$0.00	0.00%	\$310,000.00
01-310-210	Earned Income Tax - Current Ye	\$1,560,000.00	\$0.00	\$0.00	0.00%	\$1,560,000.00
01-310-220	Earned Income Tax - Prior Year	\$700,000.00	\$110,028.39	\$110,028.39	15.72%	\$589,971.61
01-310-510	Local Services Tax	\$40,000.00	\$0.00	\$0.00	0.00%	\$40,000.00
01-310-520	Local Services Tax Prior year	\$12,000.00	\$3,118.13	\$3,118.13	25.98%	\$8,881.87
	Subtotal	\$2,622,000.00	\$113,146.52	\$113,146.52	4.32%	\$2,508,853.48
BUSINESS LICENSES AND PERMITS						
01-321-320	Junkyard Licenses	\$1,000.00	\$0.00	\$0.00	0.00%	\$1,000.00
01-321-800	Cable TV Franchise	\$108,500.00	\$0.00	\$0.00	0.00%	\$108,500.00
	Subtotal	\$109,500.00	\$0.00	\$0.00	0.00%	\$109,500.00
NON-BUSINESS LICENSES/PERMITS						
01-322-100	Moving Permits	\$175.00	\$15.00	\$15.00	8.57%	\$160.00
01-322-820	Road Encroachment Permits	\$1,700.00	\$150.00	\$150.00	8.82%	\$1,550.00
	Subtotal	\$1,875.00	\$165.00	\$165.00	8.80%	\$1,710.00
FINES						
01-331-100	County Court Fines	\$21,069.00	\$532.12	\$532.12	2.53%	\$20,536.88
01-331-110	Motor Veh Code Violations (ST)	\$6,500.00	\$0.00	\$0.00	0.00%	\$6,500.00
01-331-120	Ordinance Violations (JP)	\$5,223.00	\$0.00	\$0.00	0.00%	\$5,223.00
01-331-130	Crimes Code Violations	\$12,625.00	\$444.21	\$444.21	3.52%	\$12,180.79
01-331-140	Motor Veh Code Violations (JP)	\$53,273.00	\$2,468.34	\$2,468.34	4.63%	\$50,804.66
01-331-150	Parking Tickets	\$1,421.00	\$75.00	\$75.00	5.28%	\$1,346.00
	Subtotal	\$100,111.00	\$3,519.67	\$3,519.67	3.52%	\$96,591.33
INTEREST EARNINGS						
01-341-000	Earnings from Investments	\$6,500.00	\$602.67	\$602.67	9.27%	\$5,897.33
	Subtotal	\$6,500.00	\$602.67	\$602.67	9.27%	\$5,897.33
INTERGOVERNMENT						
01-350-000	Intergovernmental Revenues	\$10,000.00	\$151.31	\$151.31	1.51%	\$9,848.69
	Subtotal	\$10,000.00	\$151.31	\$151.31	1.51%	\$9,848.69
FEDERAL GRANTS						
01-351-000	Federal Grants	\$19,000.00	\$0.00	\$0.00	0.00%	\$19,000.00
	Subtotal	\$19,000.00	\$0.00	\$0.00	0.00%	\$19,000.00

Lower Saucon Township
Statement of Revenues and Expenditures - Compared to Budget
Year (2016) Period (1)

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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
STATE CAPITAL/OPERATING GRANTS						
01-354-000	Other State Grants	\$100,000.00	\$0.00	\$0.00	0.00%	\$100,000.00
01-354-020	Public Safety Grants	\$8,000.00	\$1,113.55	\$1,113.55	13.92%	\$6,886.45
01-354-030	Highway Grants	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$108,000.00	\$1,113.55	\$1,113.55	1.03%	\$106,886.45
STATE SHARED REVENUE						
01-355-010	Utility Tax Reimbursement	\$6,437.00	\$0.00	\$0.00	0.00%	\$6,437.00
01-355-020	Pension State Aid	\$199,963.00	\$0.00	\$0.00	0.00%	\$199,963.00
01-355-070	Fire Insurance Tax Reimb	\$94,573.00	\$0.00	\$0.00	0.00%	\$94,573.00
01-355-080	Beverage Licenses	\$1,950.00	\$0.00	\$0.00	0.00%	\$1,950.00
	Subtotal	\$302,923.00	\$0.00	\$0.00	0.00%	\$302,923.00
GENERAL GOVERNMENT						
01-361-300	Zoning Permits and Fees	\$8,000.00	\$1,125.00	\$1,125.00	14.06%	\$6,875.00
01-361-310	Subdivision Fees	\$4,000.00	\$350.00	\$350.00	8.75%	\$3,650.00
01-361-650	Tax Collection Fees	\$9,600.00	\$580.00	\$580.00	6.04%	\$9,020.00
01-361-700	Duplicate Bill Fee	\$500.00	\$5.00	\$5.00	1.00%	\$495.00
01-361-800	Administration	\$3,000.00	\$142.00	\$142.00	4.73%	\$2,858.00
	Subtotal	\$25,100.00	\$2,202.00	\$2,202.00	8.77%	\$22,898.00
PUB SAFETY-CHARGES FOR SERVICE						
01-362-100	Police Services	\$20,000.00	\$0.00	\$0.00	0.00%	\$20,000.00
01-362-110	Accident Report Requests	\$2,891.00	\$180.00	\$180.00	6.23%	\$2,711.00
01-362-130	Security Alarm Monitoring Fee	\$1,465.00	\$35.00	\$35.00	2.39%	\$1,430.00
01-362-410	Building Permits - Public Safe	\$15,000.00	\$1,164.00	\$1,164.00	7.76%	\$13,836.00
01-362-440	Sanitation Permits	\$40,000.00	\$3,255.00	\$3,255.00	8.14%	\$36,745.00
01-362-460	State UCC Fees	\$600.00	\$52.00	\$52.00	8.67%	\$548.00
	Subtotal	\$79,956.00	\$4,686.00	\$4,686.00	5.86%	\$75,270.00
HIGHWAY-CHARGES FOR SERVICES						
01-363-000	Highway Street Charges	\$4,000.00	\$421.97	\$421.97	10.55%	\$3,578.03
	Subtotal	\$4,000.00	\$421.97	\$421.97	10.55%	\$3,578.03
SANITATION/LANDFILL HOSTING						
01-364-500	Contributions	\$24,500.00	\$0.00	\$0.00	0.00%	\$24,500.00
01-364-600	Host Municipality Fee - Solid	\$700,000.00	\$273,943.37	\$273,943.37	39.13%	\$426,056.63
01-364-610	BRE Sales	\$8,000.00	\$0.00	\$0.00	0.00%	\$8,000.00
01-364-620	Compost Sales	\$4,000.00	\$0.00	\$0.00	0.00%	\$4,000.00
	Subtotal	\$736,500.00	\$273,943.37	\$273,943.37	37.20%	\$462,556.63
HEALTH-CHARGES FOR SERVICES						
01-365-000	Health - Charges for Services	\$145,000.00	\$16,748.77	\$16,748.77	11.55%	\$128,251.23
	Subtotal	\$145,000.00	\$16,748.77	\$16,748.77	11.55%	\$128,251.23
RECREATION-CHARGES FOR SRVCS						
01-367-120	Playground Fees (Programs)	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
01-367-710	Recreation Fees	\$6,500.00	\$1,750.00	\$1,750.00	26.92%	\$4,750.00
	Subtotal	\$6,500.00	\$1,750.00	\$1,750.00	26.92%	\$4,750.00
PURCHASED SERVICES						

Lower Saucon Township
Statement of Revenues and Expenditures - Compared to Budget
Year (2016) Period (1)

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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
01-379-000	Other Purchased Services	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
MISCELLANEOUS						
01-380-000	Miscellaneous Income	\$10,000.00	\$6.25	\$6.25	0.06%	\$9,993.75
	Subtotal	\$10,000.00	\$6.25	\$6.25	0.06%	\$9,993.75
CONTRIBUTIONS						
01-387-000	Contributions	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
01-387-010	Dare/Crime Preven Donations	\$150.00	\$0.00	\$0.00	0.00%	\$150.00
01-387-020	Police Misc Donations	\$6,000.00	\$0.00	\$0.00	0.00%	\$6,000.00
01-387-030	Township Donations/Contrib	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$6,150.00	\$0.00	\$0.00	0.00%	\$6,150.00
SALE OF FIXED ASSETS						
01-391-100	Sale of General Fixed Assets	\$500.00	\$0.00	\$0.00	0.00%	\$500.00
	Subtotal	\$500.00	\$0.00	\$0.00	0.00%	\$500.00
TRANSFERS						
01-392-012	Transfer from Fund Balance	\$697,278.37	\$0.00	\$0.00	0.00%	\$697,278.37
	Subtotal	\$697,278.37	\$0.00	\$0.00	0.00%	\$697,278.37
RIOR YEAR EXPENSES						
01-395-000	Refund of Prior Year Expend	\$90,000.00	\$0.00	\$0.00	0.00%	\$90,000.00
	Subtotal	\$90,000.00	\$0.00	\$0.00	0.00%	\$90,000.00
Total General Fund Revenues:		\$7,457,860.37	\$426,464.55	\$426,464.55	5.72%	\$7,031,395.82
Total General Fund Revenues:		\$7,457,860.37	\$426,464.55	\$426,464.55		\$7,031,395.82
Total General Fund Expenditures:		\$7,457,860.37	\$437,272.51	\$382,884.21		\$7,074,976.16
Total General Fund Fund Balance:		\$0.00	(\$10,807.96)	\$43,580.34		(\$43,580.34)

Lower Saucon Township
Statement of Revenues and Expenditures - Compared to Budget
Year (2016) Period (1)

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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
Expenditure						
GENERAL GOVERNMENT						
01-400-110	Council Compensation	\$16,250.00	\$812.52	\$812.52	5.00%	\$15,437.48
01-400-161	Social Security Taxes	\$1,008.00	\$50.38	\$50.38	5.00%	\$957.62
01-400-168	Medicare Tax	\$236.00	\$11.78	\$11.78	4.99%	\$224.22
01-400-500	Contributions/Grants/Subsidies	\$21,088.00	\$0.00	\$0.00	0.00%	\$21,088.00
01-400-750	Minor Equipment Purchase	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$38,582.00	\$874.68	\$874.68	2.27%	\$37,707.32
EXECUTIVE						
01-401-120	Manager/Secretary Compensation	\$90,431.00	\$343.69	\$343.69	0.38%	\$90,087.31
01-401-121	Assistant Mgr/Asst to Mgr	\$66,415.00	\$5,081.86	\$5,081.86	7.65%	\$61,333.14
01-401-140	Office Personnel Compensation	\$40,540.00	\$3,118.46	\$3,118.46	7.69%	\$37,421.54
01-401-142	Office Personnel Overtime Comp	\$200.00	\$0.00	\$0.00	0.00%	\$200.00
01-401-143	Receptionist	\$31,030.00	\$2,211.20	\$2,211.20	7.13%	\$28,818.80
01-401-144	Transcriptionist Compensation	\$2,500.00	\$0.00	\$0.00	0.00%	\$2,500.00
01-401-161	Social Security Taxes	\$14,174.00	\$666.84	\$666.84	4.70%	\$13,507.16
01-401-168	Medicare Tax	\$3,315.00	\$155.95	\$155.95	4.70%	\$3,159.05
01-401-330	Transportation Expenses	\$500.00	\$0.00	\$0.00	0.00%	\$500.00
01-401-340	Advertising and Printing	\$11,000.00	\$4,905.52	\$1,353.94	12.31%	\$9,646.06
01-401-341	Ordinance Codification Updates	\$7,000.00	\$0.00	\$0.00	0.00%	\$7,000.00
01-401-420	General Expenses	\$11,300.00	\$3,113.52	\$2,663.71	23.57%	\$8,636.29
01-401-470	Hiring Expenses	\$1,350.00	\$0.00	\$0.00	0.00%	\$1,350.00
01-401-750	Minor Equipment Purchase	\$3,198.00	\$0.00	\$0.00	0.00%	\$3,198.00
	Subtotal	\$282,953.00	\$19,597.04	\$15,595.65	5.51%	\$267,357.35
FINANCE ADMINISTRATION						
01-402-110	Controller Compensation	\$2,000.00	\$0.00	\$0.00	0.00%	\$2,000.00
01-402-120	Administrative Compensation	\$60,134.00	\$4,625.66	\$4,625.66	7.69%	\$55,508.34
01-402-140	Office Personnel Compensation	\$41,040.00	\$2,990.40	\$2,990.40	7.29%	\$38,049.60
01-402-142	Office Personnel Overtime Comp	\$200.00	\$0.00	\$0.00	0.00%	\$200.00
01-402-161	Social Security Taxes	\$6,409.00	\$472.19	\$472.19	7.37%	\$5,936.81
01-402-168	Medicare Tax	\$1,499.00	\$110.43	\$110.43	7.37%	\$1,388.57
01-402-311	Auditing Services	\$14,300.00	\$0.00	\$0.00	0.00%	\$14,300.00
01-402-323	Real Estate Tax Prep/Mailing	\$9,500.00	\$75.00	\$75.00	0.79%	\$9,425.00
01-402-420	General Expenses	\$750.00	\$245.00	\$170.00	22.67%	\$580.00
01-402-430	Taxes	\$5,000.00	\$0.00	\$0.00	0.00%	\$5,000.00
01-402-451	Bank Services	\$1,500.00	\$135.48	\$135.48	9.03%	\$1,364.52
01-402-453	Contracted Services	\$2,000.00	\$0.00	\$0.00	0.00%	\$2,000.00
01-402-454	Payroll Services	\$4,500.00	\$1,397.66	\$1,397.66	31.06%	\$3,102.34
01-402-700	Capital Purchases	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$148,832.00	\$10,051.82	\$9,976.82	6.70%	\$138,855.18
TAX COLLECTION						
01-403-316	Consulting Services -Accountin	\$2,000.00	\$0.00	\$0.00	0.00%	\$2,000.00
	Subtotal	\$2,000.00	\$0.00	\$0.00	0.00%	\$2,000.00
LAW						
01-404-310	Legal Services	\$110,000.00	\$13,608.00	\$13,608.00	12.37%	\$96,392.00
01-404-311	Legal Services-Planning/Zoning	\$10,000.00	\$114.00	\$114.00	1.14%	\$9,886.00
01-404-312	Special Counsel	\$35,000.00	\$252.25	\$252.25	0.72%	\$34,747.75
01-404-313	Court Stenographer	\$3,000.00	\$0.00	\$0.00	0.00%	\$3,000.00

Lower Saucon Township

Statement of Revenues and Expenditures - Compared to Budget

Year (2016) Period (1)

Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
	Subtotal	\$158,000.00	\$13,974.25	\$13,974.25	8.84%	\$144,025.75
PERSONNEL ADMINISTRATION						
01-406-200	Office Materials/Supplies	\$8,500.00	\$1,812.72	\$732.01	8.61%	\$7,767.99
01-406-201	Computer Supplies	\$3,500.00	(\$89.01)	\$134.94	3.86%	\$3,365.06
	Subtotal	\$12,000.00	\$1,723.71	\$866.95	7.22%	\$11,133.05
DATA PROCESSING						
01-407-140	Systems Management Coordinator	\$3,000.00	\$249.99	\$249.99	8.33%	\$2,750.01
01-407-161	Social Security Taxes	\$186.00	\$15.50	\$15.50	8.33%	\$170.50
01-407-168	Medicare Tax	\$44.00	\$3.62	\$3.62	8.23%	\$40.38
01-407-314	Website Operation/Maintenance	\$10,000.00	\$0.00	\$0.00	0.00%	\$10,000.00
01-407-370	Maintenance/Repair Office Equi	\$12,000.00	\$0.00	\$0.00	0.00%	\$12,000.00
01-407-700	Major Equipment	\$13,500.00	\$824.67	\$824.67	6.11%	\$12,675.33
01-407-750	Minor Equipment Purchase	\$3,000.00	\$184.40	\$184.40	6.15%	\$2,815.60
01-407-751	Software/Licenses Purchase	\$24,309.00	\$3,496.60	\$2,163.18	8.90%	\$22,145.82
	Subtotal	\$66,039.00	\$4,774.78	\$3,441.36	5.21%	\$62,597.64
ENGINEER						
01-408-310	Engineering Services	\$70,000.00	\$0.00	\$0.00	0.00%	\$70,000.00
01-408-311	Engineering Services-Plan/Zon	\$20,000.00	\$0.00	\$0.00	0.00%	\$20,000.00
01-408-312	Consulting Services	\$3,000.00	\$0.00	\$0.00	0.00%	\$3,000.00
01-408-313	Bldg Code Enforcement Services	\$1,500.00	\$0.00	\$0.00	0.00%	\$1,500.00
01-408-314	Sewage Enforcement Officer	\$56,000.00	\$0.00	\$0.00	0.00%	\$56,000.00
	Subtotal	\$150,500.00	\$0.00	\$0.00	0.00%	\$150,500.00
BUILDINGS AND PLANT						
01-409-140	Maintenance Personnel Compensa	\$8,500.00	\$341.10	\$341.10	4.01%	\$8,158.90
01-409-200	Building Materials/Supplies	\$4,000.00	\$1,456.37	\$209.62	5.24%	\$3,790.38
01-409-230	Heating Oil/Diesel Fuel	\$75,480.00	\$1,340.38	\$1,340.38	1.78%	\$74,139.62
01-409-231	Unleaded Gasoline	\$80,475.00	\$2,710.37	\$2,710.37	3.37%	\$77,764.63
01-409-234	Oils/Lubricants	\$5,000.00	\$1,910.50	\$955.25	19.11%	\$4,044.75
01-409-320	Communication Expense	\$47,000.00	\$2,474.37	\$2,398.57	5.10%	\$44,601.43
01-409-360	Water Usage	\$5,200.00	\$218.66	\$218.66	4.21%	\$4,981.34
01-409-361	Electricity	\$60,000.00	\$4,356.20	\$4,356.20	7.26%	\$55,643.80
01-409-362	Gas (Heating)	\$15,000.00	\$970.49	\$970.49	6.47%	\$14,029.51
01-409-367	Refuse Removal	\$3,000.00	\$199.12	\$199.12	6.64%	\$2,800.88
01-409-370	Maint/Repair of Building	\$50,000.00	\$18,875.17	\$11,479.86	22.96%	\$38,520.14
01-409-374	Office Equip Maint/Repair	\$5,000.00	\$1,837.50	\$918.75	18.38%	\$4,081.25
01-409-384	Office Equipment Rental	\$15,500.00	\$941.15	\$941.15	6.07%	\$14,558.85
01-409-420	General Expenses	\$300.00	\$0.00	\$0.00	0.00%	\$300.00
01-409-750	Minor Equipment Purchase	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
01-409-800	Capital Outlay	\$35,000.00	(\$13,774.92)	\$0.00	0.00%	\$35,000.00
01-409-820	Building Purchase/Improvement	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$409,455.00	\$23,856.46	\$27,039.52	6.60%	\$382,415.48
POLICE						
01-410-120	Administrative Compensation	\$92,238.00	\$6,859.57	\$6,859.57	7.44%	\$85,378.43
01-410-130	Police Compensation (FT)	\$1,176,893.00	\$78,573.65	\$78,573.65	6.68%	\$1,098,319.35
01-410-131	Police Compensation (PT)	\$130,000.00	\$10,153.20	\$10,153.20	7.81%	\$119,846.80
01-410-132	Police Overtime Compensation	\$100,000.00	\$10,735.58	\$10,735.58	10.74%	\$89,264.42
01-410-140	Office Personnel Compensation	\$87,601.00	\$6,783.20	\$6,783.20	7.74%	\$80,817.80

Lower Saucon Township

Statement of Revenues and Expenditures - Compared to Budget

Year (2016) Period (1)

Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
01-410-142	Office Personnel Overtime	\$400.00	\$0.00	\$0.00	0.00%	\$400.00
01-410-161	Social Security Taxes	\$98,402.00	\$7,012.51	\$7,012.51	7.13%	\$91,389.49
01-410-168	Medicare Tax	\$23,014.00	\$1,640.05	\$1,640.05	7.13%	\$21,373.95
01-410-228	K-9 Expenses	\$5,750.00	\$0.00	\$0.00	0.00%	\$5,750.00
01-410-241	Uniforms	\$13,200.00	(\$1,340.76)	\$1,162.84	8.81%	\$12,037.16
01-410-242	Firearms	\$5,200.00	\$0.00	\$0.00	0.00%	\$5,200.00
01-410-243	Ammunition	\$5,800.00	\$0.00	\$0.00	0.00%	\$5,800.00
01-410-300	Contracted Services	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
01-410-316	Training	\$15,500.00	(\$83.50)	\$83.50	0.54%	\$15,416.50
01-410-340	Advertising and Printing	\$3,000.00	\$27.26	\$27.26	0.91%	\$2,972.74
01-410-370	Communication Equip - O/M/R	\$3,000.00	\$137.00	\$0.00	0.00%	\$3,000.00
01-410-372	Maint/Repair Equipment	\$12,800.00	\$800.85	\$481.10	3.76%	\$12,318.90
01-410-373	Vehicle - O/M/R	\$26,956.00	\$3,111.59	\$281.39	1.04%	\$26,674.61
01-410-420	General Expenses	\$12,000.00	\$967.34	\$1,243.07	10.36%	\$10,756.93
01-410-440	Uniform Maintenance	\$5,200.00	\$0.00	\$0.00	0.00%	\$5,200.00
01-410-470	Investigation Expense	\$2,000.00	\$50.00	\$50.00	2.50%	\$1,950.00
01-410-700	Major Equipment Purchase	\$15,527.15	\$8,679.65	\$896.70	5.78%	\$14,630.45
01-410-750	Minor Equipment Purchase	\$6,000.00	\$0.00	\$0.00	0.00%	\$6,000.00
01-410-800	Capital Outlay	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$1,840,481.15	\$134,107.19	\$125,983.62	6.85%	\$1,714,497.53
FIRE						
01-411-130	Police Services	\$1,000.00	\$0.00	\$0.00	0.00%	\$1,000.00
01-411-360	Hydrant Service	\$22,392.00	\$1,716.00	\$1,716.00	7.66%	\$20,676.00
01-411-373	Vehicle - O/M/R	\$600.00	\$0.00	\$0.00	0.00%	\$600.00
01-411-420	General Expense	\$20,000.00	\$0.00	\$0.00	0.00%	\$20,000.00
01-411-500	Contribution to Fire Cos.	\$200,000.00	\$0.00	\$0.00	0.00%	\$200,000.00
01-411-501	Cont. to Fireman's Relief	\$94,573.00	\$0.00	\$0.00	0.00%	\$94,573.00
01-411-502	Contribution to EMS Services	\$15,000.00	\$0.00	\$0.00	0.00%	\$15,000.00
	Subtotal	\$353,565.00	\$1,716.00	\$1,716.00	0.49%	\$351,849.00
PLANNING AND ZONING						
01-414-120	Zoning Officer Comp	\$72,481.00	\$5,575.40	\$5,575.40	7.69%	\$66,905.60
01-414-130	Officials Compensation	\$900.00	\$75.00	\$75.00	8.33%	\$825.00
01-414-140	Office Personnel Compensation	\$46,353.00	\$3,323.20	\$3,323.20	7.17%	\$43,029.80
01-414-142	Office Personnel Overtime Comp	\$200.00	\$0.00	\$0.00	0.00%	\$200.00
01-414-161	Social Security Taxes	\$7,436.00	\$556.36	\$556.36	7.48%	\$6,879.64
01-414-168	Medicare Tax	\$1,739.00	\$130.11	\$130.11	7.48%	\$1,608.89
01-414-312	Consulting Services	\$80,000.00	\$1,344.00	\$1,344.00	1.68%	\$78,656.00
01-414-340	Advertising and Printing	\$7,000.00	\$402.80	\$887.00	12.67%	\$6,113.00
01-414-341	Township Newsletter	\$8,700.00	\$5,600.00	\$800.00	9.20%	\$7,900.00
01-414-371	Vehicle Maint/Repair - O/M/R	\$600.00	\$321.55	(\$49.08)	-8.18%	\$649.08
01-414-420	General Expenses	\$2,000.00	\$1,337.62	\$0.00	0.00%	\$2,000.00
01-414-450	Planning Services (Contracted)	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
01-414-460	Seminar/Education/Meetings	\$1,250.00	\$390.00	\$0.00	0.00%	\$1,250.00
01-414-750	Minor Equipment Purchase	\$500.00	\$0.00	\$0.00	0.00%	\$500.00
01-414-800	Capital Outlay	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$229,159.00	\$19,056.04	\$12,641.99	5.52%	\$216,517.01
EMERGENCY MANAGEMENT						
01-415-120	Administrative Person. Comp.	\$2,000.00	\$166.66	\$166.66	8.33%	\$1,833.34
01-415-200	Materials/Supplies	\$500.00	\$0.00	\$0.00	0.00%	\$500.00
01-415-300	Haz Mat Clean-up	\$1,000.00	\$0.00	\$0.00	0.00%	\$1,000.00

Lower Saucon Township
Statement of Revenues and Expenditures - Compared to Budget
Year (2016) Period (1)

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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
01-415-700	Minor Equipment Purchase	\$3,000.00	\$0.00	\$0.00	0.00%	\$3,000.00
	Subtotal	\$6,500.00	\$166.66	\$166.66	2.56%	\$6,333.34
CROSSING GUARDS						
01-419-150	Crossing Guard Wages	\$5,300.00	\$0.00	\$0.00	0.00%	\$5,300.00
	Subtotal	\$5,300.00	\$0.00	\$0.00	0.00%	\$5,300.00
DOG CONTROL						
01-421-150	Dog Control Wages	\$3,000.00	\$250.00	\$250.00	8.33%	\$2,750.00
01-421-220	Dog Control Supplies	\$1,000.00	\$0.00	\$0.00	0.00%	\$1,000.00
01-421-450	Dog Control Contracted Service	\$2,000.00	\$0.00	\$0.00	0.00%	\$2,000.00
	Subtotal	\$6,000.00	\$250.00	\$250.00	4.17%	\$5,750.00
RECYCLING						
01-426-140	Recycling Coordinator	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
01-426-200	Recycling Supplies	\$500.00	\$0.00	\$0.00	0.00%	\$500.00
01-426-260	Small Tools	\$500.00	\$0.00	\$0.00	0.00%	\$500.00
01-426-310	Professional Services	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
01-426-320	Communications	\$400.00	\$34.71	\$34.71	8.68%	\$365.29
01-426-340	Advertising and Printing	\$600.00	\$0.00	\$0.00	0.00%	\$600.00
01-426-360	Utilities	\$1,500.00	\$771.50	\$105.50	7.03%	\$1,394.50
01-426-370	Main/Repairs Facility	\$38,000.00	\$0.00	\$0.00	0.00%	\$38,000.00
01-426-500	Compost Center Appropriation	\$10,500.00	\$0.00	\$0.00	0.00%	\$10,500.00
01-426-700	Minor equipment	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$52,000.00	\$806.21	\$140.21	0.27%	\$51,859.79
HIGHWAY-GENERAL SERVICES						
01-430-120	Administrative Compensation	\$67,601.00	\$5,892.34	\$5,892.34	8.72%	\$61,708.66
01-430-121	Roadmaster Compensation	\$51,493.00	\$3,710.40	\$3,710.40	7.21%	\$47,782.60
01-430-140	Maintenance Compensation	\$419,508.00	\$22,707.20	\$22,707.20	5.41%	\$396,800.80
01-430-141	Seasonal Employee Comp	\$18,176.40	\$0.00	\$0.00	0.00%	\$18,176.40
01-430-142	Maintenance Personnel Overtime	\$58,910.60	\$1,212.63	\$1,212.63	2.06%	\$57,697.97
01-430-161	Social Security Taxes	\$38,173.00	\$2,078.40	\$2,078.40	5.44%	\$36,094.60
01-430-168	Medicare Tax	\$8,927.00	\$486.07	\$486.07	5.44%	\$8,440.93
01-430-200	Materials/Supplies	\$3,500.00	\$2,518.20	\$132.42	3.78%	\$3,367.58
01-430-250	Traffic Sign - M/R	\$10,000.00	\$0.00	\$0.00	0.00%	\$10,000.00
01-430-373	Vehicle - O/M/R	\$25,000.00	\$4,482.76	\$845.21	3.38%	\$24,154.79
01-430-380	Equipment Rental	\$5,000.00	\$0.00	\$0.00	0.00%	\$5,000.00
01-430-420	General Expenses	\$7,750.00	\$6,461.68	\$401.58	5.18%	\$7,348.42
01-430-450	Contracted Services	\$4,000.00	\$0.00	\$0.00	0.00%	\$4,000.00
01-430-700	Major Equipment Purchase	\$4,610.00	\$9,220.00	\$2,305.00	50.00%	\$2,305.00
01-430-750	Minor Equipment Purchase	\$6,750.00	\$1,517.07	\$1,275.86	18.90%	\$5,474.14
	Subtotal	\$729,399.00	\$60,286.75	\$41,047.11	5.63%	\$688,351.89
HIGHWAY-TRAFFIC SIGNALS						
01-433-240	Road/Street Signs/Markings	\$24,650.00	\$2,749.70	\$0.00	0.00%	\$24,650.00
01-433-250	Traffic Signal Purchase/Improv	\$6,200.00	\$0.00	\$0.00	0.00%	\$6,200.00
	Subtotal	\$30,850.00	\$2,749.70	\$0.00	0.00%	\$30,850.00
HIGHWAY-REPAIRS TO HIGHWAYS						
01-438-240	Road Materials/Supplies	\$100,000.00	\$675.46	\$451.31	0.45%	\$99,548.69

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Statement of Revenues and Expenditures - Compared to Budget
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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
	Subtotal	\$100,000.00	\$675.46	\$451.31	0.45%	\$99,548.69
HIGHWAY CONSTR AND REBUILDING						
01-439-600	Capital Construction	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
PARTICIPANT RECREATION						
01-452-200	Materials/Supplies	\$3,500.00	\$0.00	\$0.00	0.00%	\$3,500.00
01-452-367	Refuse Removal	\$5,000.00	\$338.10	\$338.10	6.76%	\$4,661.90
01-452-370	Maintenance/Repairs	\$10,000.00	\$2,586.68	\$0.00	0.00%	\$10,000.00
01-452-420	General Expenses	\$3,000.00	\$0.00	\$0.00	0.00%	\$3,000.00
01-452-450	Park Contracted Services	\$85,000.00	\$9,998.24	\$858.74	1.01%	\$84,141.26
01-452-500	Summer Youth Program (SVCC)	\$29,079.00	\$0.00	\$0.00	0.00%	\$29,079.00
01-452-501	Senior Program	\$16,219.00	\$0.00	\$0.00	0.00%	\$16,219.00
01-452-510	Pool Pass Reimbursement	\$8,035.00	\$0.00	\$0.00	0.00%	\$8,035.00
01-452-700	Major Equipment Purchase	\$8,909.00	\$0.00	\$0.00	0.00%	\$8,909.00
01-452-750	Minor Equipment Purchase	\$3,000.00	\$0.00	\$0.00	0.00%	\$3,000.00
	Subtotal	\$171,742.00	\$12,923.02	\$1,196.84	0.70%	\$170,545.16
LIBRARIES						
01-456-500	Library Contribution	\$145,505.22	\$7,801.41	\$7,801.41	5.36%	\$137,703.81
	Subtotal	\$145,505.22	\$7,801.41	\$7,801.41	5.36%	\$137,703.81
CONSERVATION						
01-461-200	Supplies	\$200.00	\$0.00	\$0.00	0.00%	\$200.00
01-461-420	Dues, Subscriptions etc	\$400.00	\$0.00	\$0.00	0.00%	\$400.00
01-461-540	Contribution	\$500.00	\$0.00	\$0.00	0.00%	\$500.00
01-461-750	Minor Equipment Purchase	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$1,100.00	\$0.00	\$0.00	0.00%	\$1,100.00
DEBT PRINCIPAL						
01-471-200	Loan Principal Payments	\$444,974.00	\$0.00	\$0.00	0.00%	\$444,974.00
	Subtotal	\$444,974.00	\$0.00	\$0.00	0.00%	\$444,974.00
DEBT INTEREST						
01-472-200	Loan Interest Payments	\$106,730.00	\$0.00	\$0.00	0.00%	\$106,730.00
	Subtotal	\$106,730.00	\$0.00	\$0.00	0.00%	\$106,730.00
INTERGOVERNMENT EXPENSES						
01-481-000	Intergovernmental Expenditures	\$20,000.00	\$0.00	\$0.00	0.00%	\$20,000.00
	Subtotal	\$20,000.00	\$0.00	\$0.00	0.00%	\$20,000.00
INSURANCE						
01-486-351	Business Insurance	\$64,889.00	\$59,810.00	\$59,810.00	92.17%	\$5,079.00
01-486-352	Vehicle Insurance	\$35,000.00	\$26,190.00	\$26,190.00	74.83%	\$8,810.00
01-486-354	Workmen's Compensation	\$170,000.00	\$14,110.24	\$14,110.24	8.30%	\$155,889.76
01-486-356	Public Officials Bond	\$1,300.00	\$300.00	\$300.00	23.08%	\$1,000.00
	Subtotal	\$271,189.00	\$100,410.24	\$100,410.24	37.03%	\$170,778.76
EMPLOYEE BENEFITS						
01-487-152	Dental Insurance	\$25,000.00	\$0.00	\$0.00	0.00%	\$25,000.00

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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
01-487-153	Vision	\$5,600.00	\$0.00	\$0.00	0.00%	\$5,600.00
01-487-156	Hospitalization Insurance	\$921,400.00	\$0.00	\$0.00	0.00%	\$921,400.00
01-487-159	Group Term Life Insurance	\$8,000.00	\$0.00	\$0.00	0.00%	\$8,000.00
01-487-162	Unemployment Compensation	\$16,500.00	\$6,965.90	\$6,965.90	42.22%	\$9,534.10
01-487-163	Vocational Training	\$3,000.00	\$990.00	\$0.00	0.00%	\$3,000.00
01-487-164	Income Protection	\$18,000.00	\$0.00	\$0.00	0.00%	\$18,000.00
01-487-165	Pension Administration Fees	\$70,000.00	\$0.00	\$0.00	0.00%	\$70,000.00
01-487-166	Minimum Pension Obligation-Non	\$83,613.00	\$0.00	\$0.00	0.00%	\$83,613.00
01-487-167	Minimum Pension Obligation-Pol	\$289,892.00	\$0.00	\$0.00	0.00%	\$289,892.00
	Subtotal	\$1,441,005.00	\$7,955.90	\$6,965.90	0.48%	\$1,434,039.10
MISCELLANEOUS						
01-489-410	Legal Settlements	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
01-489-541	Matching Grant Allocation	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
REFUNDS-PRIOR YEAR EXPENSES						
01-491-001	Refund of Prior Year Revenue	\$2,000.00	\$27.07	\$27.07	1.35%	\$1,972.93
01-491-280	Unpaid Bills Prior Years	\$20,000.00	\$13,488.12	\$12,316.62	61.58%	\$7,683.38
	Subtotal	\$22,000.00	\$13,515.19	\$12,343.69	56.11%	\$9,656.31
INTERFUND OPERATING TRANSFERS						
1-492-000	Transfer to Other Funds	\$100,000.00	\$0.00	\$0.00	0.00%	\$100,000.00
01-492-100	Transfer to Other Funds - Fire	\$112,000.00	\$0.00	\$0.00	0.00%	\$112,000.00
	Subtotal	\$212,000.00	\$0.00	\$0.00	0.00%	\$212,000.00
Total General Fund Expenditures:		\$7,457,860.37	\$437,272.51	\$382,884.21	5.13%	\$7,074,976.16
Total General Fund Revenues:		\$7,457,860.37	\$426,464.55	\$426,464.55		\$7,031,395.82
Total General Fund Expenditures:		\$7,457,860.37	\$437,272.51	\$382,884.21		\$7,074,976.16
Total General Fund Fund Balance:		\$0.00	(\$10,807.96)	\$43,580.34		(\$43,580.34)

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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
02 Special Taxes						
Revenue						
REAL PROPERTY TAXES						
02-301-100	Fire Tax	\$112,000.00	\$506.00	\$506.00	0.45%	\$111,494.00
	Subtotal	\$112,000.00	\$506.00	\$506.00	0.45%	\$111,494.00
LOCAL TAX ENABLING ACT						
02-310-210	Earned Income Tax - Current Ye	\$750,000.00	\$0.00	\$0.00	0.00%	\$750,000.00
02-310-220	Open Space EIT - Prior Year	\$300,000.00	\$55,242.55	\$55,242.55	18.41%	\$244,757.45
	Subtotal	\$1,050,000.00	\$55,242.55	\$55,242.55	5.26%	\$994,757.45
INTEREST EARNINGS						
02-341-000	Interest	\$7,000.00	\$718.05	\$718.05	10.26%	\$6,281.95
	Subtotal	\$7,000.00	\$718.05	\$718.05	10.26%	\$6,281.95
INTERGOVERNMENT						
02-350-000	Grant Funding	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
STATE SHARED REVENUE						
02-355-050	Motor Vehicle Fuel Taxes - Liq	\$402,515.00	\$0.00	\$0.00	0.00%	\$402,515.00
	Subtotal	\$402,515.00	\$0.00	\$0.00	0.00%	\$402,515.00
MISCELLANEOUS						
02-380-000	Misc Revenue	\$0.00	\$17.82	\$17.82	0.00%	(\$17.82)
	Subtotal	\$0.00	\$17.82	\$17.82	0.00%	(\$17.82)
CONTRIBUTIONS						
02-387-000	Donation/Contributions	\$9,750.00	\$0.00	\$0.00	0.00%	\$9,750.00
	Subtotal	\$9,750.00	\$0.00	\$0.00	0.00%	\$9,750.00
SALE OF FIXED ASSETS						
02-391-100	Sale of Fixed Assets	\$25,000.00	\$0.00	\$0.00	0.00%	\$25,000.00
	Subtotal	\$25,000.00	\$0.00	\$0.00	0.00%	\$25,000.00
TRANSFERS						
02-392-000	Fund Balance - State Fund	\$186,767.00	\$0.00	\$0.00	0.00%	\$186,767.00
02-392-100	Fire Fund Balance	\$206,442.00	\$0.00	\$0.00	0.00%	\$206,442.00
	Subtotal	\$393,209.00	\$0.00	\$0.00	0.00%	\$393,209.00
PROCEEDS OF LONG-TERM DEBT						
02-393-130	Loan Proceeds	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00

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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
Total Special Taxes Revenues:		\$1,999,474.00	\$56,484.42	\$56,484.42	2.82%	\$1,942,989.58
Total Special Taxes Revenues:		\$1,999,474.00	\$56,484.42	\$56,484.42		\$1,942,989.58
Total Special Taxes Expenditures:		\$1,999,474.00	\$275,142.72	\$3,189.18		\$1,996,284.82
Total Special Taxes Fund Balance:		\$0.00	(\$218,658.30)	\$53,295.24		(\$53,295.24)

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Statement of Revenues and Expenditures - Compared to Budget
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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
Expenditure						
GENERAL GOVERNMENT						
02-400-000	Open Space Purchases	\$1,000,000.00	\$0.00	\$0.00	0.00%	\$1,000,000.00
02-400-370	Open Space Maintenance Funding	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$1,000,000.00	\$0.00	\$0.00	0.00%	\$1,000,000.00
FINANCE ADMINISTRATION						
02-402-000	Bank Fees	\$50.00	\$4.00	\$4.00	8.00%	\$46.00
	Subtotal	\$50.00	\$4.00	\$4.00	8.00%	\$46.00
LAW						
02-404-710	Legal Fees	\$20,000.00	\$0.00	\$0.00	0.00%	\$20,000.00
	Subtotal	\$20,000.00	\$0.00	\$0.00	0.00%	\$20,000.00
ENGINEER						
02-408-314	Engineering/Planning Fees	\$20,000.00	\$0.00	\$0.00	0.00%	\$20,000.00
02-408-710	Appraisal Costs	\$20,000.00	\$0.00	\$0.00	0.00%	\$20,000.00
	Subtotal	\$40,000.00	\$0.00	\$0.00	0.00%	\$40,000.00
FIRE						
02-411-700	Fire Equip Costs	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
02-411-710	Fire Equip Consultation	\$500.00	\$0.00	\$0.00	0.00%	\$500.00
02-411-840	Vehicle Purchase	\$265,030.00	\$260,818.30	\$0.00	0.00%	\$265,030.00
	Subtotal	\$265,530.00	\$260,818.30	\$0.00	0.00%	\$265,530.00
HIGHWAY-GENERAL SERVICES						
02-430-231	Vehicle Gasoline Oil	\$2,000.00	\$0.00	\$0.00	0.00%	\$2,000.00
02-430-250	Traffic Signal M/R	\$8,500.00	\$145.76	\$145.76	1.71%	\$8,354.24
02-430-373	Vehicle - O/M/R	\$30,000.00	\$128.01	\$0.00	0.00%	\$30,000.00
02-430-380	Hgwy Equipment Rentals	\$5,500.00	\$0.00	\$0.00	0.00%	\$5,500.00
02-430-700	Highway Major Equipment	\$61,757.00	\$0.00	\$0.00	0.00%	\$61,757.00
02-430-750	Minor Equipment Purchase	\$10,000.00	\$0.00	\$0.00	0.00%	\$10,000.00
	Subtotal	\$117,757.00	\$273.77	\$145.76	0.12%	\$117,611.24
HIGHWAY-SNOW/ICE REMOVAL						
02-432-240	Snow Removal Expenses	\$140,000.00	\$0.00	\$0.00	0.00%	\$140,000.00
	Subtotal	\$140,000.00	\$0.00	\$0.00	0.00%	\$140,000.00
HIGHWAY-TRAFFIC SIGNALS						
02-433-240	Street Signs and Markings	\$16,000.00	\$0.00	\$0.00	0.00%	\$16,000.00
	Subtotal	\$16,000.00	\$0.00	\$0.00	0.00%	\$16,000.00
HIGHWAY-STREET LIGHTING						
02-434-360	Street Lighting	\$38,500.00	\$3,039.42	\$3,039.42	7.89%	\$35,460.58
	Subtotal	\$38,500.00	\$3,039.42	\$3,039.42	7.89%	\$35,460.58
HIGHWAY-REPAIRS OF TOOLS/MACH						
02-437-240	Equip and Tools M/R	\$3,000.00	\$0.00	\$0.00	0.00%	\$3,000.00
	Subtotal	\$3,000.00	\$0.00	\$0.00	0.00%	\$3,000.00

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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
HIGHWAY-REPAIRS TO HIGHWAYS						
02-438-240	Road Materials and Suppl	\$50,000.00	\$11,007.23	\$0.00	0.00%	\$50,000.00
	Subtotal	\$50,000.00	\$11,007.23	\$0.00	0.00%	\$50,000.00
HIGHWAY CONSTR AND REBUILDING						
02-439-240	PennDot Road Projects	\$250,000.00	\$0.00	\$0.00	0.00%	\$250,000.00
	Subtotal	\$250,000.00	\$0.00	\$0.00	0.00%	\$250,000.00
DEBT PRINCIPAL						
02-471-200	Principal payment	\$51,797.00	\$0.00	\$0.00	0.00%	\$51,797.00
	Subtotal	\$51,797.00	\$0.00	\$0.00	0.00%	\$51,797.00
DEBT INTEREST						
02-472-200	Interest payment	\$5,340.00	\$0.00	\$0.00	0.00%	\$5,340.00
	Subtotal	\$5,340.00	\$0.00	\$0.00	0.00%	\$5,340.00
Transfer						
02-490-000	Transfer to Fund Balance - Ope	\$1,500.00	\$0.00	\$0.00	0.00%	\$1,500.00
02-490-001	Transfer to Fund Balance - Fir	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
02-490-002	Transfer to General	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$1,500.00	\$0.00	\$0.00	0.00%	\$1,500.00
Total Special Taxes Expenditures:		\$1,999,474.00	\$275,142.72	\$3,189.18	0.16%	\$1,996,284.82
Total Special Taxes Revenues:		\$1,999,474.00	\$56,484.42	\$56,484.42		\$1,942,989.58
Total Special Taxes Expenditures:		\$1,999,474.00	\$275,142.72	\$3,189.18		\$1,996,284.82
Total Special Taxes Fund Balance:		\$0.00	(\$218,658.30)	\$53,295.24		(\$53,295.24)

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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
03 Capital Fund						
Revenue						
INTEREST EARNINGS						
03-341-000	Earnings from Investments	\$4,000.00	\$282.92	\$282.92	7.07%	\$3,717.08
	Subtotal	\$4,000.00	\$282.92	\$282.92	7.07%	\$3,717.08
INTERGOVERNMENT						
03-350-100	Loan Proceeds	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
STATE CAPITAL/OPERATING GRANTS						
03-354-000	Grants	\$159,000.00	\$0.00	\$0.00	0.00%	\$159,000.00
	Subtotal	\$159,000.00	\$0.00	\$0.00	0.00%	\$159,000.00
GENERAL GOVERNMENT						
03-361-300	Developer Fees	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
CONTRIBUTIONS						
03-387-000	Donations/Contributions	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
SALE OF FIXED ASSETS						
03-391-000	Sale of Fixed Assets	\$10,000.00	\$0.00	\$0.00	0.00%	\$10,000.00
	Subtotal	\$10,000.00	\$0.00	\$0.00	0.00%	\$10,000.00
TRANSFERS						
03-392-000	Fund Balance Appropriation	\$1,120,107.75	\$0.00	\$0.00	0.00%	\$1,120,107.75
03-392-001	Transfer from other funds	\$100,000.00	\$0.00	\$0.00	0.00%	\$100,000.00
	Subtotal	\$1,220,107.75	\$0.00	\$0.00	0.00%	\$1,220,107.75
Total Capital Fund Revenues:		\$1,393,107.75	\$282.92	\$282.92	0.02%	\$1,392,824.83
Total Capital Fund Revenues:		\$1,393,107.75	\$282.92	\$282.92		\$1,392,824.83
Total Capital Fund Expenditures:		\$1,393,107.75	(\$79,521.75)	\$54,372.25		\$1,338,735.50
Total Capital Fund Fund Balance:		\$0.00	\$79,804.67	(\$54,089.33)		\$54,089.33

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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
Expenditure						
FINANCE ADMINISTRATION						
03-402-451	Bank Fee	\$50.00	\$0.00	\$0.00	0.00%	\$50.00
	Subtotal	\$50.00	\$0.00	\$0.00	0.00%	\$50.00
DATA PROCESSING						
03-407-829	Video Equip	\$25,000.00	\$0.00	\$0.00	0.00%	\$25,000.00
	Subtotal	\$25,000.00	\$0.00	\$0.00	0.00%	\$25,000.00
BUILDINGS AND PLANT						
03-409-730	Building Purchase/Improvement	\$140,000.00	\$0.00	\$0.00	0.00%	\$140,000.00
03-409-800	IT Improvements	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$140,000.00	\$0.00	\$0.00	0.00%	\$140,000.00
POLICE						
03-410-840	Vehicle Purchase	\$67,000.00	\$0.00	\$0.00	0.00%	\$67,000.00
	Subtotal	\$67,000.00	\$0.00	\$0.00	0.00%	\$67,000.00
HIGHWAY-GENERAL SERVICES						
03-430-840	Vehicle Purchase	\$150,467.00	(\$70,467.00)	\$0.00	0.00%	\$150,467.00
	Subtotal	\$150,467.00	(\$70,467.00)	\$0.00	0.00%	\$150,467.00
Storm Water						
03-436-810	Storm Water Improvements	\$600,000.00	\$0.00	\$0.00	0.00%	\$600,000.00
	Subtotal	\$600,000.00	\$0.00	\$0.00	0.00%	\$600,000.00
HIGHWAY CONSTR AND REBUILDING						
03-439-810	Road Improvement	\$55,212.75	\$442.25	\$54,372.25	98.48%	\$840.50
	Subtotal	\$55,212.75	\$442.25	\$54,372.25	98.48%	\$840.50
PARTICIPANT RECREATION						
03-452-810	Park Improvement	\$345,953.00	(\$7,797.00)	\$0.00	0.00%	\$345,953.00
	Subtotal	\$345,953.00	(\$7,797.00)	\$0.00	0.00%	\$345,953.00
Historical Bldg						
03-459-810	Historical Bldg Improvements	\$9,425.00	(\$1,700.00)	\$0.00	0.00%	\$9,425.00
	Subtotal	\$9,425.00	(\$1,700.00)	\$0.00	0.00%	\$9,425.00
Total Capital Fund Expenditures:		\$1,393,107.75	(\$79,521.75)	\$54,372.25	3.90%	\$1,338,735.50
Total Capital Fund Revenues:		\$1,393,107.75	\$282.92	\$282.92		\$1,392,824.83
Total Capital Fund Expenditures:		\$1,393,107.75	(\$79,521.75)	\$54,372.25		\$1,338,735.50
Total Capital Fund Fund Balance:		\$0.00	\$79,804.67	(\$54,089.33)		\$54,089.33

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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
50 Saucon Valley Partnership						
Revenue						
INTEREST EARNINGS						
50-341-000	Interest	\$0.00	\$1.48	\$1.48	0.00%	(\$1.48)
	Subtotal	\$0.00	\$1.48	\$1.48	0.00%	(\$1.48)
INTERGOVERNMENT						
50-350-000	Municipal Contributions	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
PRIOR YEAR EXPENSES						
50-395-000	Transfer of Funds	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Total Saucon Valley Partnership Revenues:		\$0.00	\$1.48	\$1.48	0.00%	(\$1.48)
Total Saucon Valley Partnership Revenues:		\$0.00	\$1.48	\$1.48		(\$1.48)
Total Saucon Valley Partnership Expenditures:		\$0.00	\$0.00	\$0.00		\$0.00
Total Saucon Valley Partnership Fund Balance:		\$0.00	\$1.48	\$1.48		(\$1.48)

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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
Expenditure						
GENERAL GOVERNMENT						
50-400-000	COG Expenses	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Total Saucon Valley Partnership Expenditures:		\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Total Saucon Valley Partnership Revenues:		\$0.00	\$1.48	\$1.48		(\$1.48)
Total Saucon Valley Partnership Expenditures:		\$0.00	\$0.00	\$0.00		\$0.00
Total Saucon Valley Partnership Fund Balance:		\$0.00	\$1.48	\$1.48		(\$1.48)

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Statement of Revenues and Expenditures - Compared to Budget
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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
51 SV Partnerships Grants						
Revenue						
INTEREST EARNINGS						
51-341-000	Interest	\$0.00	\$0.34	\$0.34	0.00%	(\$0.34)
	Subtotal	\$0.00	\$0.34	\$0.34	0.00%	(\$0.34)
Total SV Partnerships Grants Revenues:		\$0.00	\$0.34	\$0.34	0.00%	(\$0.34)
<hr/>						
Total SV Partnerships Grants Revenues:		\$0.00	\$0.34	\$0.34		(\$0.34)
Total SV Partnerships Grants Expenditures:		\$0.00	\$0.00	\$0.00		\$0.00
Total SV Partnerships Grants Fund Balance:		\$0.00	\$0.34	\$0.34		(\$0.34)

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Statement of Revenues and Expenditures - Compared to Budget
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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
Expenditure						
FINANCE ADMINISTRATION						
51-402-420	Bank Fees	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Department 495						
51-495-000	Close Account	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Total SV Partnerships Grants Expenditures:		\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Total SV Partnerships Grants Revenues:		\$0.00	\$0.34	\$0.34		(\$0.34)
Total SV Partnerships Grants Expenditures:		\$0.00	\$0.00	\$0.00		\$0.00
Total SV Partnerships Grants Fund Balance:		\$0.00	\$0.34	\$0.34		(\$0.34)

Lower Saucon Township
Statement of Revenues and Expenditures - Compared to Budget
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Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
53 Saucon Rail Trail Comm						
Revenue						
INTEREST EARNINGS						
53-341-100	Interest	\$0.00	\$0.89	\$0.89	0.00%	(\$0.89)
53-380-100	Municipal Contributions	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.89	\$0.89	0.00%	(\$0.89)
CONTRIBUTIONS						
53-387-000	Donations	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Total Saucon Rail Trail Comm Revenues:	\$0.00	\$0.89	\$0.89	0.00%	(\$0.89)
<hr/>						
	Total Saucon Rail Trail Comm Revenues:	\$0.00	\$0.89	\$0.89		(\$0.89)
	Total Saucon Rail Trail Comm Expenditures:	\$0.00	\$0.00	\$0.00		\$0.00
	Total Saucon Rail Trail Comm Fund Balance:	\$0.00	\$0.89	\$0.89		(\$0.89)

Lower Saucon Township
Statement of Revenues and Expenditures - Compared to Budget
Year (2016) Period (1)

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10:35 AM

Account	Account Description	Budget	MTD Actual	YTD Actual	% Used	Remaining
Expenditure						
FINANCE ADMINISTRATION						
53-402-451	Bank fees	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
PARTICIPANT RECREATION						
53-452-420	General Expenses	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
	Subtotal	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Total Saucon Rail Trail Comm Expenditures:		\$0.00	\$0.00	\$0.00	0.00%	\$0.00
Total Saucon Rail Trail Comm Revenues:		\$0.00	\$0.89	\$0.89		(\$0.89)
Total Saucon Rail Trail Comm Expenditures:		\$0.00	\$0.00	\$0.00		\$0.00
Total Saucon Rail Trail Comm Fund Balance:		\$0.00	\$0.89	\$0.89		(\$0.89)

Financial Reporting

EXHIBIT 2

Lower Saucon Township

Balance Sheet

Period: 1 Year: 2016

Fund	Account Number	Debits	Credits
01	General Fund		
01-100-000	Cash--Regular Checking Account	\$70,030.63	
01-102-000	Operating Reserve	\$915,673.62	
01-104-000	Environmental Reserve	\$307,319.45	
01-105-000	Cash - Payroll Account	\$23,388.83	
01-106-000	General Savings	\$3,097,624.57	
01-107-000	Money Market	\$838,960.79	
01-108-000	Gaming Authority Funding	\$45,068.92	
01-109-000	Compost Cennter Funds	\$27,342.23	
01-110-000	Petty Cash	\$300.00	
	Asset Total:	\$5,325,709.04	
01-219-000	OPT		\$98.95
01-279-000	Fund Balance		\$8,969.93
01-279-100	Fund Balance		\$5,316,640.16
	Liability Total:		\$5,325,709.04
	Fund Total:	\$5,325,709.04	\$5,325,709.04

Lower Saucon Township

Balance Sheet

Period: 1 Year: 2016

Fund	Account Number	Debits	Credits
02	Special Taxes		
02-100-000	Checking Account	\$1,998.00	
02-109-000	State Liquid Fuels	\$887,687.83	
02-110-000	Open Space Fund	\$4,505,587.69	
02-110-100	Open Space Checking	\$1,970.00	
02-111-000	Fire Tax Fund	\$289,915.08	
	Asset Total:	\$5,687,158.60	
02-279-000	Fund Balance		\$99,094.60
02-296-000	Budgetary Fund Balance		\$5,588,688.69
	Liability Total:		\$5,687,783.29
	Fund Total:	\$5,687,158.60	\$5,687,783.29

Lower Saucon Township

Balance Sheet

Period: 1 Year: 2016

Fund	Account Number	Debits	Credits
03	Capital Fund		
03-100-000	Cash--Regular Checking Account	\$1,557.78	
03-107-0036	Park Capital Fund	\$375,940.62	
03-107-0041	Capital - Historical Structure	\$30,790.88	
03-107-752	Capital PLGIT Act 537	\$2,032.64	
03-107-753	PLGIT P8 6 4A Septic	\$2,436.38	
03-110-000	Capital Fund	\$1,782,889.34	
	Asset Total:	\$2,195,647.64	
03-250-020	537 Escrows		\$4,468.23
03-279-100	Fund Balance		\$2,191,179.41
	Liability Total:		\$2,195,647.64
	Fund Total:	\$2,195,647.64	\$2,195,647.64

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
Bank: 1 LAFAMBANK - GF CHECKING					
71567	1/5/2016	201	AIRGAS EAST	\$132.42	R
Invoice:	9046338295		0 Argon/Carbon dioxide/spool wire	12/11/2015	\$132.42
Ledger:	2016	01430200	Materials/Supplies	\$132.42	
Invoice Summary for 71567 (1 detail record)					\$132.42
71568	1/5/2016	7	AIRPORT ROAD TRANSMISSION INC	\$199.71	R
Invoice:	3272		0 2006 Dodge Durango	12/16/2015	\$199.71
Ledger:	2016	01430373	Vehicle - O/M/R	\$199.71	
Invoice Summary for 71568 (1 detail record)					\$199.71
71569	1/5/2016	110	ALTRONICS, INC	\$7,828.75	R
Invoice:	102491		0 Service Contract	1/1/2016	\$7,828.75
Ledger:	2016	01409370	Maint/Repair of Building	\$7,828.75	
Invoice Summary for 71569 (1 detail record)					\$7,828.75
71570	1/5/2016	101105	ASPHALT MAINT SOLUTIONS LLC	\$10,555.92	R
Invoice:	2620		0 Asphalt and rental	12/15/2015	\$2,087.17
Ledger:	2016	01491280	Unpaid Bills Prior Years	\$2,087.17	
Invoice:	2621		0 Asphalt and rental	12/15/2015	\$1,281.25
Ledger:	2016	01491280	Unpaid Bills Prior Years	\$1,281.25	
Invoice:	2622		0 Asphalt and rental	12/15/2015	\$7,187.50
Ledger:	2016	01491280	Unpaid Bills Prior Years	\$7,187.50	
Invoice Summary for 71570 (3 detail records)					\$10,555.92
71571	1/5/2016	889	BROSKY INSURANCE AGENCY, INC.	\$32,247.00	R
Invoice:	1135		0 Bond renewal Louis Mahlman	12/21/2015	\$300.00
Ledger:	2016	01486356	Public Officials Bond	\$300.00	
Invoice:	1137		0 Public Officials/Employment Liability Coverage	12/28/2015	\$14,051.00
Ledger:	2016	01486351	Business Insurance	\$14,051.00	
Invoice:	1138		0 Law Enforcement Liability Coverage	12/29/2015	\$17,896.00
Ledger:	2016	01486351	Business Insurance	\$17,896.00	
Invoice Summary for 71571 (3 detail records)					\$32,247.00
71572	1/5/2016	101244	BRYAN J EVANS	\$166.66	O
Invoice:	010516		0 January Emergency Management	1/5/2016	\$166.66
Ledger:	2016	01415120	Administrative Person. Comp.	\$166.66	
Invoice Summary for 71572 (1 detail record)					\$166.66
71573	1/5/2016	101332	CHRIS SNYDER	\$250.00	R
Invoice:	010516		0 January Dog Control	1/5/2016	\$250.00
Ledger:	2016	01421150	Dog Control Wages	\$250.00	
Invoice Summary for 71573 (1 detail record)					\$250.00
71574	1/5/2016	43820	EASTERN INDUSTRIES, INC.	\$451.31	R
Invoice:	6247738		0 Coldpatch	12/10/2015	\$217.50
Ledger:	2016	01438240	Road Materials/Supplies	\$217.50	
Invoice:	6252051		0 Coldpatch	12/17/2015	\$233.81
Ledger:	2016	01438240	Road Materials/Supplies	\$233.81	
Invoice Summary for 71574 (2 detail records)					\$451.31

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
71575	1/5/2016	101339	HELLERTOWN AREA LIBRARY	\$7,801.41	R
Invoice:	010516		0 January Library Services	1/5/2016	\$7,801.41
	Ledger:	2016 01456500	Library Contribution	\$7,801.41	
			Invoice Summary for 71575 (1 detail record)		\$7,801.41
71576	1/5/2016	23012	MACMILLAN OIL CO OF ALLENTOWN	\$955.25	R
Invoice:	16260		0 Motor Oil	12/18/2015	\$955.25
	Ledger:	2016 01409234	Oils/Lubricants	\$955.25	
			Invoice Summary for 71576 (1 detail record)		\$955.25
71577	1/5/2016	101282	Michelle Haggerty	\$291.50	R
Invoice:	Cleaning122015		0 December 2015 Cleaning	1/5/2016	\$291.50
	Ledger:	2016 01409140	Maintenance Personnel Compensa	\$291.50	
			Invoice Summary for 71577 (1 detail record)		\$291.50
71578	1/5/2016	100925	MOBILE LIFTS, INC	\$413.25	R
Invoice:	193708		0 Annual Safety Inspection	11/30/2015	\$0.00
	Ledger:	2016 01430373	Vehicle - O/M/R	\$0.00	
	Ledger:	2016 01491280	Unpaid Bills Prior Years	\$413.25	
			Invoice Summary for 71578 (2 detail records)		\$413.25
71579	1/5/2016	99885	MRM Property & Liability Trust	\$54,053.00	R
Invoice:	372086		0 2016 Liability Insurance	12/29/2015	\$26,190.00
	Ledger:	2016 01486352	Vehicle Insurance	\$26,190.00	
	Ledger:	2016 01486351	Business Insurance	\$27,863.00	
			Invoice Summary for 71579 (2 detail records)		\$54,053.00
71580	1/5/2016	99886	MRM WC Pooled Trust	\$11,228.24	R
Invoice:	1516PRJ9464		0 Installment 5 of 12	1/5/2016	\$11,228.24
	Ledger:	2016 01486354	Workmen's Compensation	\$11,228.24	
			Invoice Summary for 71580 (1 detail record)		\$11,228.24
71581	1/5/2016	39704	NAPA Auto Parts-Hellertown	\$249.85	R
Invoice:	975124		0 x marks	1/5/2016	\$55.74
	Ledger:	2016 01452370	Maintenance/Repairs	\$0.00	
	Ledger:	2016 01491280	Unpaid Bills Prior Years	\$55.74	
Invoice:	975731		0 Dodge Durango	1/5/2016	\$43.60
	Ledger:	2016 01430373	Vehicle - O/M/R	\$43.60	
Invoice:	975765		0 Credit	1/5/2016	(\$49.08)
	Ledger:	2016 01414371	Vehicle Maint/Repair - O/M/R	(\$49.08)	
Invoice:	975822		0 car 160	12/22/2015	\$199.59
	Ledger:	2016 01491280	Unpaid Bills Prior Years	\$199.59	
			Invoice Summary for 71581 (5 detail records)		\$249.85
71582	1/5/2016	100088	OTIS ELEVATOR CO.	\$2,877.41	R
Invoice:	NPC05146116		0 Service Contract 2016	12/21/2015	\$2,877.41
	Ledger:	2016 01409370	Main/Repair of Building	\$2,877.41	
			Invoice Summary for 71582 (1 detail record)		\$2,877.41
71583	1/5/2016	326	PENN DETROIT DIESEL	\$230.00	R
Invoice:	3550732		0 Truck 5	12/8/2015	\$115.00

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
	Ledger:	2016 01430373	Vehicle - O/M/R	\$115.00	
Invoice:	3550733		0 Truck #2	12/8/2015	\$115.00
	Ledger:	2016 01430373	Vehicle - O/M/R	\$115.00	
Invoice Summary for 71583 (2 detail records)					\$230.00
71584	1/5/2016	59556	PPL UTILITIES	\$4,337.36	R
Invoice:	0867728452 012016		0 Heller Home	12/21/2015	\$84.92
	Ledger:	2016 01409361	Electricity	\$84.92	
Invoice:	0914020018 012016		0 Widow House	12/21/2015	\$79.48
	Ledger:	2016 01409361	Electricity	\$79.48	
Invoice:	2956015019 012016		0 Lutz-Franklin	12/29/2015	\$29.43
	Ledger:	2016 01409361	Electricity	\$29.43	
Invoice:	4356018001 012016		0 Town Hall	12/28/2015	\$125.53
	Ledger:	2016 01409361	Electricity	\$125.53	
Invoice:	4376018007 012016		0 Public Works	12/28/2015	\$576.77
	Ledger:	2016 01409361	Electricity	\$576.77	
Invoice:	4436018007 012016		0 Ballfield Lights	12/28/2015	\$125.62
	Ledger:	2016 01409361	Electricity	\$125.62	
Invoice:	4451861004 012016		0 New Town Hall	12/28/2015	\$3,241.11
	Ledger:	2016 01409361	Electricity	\$3,241.11	
Invoice:	4496018005 012016		0 Pavilion	12/28/2015	\$17.90
	Ledger:	2016 01409361	Electricity	\$17.90	
Invoice:	4516018049 012016		0 Blair House	12/28/2015	\$15.00
	Ledger:	2016 01409361	Electricity	\$15.00	
Invoice:	4897139001 012016		0 Kingston Park	12/22/2015	\$41.60
	Ledger:	2016 01409361	Electricity	\$41.60	
Invoice Summary for 71584 (10 detail records)					\$4,337.36
71585	1/5/2016	100474	PSATS	\$2,116.00	R
Invoice:	36781		0 2016 PSATS Membership Dues	1/5/2016	\$2,116.00
	Ledger:	2016 01401420	General Expenses	\$2,116.00	
Invoice Summary for 71585 (1 detail record)					\$2,116.00
71586	1/5/2016	101254	SUBURBAN PROPANE	\$1,497.33	R
Invoice:	603866		0 ETH 1.5874	12/22/2015	\$1,006.18
	Ledger:	2016 01409231	Unleaded Gasoline	\$1,006.18	
Invoice:	802525		0 ULSD 1.4787	12/22/2015	\$491.15
	Ledger:	2016 01409230	Heating Oil/Diesel Fuel	\$491.15	
Invoice Summary for 71586 (2 detail records)					\$1,497.33
71587	1/5/2016	100583	TransEdge Truck Center	\$111.84	R
Invoice:	IN90446		0 mack fleet	12/23/2015	\$111.84
	Ledger:	2016 01491280	Unpaid Bills Prior Years	\$111.84	
Invoice Summary for 71587 (1 detail record)					\$111.84
71588	1/5/2016	99833	UGI ENERGY SERVICES, LLC	\$502.63	R
Invoice:	509294705804 012016		0 Maintenance Garage	1/5/2016	\$502.63
	Ledger:	2016 01409362	Gas (Heating)	\$502.63	
Invoice Summary for 71588 (1 detail record)					\$502.63

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
71589	1/5/2016	302	VERIZON	\$37.79	R
Invoice:	610882994721762Y 012015		0 610882994721762Y Dec 18-Jan 17	12/18/2015	\$37.79
	Ledger: 2016 01409320		Communication Expense	\$37.79	
			Invoice Summary for 71589 (1 detail record)		\$37.79
71590	1/6/2016	326	PENN DETROIT DIESEL	\$172.50	R
Invoice:	3550733-1		0 Inv 3550733 Difference	1/6/2016	\$172.50
	Ledger: 2016 01430373		Vehicle - O/M/R	\$172.50	
			Invoice Summary for 71590 (1 detail record)		\$172.50
71591	1/8/2016	100755	ATLANTIC TACTICAL	\$896.70	R
Invoice:	SI-80536912		0 Body Armor for Pritchard	11/25/2015	\$896.70
	Ledger: 2015 01410700		Major Equipment Purchase	\$896.70	
			Invoice Summary for 71591 (1 detail record)		\$896.70
71592	1/8/2016	101491	Blackinton	\$32.00	R
Invoice:	PoliceBadges122015		0 Refurbish Police Badge 135	1/8/2016	\$32.00
	Ledger: 2015 01410372		Maint/Repair Equipment	\$32.00	
			Invoice Summary for 71592 (1 detail record)		\$32.00
71593	1/8/2016	77	CHRIN HAULING, INC.	\$537.22	R
Invoice:	610944-5CJ		0 Maintenance Garage	12/19/2015	\$152.14
	Ledger: 2016 01409367		Refuse Removal	\$152.14	
Invoice:	614557-5CJ		0 Southeastern Park	12/19/2015	\$112.70
	Ledger: 2016 01452367		Refuse Removal	\$112.70	
Invoice:	614560-5CJ		0 Town Hall Park	12/19/2015	\$112.70
	Ledger: 2016 01452367		Refuse Removal	\$112.70	
Invoice:	631675-5CJ		0 Town Hall	12/19/2015	\$46.98
	Ledger: 2016 01409367		Refuse Removal	\$46.98	
Invoice:	746291-5CJ		0 Polk Valley Park	12/19/2015	\$112.70
	Ledger: 2016 01452367		Refuse Removal	\$112.70	
			Invoice Summary for 71593 (5 detail records)		\$537.22
71594	1/8/2016	101490	Freelinc	\$218.97	R
Invoice:	0109386		0 Wireless Mic for Kunigus	1/8/2016	\$218.97
	Ledger: 2015 01410241		Uniforms	\$218.97	
			Invoice Summary for 71594 (1 detail record)		\$218.97
71595	1/8/2016	80	FULTON BANK	\$3,287.94	R
Invoice:	0237		0 MINOR EQUIPMENT	11/25/2015	\$1,160.94
	Ledger: 2015 01430750		Minor Equipment Purchase	\$1,160.94	
Invoice:	0913		0 Amazon Prime Renewal	11/19/2015	\$104.94
	Ledger: 2016 01410420		General Expenses	\$104.94	
Invoice:	1155/1436		0 Microsoft Surface Tablet for Detective	1/8/2016	\$824.67
	Ledger: 2015 01407700		Major Equipment	\$824.67	
Invoice:	1852		0 MINOR EQUIPMENT	11/24/2015	\$114.92
	Ledger: 2015 01430750		Minor Equipment Purchase	\$114.92	
Invoice:	2080		0 Blanket PO for LexisNexis Accurint	1/8/2016	\$50.00
	Ledger: 2015 01410470		Investigation Expense	\$50.00	
Invoice:	2110/6293/7836		0 Items from Amazon.com	1/8/2016	\$251.31

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
	Ledger:	2015 01410420	General Expenses	\$0.00	
	Ledger:	2015 01407750	Minor Equipment Purchase	\$90.95	
	Ledger:	2015 01409140	Maintenance Personnel Compensa	\$49.60	
	Ledger:	2015 01410316	Training	\$83.50	
	Ledger:	2015 01410340	Advertising and Printing	\$27.26	
Invoice: 3523		0	Upgrade to Windows 10 Pro	1/8/2016	\$105.99
	Ledger:	2015 01407751	Software/Licenses Purchase	\$105.99	
Invoice: 5097		0	eFax for November 2015	1/8/2016	\$165.30
	Ledger:	2015 01407751	Software/Licenses Purchase	\$165.30	
Invoice: 8096		0	Things Remembered	12/9/2015	\$102.82
	Ledger:	2015 01401420	General Expenses	\$102.82	
Invoice: 8727		0	Lightbulbs	11/20/2015	\$286.70
	Ledger:	2015 01409370	Maint/Repair of Building	\$286.70	
Invoice: 9655		0	Michaels -Garland	11/20/2015	\$60.35
	Ledger:	2015 01401420	General Expenses	\$60.35	
Invoice: 9785		0	PSATS -Newly Elected Boot Camp	12/2/2015	\$60.00
	Ledger:	2015 01401420	General Expenses	\$60.00	
			Invoice Summary for 71595 (16 detail records)		\$3,287.94
71596	1/8/2016	80	FULTON BANK		\$15.89 R
Invoice: 7377		0	Adobe Subscription for 2015	1/8/2016	\$15.89
	Ledger:	2016 01407751	Software/Licenses Purchase	\$15.89	
			Invoice Summary for 71596 (1 detail record)		\$15.89
71597	1/8/2016	101434	GA-REL Manufacturing Co		\$56.18 R
Invoice: 8103		0	Award Bars	12/14/2015	\$56.18
	Ledger:	2015 01410420	General Expenses	\$56.18	
			Invoice Summary for 71597 (1 detail record)		\$56.18
71598	1/8/2016	87528	GALLS		\$79.92 R
Invoice: 004595980-004520289		0	Items for Chief	12/16/2015	\$79.92
	Ledger:	2015 01410241	Uniforms	\$79.92	
			Invoice Summary for 71598 (1 detail record)		\$79.92
71599	1/8/2016	100377	GLENN J DAVIS		\$350.00 R
Invoice: Clothing012016		0	2016 Clothing Allowance	1/8/2016	\$350.00
	Ledger:	2016 01430420	General Expenses	\$350.00	
			Invoice Summary for 71599 (1 detail record)		\$350.00
71600	1/8/2016	101009	JAMES T JOHNSON		\$33.54 R
Invoice: Clothing122015		0	2016 Clothing Allowance	1/8/2016	\$33.54
	Ledger:	2016 01430420	General Expenses	\$33.54	
			Invoice Summary for 71600 (1 detail record)		\$33.54
71601	1/8/2016	20102	MCGEE UNIFORM		\$166.00 R
Invoice: 3240		0	Items for Officer Werkheiser	12/19/2015	\$166.00
	Ledger:	2015 01410241	Uniforms	\$166.00	
			Invoice Summary for 71601 (1 detail record)		\$166.00
71602	1/8/2016	210	MOBILE GRAPHIX INC		\$26.00 R

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
Invoice: 122015			0 Trucks 3 and 4	12/21/2015	\$26.00
Ledger: 2016 01430373			Vehicle - O/M/R	\$26.00	
			Invoice Summary for 71602 (1 detail record)		\$26.00
71603	1/8/2016	39704	NAPA Auto Parts-Hellertown		\$189.35 R
Invoice: 975875			0 Credit on Account	12/23/2015	(\$49.55)
Ledger: 2016 01410373			Vehicle - O/M/R	(\$49.55)	
Invoice: 976263			0 Car 167	12/29/2015	\$156.25
Ledger: 2016 01410373			Vehicle - O/M/R	\$156.25	
Invoice: 976316			0 Car 167	12/30/2015	\$82.65
Ledger: 2016 01410373			Vehicle - O/M/R	\$82.65	
			Invoice Summary for 71603 (3 detail records)		\$189.35
71604	1/8/2016	100797	PA CHIEFS OF POLICE		\$1,000.00 R
Invoice: 2016Accred			0 Annual Accreditation Fee	12/1/2015	\$1,000.00
Ledger: 2015 01410420			General Expenses	\$1,000.00	
			Invoice Summary for 71604 (1 detail record)		\$1,000.00
71605	1/8/2016	100668	PATRICK CONNELLY		\$3.03 R
Invoice: Clothing 122015			0 2015 Clothing Allowance	1/7/2016	\$3.03
Ledger: 2016 01491280			Unpaid Bills Prior Years	\$3.03	
			Invoice Summary for 71605 (1 detail record)		\$3.03
71606	1/8/2016	326	PENN DETROIT DIESEL		\$172.50 R
Invoice: 3554207			0 Truck 4	12/17/2015	\$115.00
Ledger: 2016 01430373			Vehicle - O/M/R	\$115.00	
Invoice: 3554208			0 Truck 3	12/17/2015	\$57.50
Ledger: 2016 01430373			Vehicle - O/M/R	\$57.50	
			Invoice Summary for 71606 (2 detail records)		\$172.50
71607	1/8/2016	99977	PONDELEKS FLORIST		\$63.55 R
Invoice: 64317			0 Flowers for Kevin Yeakel	12/13/2015	\$63.55
Ledger: 2015 01401420			General Expenses	\$63.55	
			Invoice Summary for 71607 (1 detail record)		\$63.55
71608	1/8/2016	86	RELIABLE SIGNS & STRIPING		\$231.25 R
Invoice: 3138			0 SIGNS	1/7/2016	\$0.00
Ledger: 2016 01430373			Vehicle - O/M/R	\$0.00	
Ledger: 2016 01491280			Unpaid Bills Prior Years	\$231.25	
			Invoice Summary for 71608 (2 detail records)		\$231.25
71609	1/8/2016	99842	ROGER A RASICH		\$18.04 R
Invoice: Clothing 122015			0 2015 Clothing Allowance	1/7/2016	\$18.04
Ledger: 2015 01430420			General Expenses	\$18.04	
			Invoice Summary for 71609 (1 detail record)		\$18.04
71610	1/8/2016	101379	RYDER GRAPHICS		\$81.95 R
Invoice: 7475			0 PLEAC Accreditation Stickers for Vehicles	12/18/2015	\$81.95
Ledger: 2015 01410420			General Expenses	\$81.95	
			Invoice Summary for 71610 (1 detail record)		\$81.95
71611	1/8/2016	100775	STAPLES ADVANTAGE		\$185.41 R

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
Invoice: 8037258279			0 office supplies & water	12/19/2015	\$185.41
Ledger: 2015 01401420			General Expenses	\$28.44	
Ledger: 2015 01406200			Office Materials/Supplies	\$156.97	\$28.44
					\$156.97
			Invoice Summary for 71611 (2 detail records)		\$185.41
71612 1/8/2016 220			STAPLES CREDIT PLAN	\$228.39	R
Invoice: 1455364961			0 Public Works printer	12/3/2015	\$134.94
Ledger: 2015 01406201			Computer Supplies	\$134.94	
Ledger: 2015 01407750			Minor Equipment Purchase	\$93.45	\$ 93.45
			Invoice Summary for 71612 (2 detail records)		\$228.39
71613 1/8/2016 101234			Syn-Tech Systems Inc.	\$918.75	R
Invoice: 119983			0 Maintenance Agreement	12/9/2015	\$918.75
Ledger: 2016 01409374			Office Equip Maint/Repair	\$918.75	
			Invoice Summary for 71613 (1 detail record)		\$918.75
71614 1/8/2016 101334			THE MORNING CALL	\$1,885.94	R
Invoice: 002423394			0 Legal Ad - ZHB Mtg 12/21/15	1/8/2016	\$887.00
Ledger: 2015 01414340			Advertising and Printing	\$887.00	
Invoice: 002423394-1			0 Crewman Ad	1/8/2016	\$924.87
Ledger: 2015 01401340			Advertising and Printing	\$924.87	
Invoice: 002430515			0 MC Ad # 3824474 2016 Council Re-org	1/7/2016	\$74.07
Ledger: 2015 01401340			Advertising and Printing	\$74.07	
			Invoice Summary for 71614 (3 detail records)		\$1,885.94
71615 1/8/2016 396			TIMOTHY CONNELL	\$550.00	R
Invoice: Fall2015Tuition			0 Fall 2015 Education Reimbursement	12/28/2015	\$550.00
Ledger: 2016 01491280			Unpaid Bills Prior Years	\$550.00	
			Invoice Summary for 71615 (1 detail record)		\$550.00
71616 1/8/2016 100987			WAITZ CORPORATION	\$24.71	R
Invoice: 120032			0 Donna Louders nameplate	12/21/2015	\$24.71
Ledger: 2015 01406200			Office Materials/Supplies	\$24.71	
			Invoice Summary for 71616 (1 detail record)		\$24.71
71617 1/8/2016 101195			Warehouse Battery Outlet Inc	\$92.04	R
Invoice: 311141			0 car 163	1/5/2016	\$92.04
Ledger: 2016 01410373			Vehicle - O/M/R	\$92.04	
			Invoice Summary for 71617 (1 detail record)		\$92.04
71618 1/8/2016 21605			MP OUTFITTERS	\$697.95	R
Invoice: 10315-5			0 Items for Officers	12/10/2015	\$99.98
Ledger: 2015 01410241			Uniforms	\$99.98	
Invoice: 10381-5			0 Items for Officers	12/14/2015	\$5.94
Ledger: 2015 01410241			Uniforms	\$5.94	
Invoice: 165834-2			0 Items for Officers	11/18/2015	\$592.03
Ledger: 2015 01410241			Uniforms	\$592.03	
			Invoice Summary for 71618 (3 detail records)		\$697.95
71619 1/12/2016 100350			DCED	\$196.00	O
Invoice: 4thQuarter2015Fees			0 4th Quarter 2015 Fees	1/12/2016	\$196.00

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
	Ledger:	2016 01491280	Unpaid Bills Prior Years	\$196.00	
			Invoice Summary for 71619 (1 detail record)		\$196.00
71620	1/20/2016	100901	AIR-TRAK	\$449.10	O
Invoice:	75085		0 Air-Trak Monthly Fee Blanket Req	12/2/2015	\$224.55
	Ledger:	2015 01410372	Maint/Repair Equipment	\$224.55	
Invoice:	75186		0 Air-Trak Monthly Fee Blanket Req	1/4/2016	\$224.55
	Ledger:	2015 01410372	Maint/Repair Equipment	\$224.55	
			Invoice Summary for 71620 (2 detail records)		\$449.10
71621	1/20/2016	99801	ALL-AMERICAN PUBLISHING	\$270.00	R
Invoice:	0711488-IN		0 Pocket Calendar 2016	12/30/2015	\$270.00
	Ledger:	2016 01401340	Advertising and Printing	\$270.00	
			Invoice Summary for 71621 (1 detail record)		\$270.00
71622	1/20/2016	99927	ALLEGRA PRINT & IMAGING	\$56.70	R
Invoice:	103682		0 Business cards for Donna Louder	1/7/2016	\$56.70
	Ledger:	2016 01401420	General Expenses	\$56.70	
			Invoice Summary for 71622 (1 detail record)		\$56.70
71623	1/20/2016	332	BERK ONE	\$75.00	R
Invoice:	15120046		0 December Real Estate Services	12/31/2015	\$75.00
	Ledger:	2016 01402323	Real Estate Tax Prep/Mailing	\$75.00	
			Invoice Summary for 71623 (1 detail record)		\$75.00
71624	1/20/2016	100233	BOUCHER & JAMES, INC.	\$1,344.00	O
Invoice:	76180		0 General Planning	1/7/2016	\$1,216.00
	Ledger:	2016 01414312	Consulting Services	\$1,216.00	
Invoice:	76181		0 General Zoning	1/7/2016	\$128.00
	Ledger:	2016 01414312	Consulting Services	\$128.00	
			Invoice Summary for 71624 (2 detail records)		\$1,344.00
71625	1/20/2016	19857	CITY OF BETHLEHEM	\$1,934.66	O
Invoice:	13010 012016		0 Hydrant	1/9/2016	\$1,716.00
	Ledger:	2016 01411360	Hydrant Service	\$1,716.00	
Invoice:	6979 012016		0 6979 Water Usage	1/9/2016	\$98.61
	Ledger:	2016 01409360	Water Usage	\$98.61	
Invoice:	6980 012016		0 6980 Water Usage	1/9/2016	\$120.05
	Ledger:	2016 01409360	Water Usage	\$120.05	
			Invoice Summary for 71625 (3 detail records)		\$1,934.66
71626	1/20/2016	237	FREEDOM SYSTEMS	\$1,876.00	R
Invoice:	1008650		0 Annual Maintenance Agreement	1/1/2016	\$1,876.00
	Ledger:	2016 01407751	Software/Licenses Purchase	\$1,876.00	
			Invoice Summary for 71626 (1 detail record)		\$1,876.00
71627	1/20/2016	51563	GEORGE HEITCZMAN, ESQ.	\$114.00	O
Invoice:	24534		0 Zoning Hearing Board	1/1/2016	\$114.00
	Ledger:	2016 01404311	Legal Services-Planning/Zoning	\$114.00	
			Invoice Summary for 71627 (1 detail record)		\$114.00
71628	1/20/2016	100561	GFOA	\$170.00	O

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
Invoice: 0156243	2016	01402420	0 2016 Annual Membership	1/7/2016	\$170.00
Ledger: 2016			General Expenses	\$170.00	
			Invoice Summary for 71628 (1 detail record)		\$170.00
71629	1/20/2016	251	KISTLER OBRIEN FIRE PROTECTION		\$212.00 R
Invoice: 605188			0 Annual Inspections - Maintenance	1/13/2016	\$212.00
Ledger: 2016		01409370	Maint/Repair of Building	\$212.00	
			Invoice Summary for 71629 (1 detail record)		\$212.00
71630	1/20/2016	15869	Lower Saucon Authority		\$506.00 V
Invoice: December 2015			0 December Fire Tax	1/19/2016	\$27.07
Ledger: 2016		01491001	Refund of Prior Year Revenue	\$27.07	
Ledger: 2016		01230035	Special Tax Fund	\$478.93	
			Invoice Summary for 71630 (2 detail records)		\$506.00
71631	1/20/2016	100824	MR JOHN		\$858.74 R
Invoice: 4994494			0 Town Hall Park	12/31/2015	\$149.50
Ledger: 2016		01452450	Park Contracted Services	\$149.50	
Invoice: 4994495			0 Polk Valley Park	12/31/2015	\$197.74
Ledger: 2016		01452450	Park Contracted Services	\$197.74	
Invoice: 4994496			0 Heller Homestead	12/31/2015	\$86.50
Ledger: 2016		01452450	Park Contracted Services	\$86.50	
Invoice: 4994498			0 Steel City	12/31/2015	\$63.00
Ledger: 2016		01452450	Park Contracted Services	\$63.00	
Invoice: 4994499			0 Southeastern Park	12/31/2015	\$63.00
Ledger: 2016		01452450	Park Contracted Services	\$63.00	
Invoice: 4994500			0 Easton Rd Field	12/31/2015	\$86.50
Ledger: 2016		01452450	Park Contracted Services	\$86.50	
Invoice: 4994501			0 Rail Trail	12/31/2015	\$149.50
Ledger: 2016		01452450	Park Contracted Services	\$149.50	
Invoice: 4994502			0 Woodland Hills Preserve	12/31/2015	\$63.00
Ledger: 2016		01452450	Park Contracted Services	\$63.00	
			Invoice Summary for 71631 (8 detail records)		\$858.74
71632	1/20/2016	211	PA ONE CALL SYSTEM, INC.		\$48.56 R
Invoice: 667507			0 Monthly Activity Fee	12/31/2015	\$48.56
Ledger: 2016		01409320	Communication Expense	\$48.56	
			Invoice Summary for 71632 (1 detail record)		\$48.56
71633	1/20/2016	99977	PONDELEKS FLORIST		\$59.95 R
Invoice: 64760			0 Sympathy Flowers - Yeakel	1/6/2016	\$59.95
Ledger: 2016		01401420	General Expenses	\$59.95	
			Invoice Summary for 71633 (1 detail record)		\$59.95
71634	1/20/2016	79530	POSTMASTER		\$800.00 R
Invoice: 2016 Winter			0 postage for 2016 winter newsletter	1/19/2016	\$800.00
Ledger: 2016		01414341	Township Newsletter	\$800.00	
			Invoice Summary for 71634 (1 detail record)		\$800.00
71635	1/20/2016	59556	PPL UTILITIES		\$18.84 R

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
Invoice:	9229011008 012016		0 Southeastern Park	1/15/2016	\$18.84
Ledger:	2016 01409361		Electricity	\$18.84	
Invoice Summary for 71635 (1 detail record)					\$18.84
71636	1/20/2016	101161	RICOH USA Inc	\$941.15	R
Invoice:	96167010		0 Police Copiers	1/13/2016	\$257.15
Ledger:	2016 01409384		Office Equipment Rental	\$257.15	
Invoice:	96171969		0 Admin Copiers	1/14/2016	\$684.00
Ledger:	2016 01409384		Office Equipment Rental	\$684.00	
Invoice Summary for 71636 (2 detail records)					\$941.15
71637	1/20/2016	99863	SERVICE ELECTRIC CABLE	\$79.95	R
Invoice:	463878337 012016		0 January Internet Service	1/19/2016	\$79.95
Ledger:	2016 01409320		Communication Expense	\$79.95	
Invoice Summary for 71637 (1 detail record)					\$79.95
71638	1/20/2016	99961	SERVICE ELECTRIC TELEPHONE CO.	\$503.48	R
Invoice:	559 012016		0 Telephone Service	1/15/2016	\$503.48
Ledger:	2016 01409230		Heating Oil/Diesel Fuel	\$503.48	
Invoice Summary for 71638 (1 detail record)					\$503.48
71639	1/20/2016	100775	STAPLES ADVANTAGE	\$875.85	R
Invoice:	8037496321-1		0 cleaning supplies	1/9/2016	\$334.93
Ledger:	2016 01401420		General Expenses	\$115.90	
Ledger:	2016 01406200		Office Materials/Supplies	\$9.42	
Ledger:	2016 01409200		Building Materials/Supplies	\$209.62	
Invoice:	8037496321-2		0 January office supply order	1/9/2016	\$540.91
Ledger:	2016 01406200		Office Materials/Supplies	\$540.91	
Invoice Summary for 71639 (4 detail records)					\$875.85
71640	1/20/2016	101231	State Workers Insurance Fund	\$2,882.00	R
Invoice:	05898428 012016		0 Installment 2 of 11	12/31/2015	\$2,882.00
Ledger:	2016 01486354		Workmen's Compensation	\$2,882.00	
Invoice Summary for 71640 (1 detail record)					\$2,882.00
71641	1/20/2016	12	STEVENS & LEE	\$252.25	R
Invoice:	455033		0 Legal	1/8/2016	\$252.25
Ledger:	2016 01404312		Special Counsel	\$252.25	
Invoice Summary for 71641 (1 detail record)					\$252.25
71642	1/20/2016	101254	SUBURBAN PROPANE	\$2,049.94	R
Invoice:	603888		0 ULSD 1.4388	12/29/2015	\$139.49
Ledger:	2016 01409230		Heating Oil/Diesel Fuel	\$139.49	
Invoice:	603906		0 ETH 1.6577	1/5/2016	\$878.09
Ledger:	2016 01409231		Unleaded Gasoline	\$878.09	
Invoice:	903060		0 ETH 1.6276	12/29/2015	\$826.10
Ledger:	2016 01409231		Unleaded Gasoline	\$826.10	
Invoice:	903089		0 ULSD 1.4545	1/5/2016	\$206.26
Ledger:	2016 01409230		Heating Oil/Diesel Fuel	\$206.26	
Invoice Summary for 71642 (4 detail records)					\$2,049.94

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
71643	1/20/2016	11493	TERMINIX INTERNATIONAL	\$275.00	O
Invoice:	4999701		0 Lutz Franklin Beetle Treatment	1/19/2016	\$275.00
	Ledger:	2016 01409370	Maint/Repair of Building	\$275.00	
			Invoice Summary for 71643 (1 detail record)		\$275.00
71644	1/20/2016	289	TREADWELL LAW OFFICES, P.C.	\$13,608.00	R
Invoice:	LS2015-12		0 Administrative Legal	12/31/2015	\$13,442.50
	Ledger:	2016 01404310	Legal Services	\$247.00	
	Ledger:	2016 01404310	Legal Services	\$1,314.00	
	Ledger:	2016 01404310	Legal Services	\$278.00	
	Ledger:	2016 01404310	Legal Services	\$11,603.50	
Invoice:	LS2015-12E		0 Zoning Legal	12/31/2015	\$165.50
	Ledger:	2016 01404310	Legal Services	\$165.50	
			Invoice Summary for 71644 (5 detail records)		\$13,608.00
71645	1/20/2016	19494	TRU-COMFORT, INC.	\$2,305.00	R
Invoice:	184886		0 Buildings	1/5/2016	\$2,305.00
	Ledger:	2016 01430700	Major Equipment Purchase	\$2,305.00	
			Invoice Summary for 71645 (1 detail record)		\$2,305.00
71646	1/20/2016	99833	UGI ENERGY SERVICES, LLC	\$467.86	R
Invoice:	504827752004	012016	0 Gas 120115-010416	1/19/2016	\$467.86
	Ledger:	2016 01409362	Gas (Heating)	\$467.86	
			Invoice Summary for 71646 (1 detail record)		\$467.86
71647	1/20/2016	34973	VALLEY VOICE PUBLISHING CO., I	\$85.00	R
Invoice:	12606		0 Cleaning Person ad	1/12/2016	\$85.00
	Ledger:	2016 01401340	Advertising and Printing	\$85.00	
			Invoice Summary for 71647 (1 detail record)		\$85.00
71648	1/20/2016	302	VERIZON	\$36.39	R
Invoice:	610997868321943Y	012016	0 Historical Society	1/6/2016	\$36.39
	Ledger:	2016 01409320	Communication Expense	\$36.39	
			Invoice Summary for 71648 (1 detail record)		\$36.39
71649	1/20/2016	100869	VERIZON WIRELESS	\$2,195.88	O
Invoice:	9758198052		0 Cell Phone usage	1/2/2016	\$1,777.78
	Ledger:	2016 01409320	Communication Expense	\$1,777.78	
Invoice:	9758198053		0 Tablet Usage	1/2/2015	\$418.10
	Ledger:	2016 01409320	Communication Expense	\$418.10	
			Invoice Summary for 71649 (2 detail records)		\$2,195.88
71650	1/20/2016	16113	Lower Saucon Township	\$506.00	R
Invoice:	December2015		0 December Fire Tax	1/20/2016	\$506.00
	Ledger:	2016 01491001	Refund of Prior Year Revenue	\$27.07	
	Ledger:	2016 01230035	Special Tax Fund	\$478.93	
			Invoice Summary for 71650 (2 detail records)		\$506.00
71651	1/29/2016	16113	Lower Saucon Township	\$322.24	O
Invoice:	JanFireTax16		0 2015 Fire Tax	1/29/2016	\$322.24
	Ledger:	2016 01230030	Due to Fire Protection Fund	\$322.24	

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
			Invoice Summary for 71651 (1 detail record)		\$322.24
			Summary for Bank 1 (161 detail records)	\$187,125.89	

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
Bank: 2 Lafayette Ambassador - State					
2128	1/5/2016	59556	PPL UTILITIES	\$145.76	R
Invoice:	0154018005 012016		0 Bingen/Hickory Light	12/21/2015	\$29.00
	Ledger: 2016 02430250		Traffic Signal M/R	\$29.00	
Invoice:	0657722355 012016		0 378/Seidersville Light	12/21/2015	\$27.11
	Ledger: 2016 02430250		Traffic Signal M/R	\$27.11	
Invoice:	0847722258 012016		0 X-Walk SV Conserv #1	12/21/2015	\$17.36
	Ledger: 2016 02430250		Traffic Signal M/R	\$17.36	
Invoice:	3797016000 012016		0 378/Black River Rd Light	12/28/2015	\$28.68
	Ledger: 2016 02430250		Traffic Signal M/R	\$28.68	
Invoice:	4867728456 012016		0 X-Walk SV Conserv #2	12/21/2015	\$17.36
	Ledger: 2016 02430250		Traffic Signal M/R	\$17.36	
Invoice:	8849727491 012016		0 378/Puggy Light	12/28/2015	\$26.25
	Ledger: 2016 02430250		Traffic Signal M/R	\$26.25	
			Invoice Summary for 2128 (6 detail records)		\$145.76
2129	1/20/2016	59556	PPL UTILITIES	\$3,039.42	R
Invoice:	1040053004 012016		0 Street Lighting	1/7/2016	\$3,039.42
	Ledger: 2016 02434360		Street Lighting	\$3,039.42	
			Invoice Summary for 2129 (1 detail record)		\$3,039.42
Summary for Bank 2 (7 detail records)				\$3,185.18	

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
Bank: 3 LAFAMBANK - Capital					
271	1/15/2016	101489	Mayfield Gardens, Inc.	\$53,930.00	O
Invoice:	249029		0 Orchard View Landscaping - 2015 Exp	12/11/2015	\$53,930.00
	Ledger:	2016 03439810	Road Improvement	\$53,930.00	
			Invoice Summary for 271 (1 detail record)		\$53,930.00
272	1/20/2016	100233	BOUCHER & JAMES, INC.	\$442.25	O
Invoice:	76182		0 Orchard View Estates	1/7/2016	\$442.25
	Ledger:	2016 03439810	Road Improvement	\$442.25	
			Invoice Summary for 272 (1 detail record)		\$442.25
Summary for Bank 3 (2 detail records)				\$54,372.25	

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
Bank: 11 LAFAMBANK - PAYROLL					
1077	1/6/2016	101146	Keystone Collections Group	\$302.35	O
Invoice:	4thQTRLST2015		0 4th Qtr 2015	1/6/2016	\$302.35
Ledger:	2016	01219000	OPT	\$302.35	
			Invoice Summary for 1077 (1 detail record)		\$302.35
Summary for Bank 11 (1 detail record)				\$302.35	

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check #	Check Date	Vendor #	Vendor Name	Check Amount	Status
Bank: 12 Lafayette Ambassador - Compost					
289	1/20/2016	100824	MR JOHN	\$47.06	R
Invoice:	4994497		0 Compost Center	12/31/2015	\$47.06
Ledger:	2016	01426360	Utilities	\$47.06	
			Invoice Summary for 289 (1 detail record)		\$47.06
290	1/20/2016	59556	PPL UTILITIES	\$58.44	R
Invoice:	5157347008 012016		0 Compost Center	12/28/2015	\$58.44
Ledger:	2016	01426360	Utilities	\$58.44	
			Invoice Summary for 290 (1 detail record)		\$58.44
291	1/20/2016	302	VERIZON	\$34.71	R
Invoice:	610838829808679Y 012016		0 Compost Center	12/13/2015	\$34.71
Ledger:	2016	01426320	Communications	\$34.71	
			Invoice Summary for 291 (1 detail record)		\$34.71
Summary for Bank 12 (3 detail records)				\$140.21	

Check Register with Ledger Accounts

Lower Saucon Township

From: 01-Jan-16 To: 31-Jan-16

Check # Check Date Vendor #

Vendor Name

Check Amount Status

Grand Total

\$245,125.88

Financial Reporting

EXHIBIT 3

Receipts by Transaction Code

Lower Saucon Township

January

		ions	Amount
ACCIDENT	Accident reports		\$180.00
ADMIN	ADMINISTRATION	9	\$92.00
BLDGPERMIT	BUILDING PERMITS	7	\$509.00
CRIME CODE	CRIME CODE VIOLATIONS	1	\$444.21
CTYCRTFINE	COUNTY COURT FINES	1	\$532.12
DRIVEWAY	ROAD ENCROACHMENT PERMITS	1	\$60.00
DUPTXBILL	DUPLICATE TAX BILL FEE	1	\$5.00
EIT-PRIOR	EARNED INCOME TAX PRIOR YEAR	5	\$110,028.39
EMSTAX	EMS Tax prior	2	\$3,118.13
FIRETXG	Fire Tax Laibility	2	\$21.01
HEALTH	Health Insurance reimb	6	\$16,748.77
HOST	Hosting Fee - Landfill	1	\$273,943.37
MISC	MISCELLANEOUS INCOME	1	\$6.25
MOVING	MOVING PERMITS	2	\$10.00
MTRVEHJP	MOTOR VEHICLE CODE VIOL JP	2	\$2,468.34
OPEITPRIOR	Open Space EIT Prior	5	\$55,242.55
OPENMISC	Misc Revenue Open Space	1	\$17.82
PARKTKTS	PARKING TICKETS	2	\$25.00
PAVILLO	Pavilion Rental	4	\$500.00
PSGRANT	Public Safety Grant	1	\$1,113.55
PWSVCS	Public Works Services	2	\$421.97
REAL/IP	REAL ESTATE-INTERIM PRIOR YR	3	\$431.98
REAL/P	REAL ESTATE-PRIOR YEARS	13	\$7,876.72
REIMBEXP	Reimbursement of Expenses	2	\$151.31
SANIPERMIT	SANITATION PERMITS	4	\$3,255.00

#Name?

		<u>Number of Transactions</u>	<u>Amount</u>
SECALARM	SECURITY ALARM MONITORING FEE	2	\$15.00
SUBDIVFEE	SUBDIVISION FEES	3	\$350.00
TAXCERT	TAX CERTIFICATION FEE	2	\$40.00
UCCREV	UCC REVENUE	1	\$4.00
ZONPERMITS	ZONING PERMITS/FEES	1	\$375.00
Grand Total :		89	\$477,976.49

Funding Mechanism

Exhibit 4

Exhibit 4

No Fund balance required						No Action Needed
Budget	15%	Cash Flow		Unrestricted		
\$ 7,500,000.00	\$ 1,125,000.00	\$ 4,070,000.00		\$ 3,000,000.00		
				\$ 1,875,000.00		
				Available for investing		
				\$600,000.00	6 months	* Exceeds \$1,125,000.00
				\$ 1,200,000.00	1 year	not to be more than 1 year
				\$ 1,200,000.00	2 year	
Need \$300,000.00 to balance budget						
Budget	15%					
\$ 7,500,000.00	\$ 1,125,000.00			\$ 3,000,000.00		* Approval of removing from Savings
				\$ (300,000.00)		Repayment - smooth over 10 years
				\$ 2,700,000.00		\$30,000.00 in additional revenue
				\$ (1,125,000.00)		
				\$ 1,575,000.00		* Signifies shortfall but manageable - review of
				\$540,000.00	6 months	expenses completed noted
				\$1,080,000.00	1 year	
				\$630,000.00	2 year	
Need \$1,000,000.00 to balance budget						
Budget	15%					
\$ 7,500,000.00	\$ 1,125,000.00			\$ 3,000,000.00		* Approval of removing from Savings
				\$ (1,000,000.00)		Repayment - smooth over 10 years
				\$ 2,000,000.00		\$100,000.00 in additional revenue
				\$ (1,125,000.00)		
				\$ 875,000.00		* Signifies a unplanned significant shortfall
				\$400,000.00	6 months	in revenue
				\$800,000.00	1 year	
				\$350,000.00	2 year	
Need \$1,500,000.00 to balance budget						
Budget	15%					
\$ 7,500,000.00	\$ 1,125,000.00			\$ 3,000,000.00		* Triggers budget not adopted
				\$ (1,500,000.00)		Major revisions required.
				\$ 1,500,000.00		
				\$ (1,125,000.00)		
				\$ 375,000.00		
				\$300,000.00	6 months	* less than \$1,125,000.00 needed
				\$750,000.00	1 year	not to be more than 1 year

Reference Material

A black and white illustration featuring a large, stylized dollar sign (\$) on a table. A woven basket filled with various pieces of cutlery, including knives and forks, sits on the table. Behind the basket is a large, crumpled paper bag, possibly representing a grocery bag. The background is a textured, stippled grey. The overall composition suggests a connection between budgeting and everyday household expenses.

**A Balanced Budget
IT'S NOT JUST ABOUT CUTS**

BY MELANIE D. PURCELL

In today's economy, balancing a budget requires more than just cutting back on expenditures. Traditional management has an underlying assumption of continued positive growth. Budgets have grown pretty consistently in the past, so traditional management would expect these trends to continue. If the budget fails to grow as expected, an attempt is made to move expenditures — and therefore services — back in time until growth gets back on track. But in today's environment, this approach is not feasible and will not carry an organization into a fiscally sound future (see Exhibit 1).

Because the current revenue picture is a result of unprecedented economic conditions, the current mix of expenditures can no longer be based on past models. The most immediate issue is the reality that local governments cannot afford the status quo. And even a smaller status quo, or just trimming at the margins, is beyond the reach of local governments that are experiencing declining sales tax revenues, and, soon, declining property tax revenues. There are plenty of theories as to the causes and cures for the ills facing the world economy, but there is not a point in history in which

Only when declining revenues threaten organizations' ability to operate do they typically respond with strategic analysis of what has to be done and what can be modified.

this combination of events and conditions has existed from which we can take concrete and proven solutions.

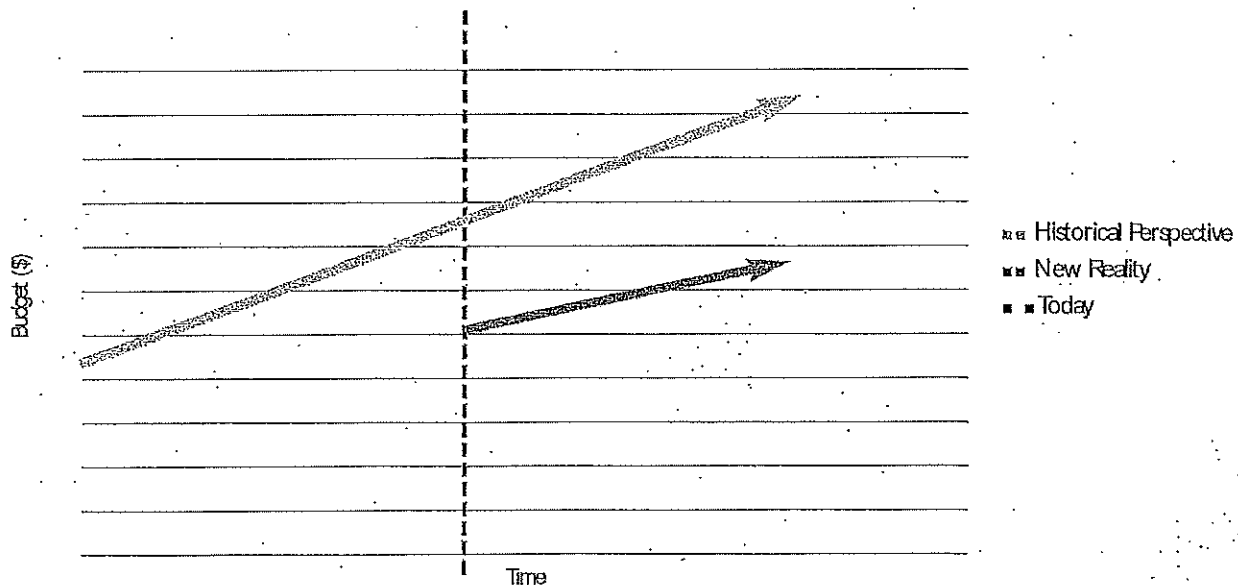
The medium- to long-term fiscal picture promises to provide a number of challenges. The short-term trials of today are quickly evolving into the normal operating conditions of the next two to five years. Renowned business analysts such as

Howard Davidowitz have predicted that the standard of living in the United States will decline permanently as a result of this most recent recession.¹ All governments will face financial constraints that mirror those of the average citizen. The National League of Cities' City Fiscal Conditions in 2009 report outlines a lag between economic and city fiscal conditions that makes it difficult to envision local government revenues beginning to grow back to 2006 levels before 2013.²

TAKING ANOTHER LOOK

"The way we have always done it" was obsolete years ago. There is a reason many recent management efforts have centered on quality management, citizen engagement, "lean thinking," comprehensive communications, and other code

Exhibit 1: The New Budgetary Baseline



words for new ways of doing business. It is understood that government must evolve, although we frequently continue to develop our budgets along incremental decisions. However, the demands on government each year evolve in a non-linear fashion, jaggging with each programmatic shift, in combination with that steady uphill climb over time.

Smoothing this growth over many years reinforces the belief that we operate along a continuum. When revenues are flush, operating expenditures typically increase accordingly, even with efforts to prudently invest in fund balance and capital infrastructure against lean times. Expenditures increase in program areas that reflect the values of a population experiencing a positive economic climate. Terms such as "quality of life" dominate budget discussions, and goals are set centering on parks development, library improvements, and expansive education and social programming.

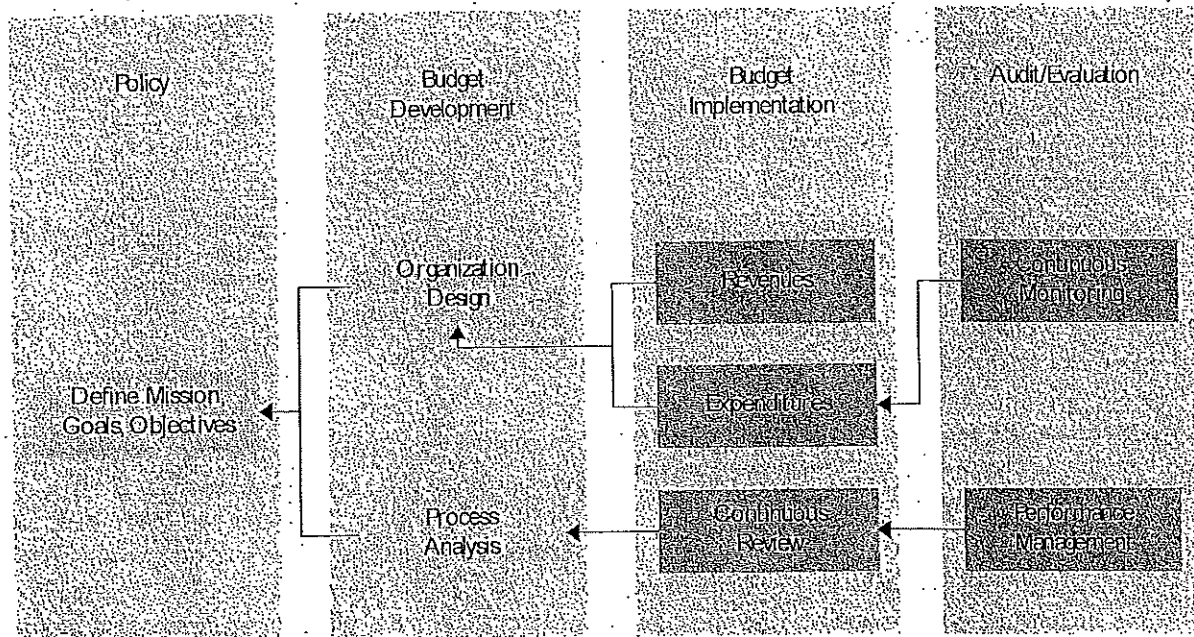
However, the services required in a declining economy — one that drags down revenues — reflect different values. Quality of life starts to have more to do with health-care safety nets, public safety, and other, more basic human service components that reach a broader spectrum of citizens at a more personal level. There is greater belief in justice as a protection from threat than justice as an egalitarian social ideal.

THE LONG VIEW

Historically, organizations initially respond to fiscal downturns and financial constraints by cutting around the margins. As pressures increase or the downturn lingers, cuts are made to the most recently added programs: last in, first out, or even according to some generic priority list (e.g., greater cuts to Parks and Recreation and smaller cuts to Public Safety). Only when declining revenues threaten organizations' ability to operate do they typically respond with strategic analysis of what has to be done and what can be modified. By this point, there is far less time available for quality research and data analysis, and solutions might not be as strong as they would have been if the evaluation process had been more thoughtful and considered.

The greatest hazard in either economic extreme is to lose sight of the long-term vision of the community and the long-term ramifications of actions taken. In our eagerness to meet short-term needs — and given our need to do so — we can unintentionally create formidable challenges for the future, including exacerbating and extending our immediate concerns so that they live far beyond the six to nine months we initially foresee. There is a building recognition that these pressures are not short term, will not mimic past recessions by

Exhibit 2: Imagine a New Budget Process



lasting 18 to 24 months, will not respond positively to incentives that succeeded in the past, and will present a different set of service demands. Hence, we need to redesign the way we do business, rather than strictly downsizing our governments along existing lines.

We need to put aside our scalpel, or even the hatchet, and fully consider our organizations in terms of the ideal structures needed to provide the most essential services. We need to ask ourselves why our organizations do what they do, what the best means of doing that might be, who should be involved, where this activity should be housed, and when we can make needed changes. These questions take on many forms — at least as many as the services our organizations provide — but they give us a basic map for exploring the assumptions that govern our operations.

A NEW BUDGET PROCESS

There are parallel paths between operations and accounting in the budget cycle (see Exhibit 2). Everything starts with the mission and defining long-term goals and short-term objectives. From this foundation, an organizational review helps define the structure of the system by which these goals and objectives are met, while systematic and meticulous diagramming and documentation of processes help define the methods by which goals and objectives are tackled. Another way to consider the budget development phase is to think of it as the step in which we define a system and the processes that the system uses.

Once we have established the budget as an organizational or operations concept, we assign revenue and expenditure numbers. In particular, accurate revenue estimates provide a statement of resources available. Building from the structure we designed earlier, we can assign expenditures to define the use of those resources. Continuous review is the systematic analysis of both revenues and expenditures as well as operations outputs and outcomes during the fiscal year. Frequent and detailed review is necessary to keep the organization in balance and productive.

The final phase that feeds back into the beginning of the cycle is the documentation and analysis of what has occurred. This includes the financial audit, with continuous

monitoring of cash and assets, liabilities, fund balance, and budget to determine ongoing financial position. In addition, the review and analysis of what has been achieved over the prior period encourages the organization to continue its successes and to reassess its challenges in the subsequent period. Refining the mission, goals, and objectives for the next budget flows directly from the audit and evaluation phase and allows the organization to learn as it evolves.

CONCLUSIONS

It is time to re-imagine our organizations. The rules, specified and assumed, might no longer apply, and all options must be examined. Budgeting builds on organizational design, once goals and objectives have been established. Since the majority of the services our organizations provide are based

Because the current revenue picture is a result of unprecedented economic conditions, the current mix of expenditures can no longer be based on past models.

on people, then by extension, our expenditures are based on people, and finding the optimum design for human resources deployment will drive the biggest change in expenditures. We need to take the time to document processes and examine every aspect of the services we provide, including the most basic question of who is supposed to be served, and in what way, and who is being served, and in what way. We need to rethink relationships and communica-

tions with internal and external partners to root out assumptions that are no longer valid. |

Notes

1. Aaron Task, "Worst Is Yet to Come: Americans' Standard of Living Permanently Changed," Yahoo! Finance, February 17, 2009, <http://finance.yahoo.com/tech-ticker/article/176478/%22Worst-Is-Yet-to-Come%22-Americans'-Standard-of-Living-Permanently-Changed?tickers=WMT,WFM,FDO,%5BGSPC,%5BEDII,RTH>.
2. Christopher W. Hoene and Michael A. Pagano, City Fiscal Conditions in 2009, National League of Cities, available at www.nlc.org.

MELANIE D. PURCELL is the assistant director for Municipal Technical Advisory Service at the University of Tennessee. She is also a member of the GFOA's Committee on Retirement Benefits Administration. Purcell has served local governments in Michigan, Wisconsin, Nebraska, and Nevada for the past 15 years, emphasizing budgeting, public and employee communications, and organizational effectiveness.

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Creating an Investment Policy

Type: Best Practice

Approved by GFOA's Executive Board: October 2010

Background:

A written investment policy is the single most important element in a public funds investment program. An investment policy should describe the most prudent primary objectives for a sound policy: safety, liquidity, and yield. It should also indicate the type of instruments eligible for purchase by a government entity, the investment process, and the management of a portfolio. Such a policy improves the quality of decisions and demonstrates a commitment to the fiduciary care of public funds, with emphasis on balancing safety of principal and liquidity with yield. Adherence to an investment policy signals to rating agencies, the capital markets and the public that a government entity is well managed and is earning interest income suitable to its situation and economic environment.

Recommendation:

GFOA recommends that all governing bodies adopt a comprehensive written investment policy and review and update its policies, if necessary on an annual basis.

The process of creating an investment policy should include:

- Examination of state public funds investment statutes. Most states have some form of public funds investment statutes. A state's public funds statute defines the parameters of what a government entity may do and serves as a guideline to begin drafting an investment policy. A government entity's policy may be more restrictive than a statute (e.g., limiting the amount (usually a percentage) or prohibiting the purchase of commercial paper, even though state law allows it) but it may not be more expansive.
- Examination of state public funds collateral statutes. State collateral laws correlate with public funds investment statutes and define how the government entity's public funds must be protected against depository failure. Government entities should adopt a public funds collateral policy just as they do an investment policy or incorporate such language within its investment policy. Many times a collateral law or policy will reference state investment statutes in establishing what instruments or techniques are eligible for use as collateral.
- Review of sample investment policies. Rather than starting an investment policy from scratch, government entities should consider reviewing existing investment policies. The GFOA's sample investment policy provides a format and content that can be modified for an entity's needs. Policies from other jurisdictions or state associations can be similarly useful.
- Drafting of an investment policy. The most prudent primary objectives for drafting a sound investment policy should be: safety, liquidity, and yield, in that order. The investment policy should address certain key questions, including:
 - Who are the authorized investment officers?
 - What standard of care will be established?
 - What instruments will be eligible for investment?
 - How will diversification be ensured?
 - How will safekeeping be handled?
 - What is the maximum term for any given investment?
 - What type of internal controls should be in place?
 - Who will comprise the investment committee (internal/external members), if any?
 - What type of investment reports/performance reports will be produced?
 - What types of benchmarks will be used?
 - Will an investment advisor be used (and to what capacity)?
 - What are the criteria for beginning or ending an investment relationship?
- Review by appropriate parties. Once a draft policy is formulated, seek input from the government entity's proposed investment officer(s), its leadership, including the government entity's legal department or counsel and the proposed investment committee. Colleagues in other jurisdictions might also be willing to review and comment.
- Adoption by formal action of governing body. Many states require a government investment policy to be approved by the entity's governing body. The approval process can be by resolution or other official action in a public meeting. By presenting the policy for formal approval, the policy becomes an established part of the government entity's

operations, rather than simply serving as an internal guideline.

- Establishment of written investment procedures. Just as the investment policy defines the boundaries of an entity's investing program, written procedures document who will do what on a day to day basis. Topics should include: procedures for taking competitive bids, delivering and paying for purchases, recording transactions, and obtaining approval before buying or selling decisions.
- Annual review of investment policy. The written investment policy should be a living document that is reviewed each year by a government entity's investment officials and modified as needed. The policy should be presented each year to the governing body for formal review and approval.

Committee: Treasury and Investment Management

References:

- Sample Investment Policy (GFOA) (2011)
- *Investing Public Funds* by Girard Miller with M. Corinne Larson and W. Paul Zorn. 2nd edition. Chicago: GFOA, 1998.
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Appropriate Level of Unrestricted Fund Balance in the General Fund

Type: Best Practice

Approved by GFOA's Executive Board: September 2015

Background:

In the context of financial reporting, the term *fund balance* is used to describe the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). Budget professionals commonly use this same term to describe the net position of governmental funds calculated on a government's budgetary basis.¹ While in both cases *fund balance* is intended to serve as a measure of the financial resources available in a governmental fund; it is essential that differences between GAAP *fund balance* and budgetary *fund balance* be fully appreciated.

1. GAAP financial statements report up to five separate categories of fund balance based on the type and source of constraints placed on how resources can be spent (presented in descending order from most constraining to least constraining): *nonspendable fund balance*, *restricted fund balance*, *committed fund balance*, *assigned fund balance*, and *unassigned fund balance*.² The total of the amounts in these last three categories (where the only constraint on spending, if any, is imposed by the government itself) is termed *unrestricted fund balance*. In contrast, budgetary fund balance, while it is subject to the same constraints on spending as GAAP fund balance, typically represents simply the total amount accumulated from prior years at a point in time.
2. The calculation of GAAP fund balance and budgetary fund balance sometimes is complicated by the use of sub-funds within the general fund. In such cases, GAAP fund balance includes amounts from all of the subfunds, whereas budgetary fund balance typically does not.
3. Often the timing of the recognition of revenues and expenditures is different for purposes of GAAP financial reporting and budgeting. For example, encumbrances arising from purchase orders often are recognized as expenditures for budgetary purposes, but never for the preparation of GAAP financial statements.

The effect of these and other differences on the amounts reported as *GAAP fund balance* and *budgetary fund balance* in the general fund should be clarified, understood, and documented.

It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. In most cases, discussions of fund balance will properly focus on a government's general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance in the general fund.

Recommendation:

GFOA recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes.³ Such a guideline should be set by the appropriate policy body and articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period.⁴ In particular, governments should provide broad guidance in the policy for how resources will be directed to replenish fund balance should the balance fall below the level prescribed.

Appropriate Level. The adequacy of unrestricted fund balance in the general fund should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance. Articulating these risks in a fund balance policy makes it easier to explain to stakeholders the rationale for a seemingly higher than normal level of fund balance that protects taxpayers and employees from unexpected changes in financial condition. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.⁵ The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government's particular circumstances.⁶ Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the

risk of placing too much emphasis upon the level of unrestricted fund balance in the general fund at any one time. In establishing a policy governing the level of unrestricted fund balance in the general fund, a government should consider a variety of factors, including:

1. The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
2. Its perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts);
3. The potential drain upon general fund resources from other funds, as well as, the availability of resources in other funds;
4. The potential impact on the entity's bond ratings and the corresponding increased cost of borrowed funds;
5. Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose). Governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance, rather than on unrestricted fund balance.

Use and Replenishment

The fund balance policy should define conditions warranting its use, and if a fund balance falls below the government's policy level, a solid plan to replenish it. In that context, the fund balance policy should:

1. Define the time period within which and contingencies for which fund balances will be used;
2. Describe how the government's expenditure and/or revenue levels will be adjusted to match any new economic realities that are behind the use of fund balance as a financing bridge;
3. Describe the time period over which the components of fund balance will be replenished and the means by which they will be replenished.

Generally, governments should seek to replenish their fund balances within one to three years of use. Specifically, factors influencing the replenishment time horizon include:

1. The budgetary reasons behind the fund balance targets;
2. Recovering from an extreme event;
3. Political continuity;
4. Financial planning time horizons;
5. Long-term forecasts and economic conditions;
6. External financing expectations.

Revenue sources that would typically be looked to for replenishment of a fund balance include nonrecurring revenues, budget surpluses, and excess resources in other funds (if legally permissible and there is a defensible rationale). Year-end surpluses are an appropriate source for replenishing fund balance.

Unrestricted Fund Balance Above Formal Policy Requirement. In some cases, governments can find themselves in a position with an amount of unrestricted fund balance in the general fund over their formal policy reserve requirement even after taking into account potential financial risks in the foreseeable future. Amounts over the formal policy may reflect a structural trend, in which case governments should consider a policy as to how this would be addressed. Additionally, an education or communication strategy, or at a minimum, explanation of large changes in fund balance is encouraged. In all cases, use of those funds should be prohibited as a funding source for ongoing recurring expenditures.

Committee: Accounting, Auditing, and Financial Reporting **Governmental Budgeting and Fiscal Policy**

Notes:

1. For the sake of clarity, this recommended practice uses the terms GAAP fund balance and budgetary fund balance to distinguish these two different uses of the same term.
2. These categories are set forth in Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.
3. Sometimes restricted fund balance includes resources available to finance items that typically would require the use of unrestricted fund balance (e.g., a contingency reserve). In that case, such amounts should be included as part of unrestricted fund balance for purposes of analysis.
4. See Recommended Practice 4.1 of the National Advisory Council on State and Local Budgeting governments on the need to "maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures" (Recommended Practice 4.1).
5. In practice, a level of unrestricted fund balance significantly lower than the recommended minimum may be appropriate for states and America's largest governments (e.g., cities, counties, and school districts) because they often are in a better position to predict contingencies (for the same reason that an insurance company can more readily predict the number of accidents for a pool of 500,000 drivers than for a pool of fifty), and because their

revenues and expenditures often are more diversified and thus potentially less subject to volatility.
6. In either case, unusual items that would distort trends (e.g., one-time revenues and expenditures) should be excluded, whereas recurring transfers should be included. Once the decision has been made to compare unrestricted fund balance to either revenues and/or expenditures, that decision should be followed consistently from period to period.

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Debt management policies are written guidelines, allowances, and restrictions that guide the debt issuance practices of state or local governments, including the issuance process, management of a debt portfolio, and adherence to various laws and regulations. A debt management policy should improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning. Adherence to a debt management policy signals to rating agencies and the capital markets that a government is well managed and therefore is likely to meet its debt obligations in a timely manner. Debt management policies should be written with attention to the issuers specific needs and available financing options and are typically implemented through more specific operating procedures. Finally, debt management policies should be approved by the issuers governing body to provide credibility, transparency and to ensure that there is a common understanding among elected officials and staff regarding the issuers approach to debt financing.

Recommendation:

GFOA recommends that state and local governments adopt comprehensive written debt management policies. These policies should reflect local, state, and federal laws and regulations. To assist with the development of these policies GFOA recommends that a governments Debt Management Policy (Policy) should be reviewed periodically (and updated if necessary) and should address at least the following:

1. **Debt Limits.** The Policy should consider setting specific limits or acceptable ranges for each type of debt. Limits generally are set for legal, public policy, and financial reasons.

a. **Legal restrictions** may be determined by:

- ⊛ State constitution or law,
- ⊛ Local charters, by-laws, resolution or ordinance, or covenant, and
- ⊛ Bond referenda approved by voters.

b. **Public Policies** will address the internal standards and considerations within a government and can include:

- ⊛ Purposes for which debt proceeds may be used or prohibited,
- ⊛ Types of debt that may be issued or prohibited,
- ⊛ Relationship to and integration with the Capital Improvement Program, and
- ⊛ Policy goals related to economic development, including use of tax increment financing and public-private partnerships.

c. **Financial restrictions or planning considerations** generally reflect public policy or other financial resources constraints, such as reduced use of a particular type of debt due to changing financial conditions. Appropriate debt limits can have a positive impact on bond ratings, particularly if the government demonstrates adherence to such policies over time. Financial limits often are expressed as ratios customarily used by credit analysts. Different financial limits are used for different types of debt. Examples include:

- ⊛ **Direct Debt, including general obligation bonds,** are subject to legal requirements and may be able to be measured or limited by the following ratios:
 - ⊛ Debt per capita,
 - ⊛ Debt to personal income,
 - ⊛ Debt to taxable property value, and
 - ⊛ Debt service payments as a percentage of general fund revenues or expenditures.
- ⊛ **Revenue Debt** levels often are limited by debt service coverage ratios (e.g., annual net pledged revenues to annual debt service), additional bond provisions contained in bond covenants, and potential credit rating impacts.
- ⊛ **Conduit Debt** limitations may reflect the right of the issuing government to approve the borrowers creditworthiness, including a minimum credit rating, and the purpose of the borrowing issue. Such limitations reflect sound public

policy, particularly if there is a contingent impact on the general revenues of the government or marketability of the government's own direct debt.

- ✦ *Short-Term Debt Issuance* should describe the specific purposes and circumstances under which it can be used, as well as limitations in term or size of borrowing.
- ✦ *Variable Rate Debt* should include information about when using non-fixed rate debt is acceptable to the entity either due to the term of the project, market conditions, or debt portfolio structuring purposes.

2. Debt Structuring Practices. The Policy should include specific guidelines regarding the debt structuring practices for each type of bond, including:

- ✦ Maximum term (often stated in absolute terms or based on the useful life of the asset(s)),
- ✦ Average maturity,
- ✦ Debt service pattern such as equal payments or equal principal amortization,
- ✦ Use of optional redemption features that reflect market conditions and/or needs of the government,
- ✦ Use of variable or fixed-rate debt, credit enhancements, derivatives, short-term debt, and limitations as to when, and to what extent, each can be used, and
- ✦ Other structuring practices should be considered, such as capitalizing interest during the construction of the project and deferral of principal, and/or other internal credit support, including general obligation pledges.

3. Debt Issuance Practices. The Policy should provide guidance regarding the issuance process, which may differ for each type of debt. These practices include:

- ✦ Selection and use of professional service providers, including an independent financial advisor, to assist with determining the method of sale and the selection of other financing team members,
- ✦ Criteria for determining the sale method (competitive, negotiated, private placement) and investment of proceeds,
- ✦ Use of comparative bond pricing services or market indices as a benchmark in negotiated transactions, as well as to evaluate final bond pricing results,
- ✦ Criteria for issuance of advance refunding and current refunding bonds, and
- ✦ Use of credit ratings, minimum bond ratings, determination of the number of ratings, and selection of rating services.

4. Debt Management Practices. The Policy should provide guidance for ongoing administrative activities including:

- ✦ Investment of bond proceeds,
- ✦ Primary and secondary market disclosure practices, including annual certifications as required,
- ✦ Arbitrage rebate monitoring and filing,
- ✦ Federal and state law compliance practices, and
- ✦ Ongoing market and investor relations efforts.

5. Use of Derivatives. The Debt Management Policy should clearly state whether or not the entity can or should use derivatives. If the policy allows for the use of derivatives, a separate and comprehensive derivatives policy should be developed (see GFOA's Advisory, *Developing a Derivatives Policy and Derivatives Checklist*).

Committee: Governmental Debt Management

Notes: ✦ Post Issuance Compliance Checklist

✦ Debt Issuance Checklist: Considerations When Issuing Bonds

References:

- ✦ GFOA Advisory, *Using Variable Rate Debt Instruments*, 2010.
- ✦ GFOA Advisory, *Use of Debt-Related Derivatives Products and the Development of a Derivatives Policy*, 2010.
- ✦ GFOA Derivatives Checklist, 2010.
- ✦ GFOA Best Practice, *Selecting Bond Counsel*, 2008.
- ✦ GFOA Best Practice, *Selecting Financial Advisors*, 2008.
- ✦ GFOA Best Practice, *Selecting Underwriters for a Negotiated Bond Sale*, 2008.
- ✦ GFOA/NABL Post Issuance Compliance Checklist, 2003.
- ✦ *Benchmarking and Measuring Debt Capacity*, Rowan Miranda and Ron Picur, GFOA, 2000.
- ✦ *A Guide for Preparing a Debt Policy*, Patricia Tigue, GFOA, 1998.

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Long-Term Financial Planning

Type: Best Practice

Approved by GFOA's Executive Board: February 2008

Background:

Long-term financial planning combines financial forecasting with strategizing. It is a highly collaborative process that considers future scenarios and helps governments navigate challenges. Long-term financial planning works best as part of an overall strategic plan.

Financial forecasting is the process of projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables.

Long-term financial planning is the process of aligning financial capacity with long-term service objectives.

Financial planning uses forecasts to provide insight into future financial capacity so that strategies can be developed to achieve long-term sustainability in light of the government's service objectives and financial challenges.

Many governments have a comprehensive long-term financial planning process because it stimulates discussion and engenders a long-range perspective for decision makers. It can be used as a tool to prevent financial challenges; it stimulates long-term and strategic thinking; it can give consensus on long-term financial direction; and it is useful for communications with internal and external stakeholders.

Recommendation:

GFOA recommends that all governments regularly engage in long-term financial planning that encompasses the following elements and essential steps

A long-term financial plan should include these elements.

1. Time Horizon. A plan should look at least five to ten years into the future. Governments may elect to extend their planning horizon further if conditions warrant.
2. Scope. A plan should consider all appropriated funds, but especially those funds that are used to account for the issues of top concern to elected officials and the community.
3. Frequency. Governments should update long-term planning activities as needed in order to provide direction to the budget process, though not every element of the long-range plan must be repeated.
4. Content. A plan should include an analysis of the financial environment, revenue and expenditure forecasts, debt position and affordability analysis, strategies for achieving and maintaining financial balance, and plan monitoring mechanisms, such as scorecard of key indicators of financial health.
5. Visibility. The public and elected officials should be able to easily learn about the long-term financial prospects of the government and strategies for financial balance. Hence, governments should devise an effective means for communicating this information, through either separate plan documents or by integrating it with existing communication devices.

A long-term financial plan should include these steps.

1. Mobilization Phase. The mobilization phase prepares the organization for long-term planning by creating consensus on what the purpose and results of the planning process should be. The mobilization phase includes the following items.
 - a. Alignment of Resources. This step includes determining the composition of the project team, identifying the project sponsor, and formulating a strategy for involving other important stakeholders. This step also involves the creation of a high-level project plan to serve as a roadmap for the process.
 - b. Preliminary Analysis. This step helps raise awareness of special issues among planning participants, such as the board or non-financial executive staff. A scan of the financial environment is common at this point.
 - c. Identification of Service Policies and Priorities. Service policies and priorities have important implications on how resources will be spent and how revenues will be raised. A strategic plan or a priority setting session with elected officials could be useful in identifying service policies and priorities.
 - d. Validation and Promulgation of Financial Policies. Financial policies set baseline standards for financial

- stewardship and perpetuate structural balance, so a planning process must corroborate policies in place (as well as the organizations compliance with those policies) and also identify new policies that may be needed.
- e. Definition of Purpose and Scope of Planning. The purpose and scope of the planning effort will become clear as a result of the foregoing activities, but the process should include a forum for developing and recognizing their explicit purpose and scope.
2. Analysis Phase. The analysis phase is designed to produce information that supports planning and strategizing. The analysis phase includes the projections and financial analysis commonly associated with long-term financial planning. The analysis phase involves information gathering, trend projection, and analysis as follows:
- a. Information Gathering. This is where the government analyzes the environment in order to gain a better understanding of the forces that affect financial stability. Improved understanding of environmental factors should lead to better forecasting and strategizing.
 - b. Trend Projection. After the environment has been analyzed, the planners can project various elements of long-term revenue, expenditure, and debt trends.
 - c. Analysis. The forecasts can then be used to identify potential challenges to fiscal stability (e.g., imbalances). These could be fiscal deficits (e.g., expenditures outpacing revenues), environmental challenges (e.g., unfavorable trends in the environment), or policy weaknesses (e.g., weaknesses in the financial policy structure). Scenario analysis can be used to present both optimistic, base, and pessimistic cases.
3. Decision Phase. After the analysis phase is completed, the government must decide how to use the information provided. Key to the decision phase is a highly participative process that involves elected officials, staff, and the public. The decision phase also includes a culminating event where the stakeholders can assess the planning process to evaluate whether the purposes for the plan described in the mobilization phase were fulfilled and where a sense of closure and accomplishment can be generated. Finally, the decision phase should address the processes for executing the plan to ensure tangible results are realized.
4. Execution Phase. After the plan is officially adopted, strategies must be put into action (e.g. funding required in achieving goals). The execution phase is where the strategies become operational through the budget, financial performance measures, and action plans. Regular monitoring should be part of this phase. The following diagram highlights the various long-term financial planning phases discussed in this recommended practice.

Committee: Governmental Budgeting and Fiscal Policy

References:

- 1. GFOA Best Practice, Financial Forecasting in the Budget Preparation Process, 1999.
- 2. GFOA Best Practice, Adopting Financial Policies, 2001.
- 3. GFOA Best Practice, Establishing Strategic Plans, 2005.
- 4. GFOA Best Practice, Budgeting for Results and Outcomes, 2007.
- 5. GFOA Best Practice, Performance Management: Using Performance Measurement for Decision Making, 2002 and 2007.
- 6. *Financing the Future Long-Term Financial Planning for Local Government*, GFOA, 2007.
- 7. <http://www.gfoa.org/itfp>. GFOA Web site containing a wealth of supporting materials for financial planning.
- 8. <http://www.gfoa.org/services/nacslb/>. Best Practices in Budgeting Web site. See Element 9: Develop and Evaluate Financial Options.

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Policies designed to guide capital planning help to assure that each jurisdiction's unique needs are fully considered in the capital planning process. Effective policies can also help a government to assure the sustainability of its infrastructure by establishing a process for addressing maintenance, replacement, and proper fixed asset accounting over the full life of capital assets. In addition, capital planning policies can strengthen a government's borrowing position by demonstrating sound fiscal management and showing the jurisdiction's commitment to maximizing benefit to the public within its resource constraints.

Good capital planning policies can lead to the development of a capital plan that is consistent with best practices; however, they do not constitute the capital plan itself. Rather, capital planning policies establish a framework in which stakeholders understand their roles, responsibilities, and expectations for the process and an end result.¹ Ideally, such policies also include guidelines for coordinating capital projects and promoting sound, long-term operational and capital financing strategies.

To create a sustainable capital plan, the finance officer and other participants in the capital planning process need to consider all capital needs as a whole, assess fiscal capacity, plan for debt issuance, and understand impact on reserves and operating budgets, all within a given planning timeframe. Capital planning policies provide an essential framework for managing these tasks and for assuring that capital plans are consistent with overall organizational goals.

Recommendation:

GFOA recommends that governments develop and adopt capital planning policies that take into account their unique organizational characteristics including the services they provide, how they are structured, and their external environment.

Capital planning policies should provide, at minimum:

1. A description of how an organization will approach capital planning, including how stakeholder departments will collaborate to prepare a plan that best meets the operational and financial needs of the organization.
2. A clear definition of what constitutes a capital improvement project.²
3. Establishment of a capital improvement program review committee and identification of members (for example, the finance officer or budget officer, representatives from planning, engineering, and project management, and, as deemed appropriate, operations departments most affected by capital plans, along with a description of the responsibilities of the committee and its members.
4. A description of the role of the public and other external stakeholders in the process. (The level and type of public participation should be consistent with community expectations and past experiences.)
5. Identification of how decisions will be made in the capital planning process including a structured process for prioritizing need and allocating limited resources
6. A requirement that the planning process includes an assessment of the government's fiscal capacity so that the final capital plan is based on what can realistically be funded by the government rather than being simply a wish list of unfunded needs.
7. A procedure for accumulating necessary capital reserves for both new and replacement purchases.
8. A policy for linking funding strategies with useful life of the asset including identifying when debt can be issued and any restrictions on the length of debt.³
9. A requirement that a multi-year capital improvement plan be developed and that it include long term financing considerations and strategies.
10. A process for funding to ensure that capital project funding is consistent with legal requirements regarding full funding, multi-year funding, or phased approaches to funding.
11. A requirement that the plan include significant capital maintenance projects.
12. Provisions for monitoring and oversight of the CIP program, including reporting requirements and how to handle

changes and amendments to the plan.

Committee: Economic Development and Capital Planning

Notes:

¹ See GFOA Best Practices on capital planning. (Multi-Year Capital Planning (2006) and The Role of Master Plans in Capital Improvement Planning (2008))

² See GFOA's Best Practice, Establishing Appropriate Capitalization Thresholds for Capital Assets

³ Capital planning policies should be consistent with or reference an organization's debt policies

References: ➤ GFOA Best Practice, Asset Maintenance and Replacement, 2010

➤ GFOA Best Practice, Understanding Your Continuing Disclosure Responsibilities, 2010

➤ GFOA Best Practice, Disaster Preparedness, 2008

➤ GFOA Best Practice, Multi-Year Capital Planning, 2006

➤ GFOA Best Practice, Establishing Appropriate Capitalization Thresholds for Capital Assets, 2006

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Achieving a Structurally Balanced Budget

Type: Best Practice

Approved by GFOA's Executive Board: February 2012

Background:

Most state and local governments are subject to a requirement to pass a balanced budget. However, a budget that may fit the statutory definition of a balanced budget may not, in fact, be financially sustainable. For example, a budget that is balanced by such standards could include the use of non-recurring resources, such as asset sales or reserves, to fund ongoing expenditures, and thus not be in structural balance. A true structurally balanced budget is one that supports financial sustainability for multiple years into the future. A government needs to make sure that it is aware of the distinction between satisfying the statutory definition and achieving a true structurally balanced budget.

Recommendation:

GFOA recommends that governments adopt rigorous policies, for all operating funds,¹ aimed at achieving and maintaining a structurally balanced budget. The policy should include parameters for achieving and maintaining structural balance where recurring revenues are equal to recurring expenditures in the adopted budget.

As a first step, the government should identify key items related to structural balance. These include: *recurring and non-recurring revenues, recurring and non-recurring expenditures, and reserves.*

Recurring revenues are the portion of a government's revenues that can reasonably be expected to continue year to year, with some degree of predictability. Property taxes are an example of recurring revenue. A settlement from a lawsuit is a good example of non-recurring revenue.

Some revenue sources may have both non-recurring and recurring components. These sources require finance officials to exercise judgment in determining how much of the source is truly recurring. For instance, a government may regularly receive sales tax revenues, but a large part of its base may be made up of retailers with highly volatile sales. In this case, it may be prudent to regard unusually high revenue yields as a non-recurring revenue under the assumption that such revenues are unlikely to continue, making it imprudent to use them for recurring expenditures. Another example might be building permit revenues in a period of high growth in the community. Governments should review their revenue portfolio to identify non-recurring revenues and revenues with potentially volatile components, such as the examples above.

Recurring expenditures appear in the budget each year. Salaries, benefits, materials and services, and asset maintenance costs are common examples of recurring expenditures. Capital asset acquisitions are typically not thought of as recurring because although some capital assets may be acquired every year, they are not the same assets year after year. In general, recurring expenditures should be those that you expect to fund every year in order to maintain current/status quo service levels. In general, a government has a greater degree of flexibility to defer non-recurring expenditures than recurring ones.

Reserves are the portion of fund balance that is set aside as hedge against risk. The government should define a minimum amount of funds it will hold in reserve.² This serves as a bottom line measure to help determine the extent to which structural balance goals are being achieved. If reserves are maintained at their desired levels, it is an indication that the organization is maintaining a structurally balanced budget. If reserves are declining, it may indicate an imbalance in the budget (e.g., if reserves are being used to fund on-going expenditures). It should be noted that reserves levels are not a perfect measure of structural balance, but are a good and readily available measure.

With the foregoing terms defined, a government should adopt a formal policy calling for structural balance of the budget. The policy should call for the budget to be structurally balanced, where recurring revenues equal or exceed recurring expenditures. The policy should also call for the budget presentation to identify how recurring revenues are aligned with or not aligned with recurring expenditures.³

For a variety of reasons, true structural balance may not be possible for a government at a given time. In such a case,

using reserves to balance the budget may be considered but only in the context of a plan to return to structural balance, replenish fund balance, and ultimately remediate the negative impacts of any other short-term balancing actions that may be taken. Further, the plan should be clear about the time period over which returning to structural balance, replenishing reserves, and remediating the negative impacts of balancing actions are to occur.⁴

Committee: Governmental Budgeting and Fiscal Policy

Notes:

¹ Note that this Best Practice excludes non-operating funds like capital and debt funds. While governments should ensure that these funds are financially sustainable as well, the specific recommendations found in this Best Practice may not always be a match to the circumstances of non-operating funds.

² See GFOA Best Practice Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund (2002 and 2009). GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.

³ Please note that the best practice is not advocating that recurring revenues be formally allocated or earmarked to recurring expenditures, but rather is advocating that the budget presentation provide transparency as to whether recurring revenues and recurring expenditures are balanced.

⁴ See GFOA Best Practice Replenishing Fund Balance in the General Fund. (2011).

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Type: Best Practice

Approved by GFOA's Executive Board: September 2015

Background:

Financial policies are central to a strategic, long-term approach to financial management. Some of the most powerful arguments in favor of adopting formal, written financial policies include their ability to help governments:

1. Institutionalize good financial management practices. Formal policies usually outlive their creators, and, thus, promote stability and continuity. They also prevent the need to re-invent responses to recurring issues.
2. Clarify and crystallize strategic intent for financial management. Financial policies define a shared understanding of how the organization will develop its financial practices and manage its resources to provide the best value to the community.
3. Define boundaries. Financial policies define limits on the actions staff may take. The policy framework provides the boundaries within which staff can innovate in order to realize the organization's strategic intent.
4. Support good bond ratings and thereby reduce the cost of borrowing.
5. Promote long-term and strategic thinking. The strategic intent articulated by many financial policies necessarily demands a long-term perspective from the organization.
6. Manage risks to financial condition. A key component of governance accountability is not to incur excessive risk in the pursuit of public goals. Financial policies identify important risks to financial condition.
7. Comply with established public management best practices. The Government Finance Officers Association (GFOA), through its officially adopted Best Practices endorsement of National Advisory Council on State and Local Budgeting (NACSLB) budget practices and the GFOA Distinguished Budget Presentation Award Program, has recognized financial policies as an essential part of public financial management.

Recommendation:

GFOA recommends that governments formally adopt financial policies. Steps to consider when making effective financial policies include (1) scope, (2) development, (3) design, (4) presentation, and (5) review.

Scope. There are some basic financial policy categories (but not limited to) that all governments should consider adopting.

1. *General fund reserves.* Policies governing the amount of resources to be held in reserve and conditions under which reserves can be used.
2. *Reserves in other funds.* Policies for other funds (especially enterprise funds) that serve a similar purpose to general fund reserve policies.
3. *Grants.* Policies that deal with the administration and grants process.
4. *Debt.* Policies that govern the use of government debt, including permissible debt instruments, conditions under which debt may be used, allowable levels of debt, and compliance with continuing disclosure requirements.
5. *Investment.* Policies that provide guidance on the investment of public funds, including permissible investment instruments, standards of care for invested funds, and the role of staff and professional advisors in the investment program.
6. *Economic development.* Policies that address a local government's use of subsidies or other incentives to encourage private development.
7. *Accounting and financial reporting.* Policies that establish and guide the use of an audit committee, endorse key accounting principles, and that ensure external audits are properly performed.
8. *Risk management and internal controls.* Policies that address traditional views of risk management and internal control, as well as more modern concepts of "enterprise risk management."
9. *Procurement.* Policies that are most essential for adoption by the governing board in order to encourage efficient, effective and fair public procurement.
10. *Long-term financial planning.* A policy that commits the organization to taking a long-term approach to financial health.

11. *Structurally balanced budget.* Policies that offer a distinction between satisfying the statutory definition and achieving a true structurally balanced budget.
12. *Capital.* Policies that cover the lifecycle of capital assets, including capital improvement planning, capital budgeting, project management, and asset maintenance.
13. *Revenues.* Policy guidance through the designing of efficient and effective revenue systems that guarantee the generation of adequate public resources to meet expenditure obligations.
14. *Expenditures.* Policies addressing a range of issues around how the money is expended, including personnel, outsourcing, and funding long-term liabilities.
15. *Operating budget.* Policies that describe essential features of the budget development process and form, as well as principles that guide budgetary decision making.

Development. The following steps should be considered in the development of effective policies.

1. Define the problem the policy will address.
2. Draft the policy. Be aware of legal requirements and consider public comments. Look at the experience of peer governments.
3. Review and present the policy to government officials.
4. Formally consider and adopt policy.
5. Implement policy making sure that staff and government officials are aware of policies.

Design. Effective policies have a number of design features in common.

1. Policies must exist in written form.
2. Policies should be expressed in a manner that is understandable to the intended audiences.
3. Policies should be made available to all stakeholders, and be published in more than one medium with multiple means of access.
4. Policies should address all relevant issues and risks for that specific policy in a concise fashion.

Presentation. Effective financial policies share some of the following traits.

1. All of the financial policies are placed in the same section of the budget document.
2. The original and revision dates are shown on the individual policies.

Review. Financial policies are most successful when they are reviewed after being enacted.

1. Policies should be monitored, reviewed, and updated as needed in a systematic way.
2. Analyze the reasons if specific policies are not being followed.

Note: References listed below will be arranged separately on the GFOA website.

Reference to Some of GFOA Best Practices on Financial Policies

Financial Policy	GFOA Best Practice Link
General Fund /Other Fund Reserves	<ul style="list-style-type: none"> ➤ Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund ➤ Replenishing General Fund Balance ➤ Determining the Appropriate Level of Working Capital in Enterprise Funds
Grants	<ul style="list-style-type: none"> ➤ Establishing an Effective Grants Policy ➤ Establishing a Grants Administration Oversight Committee ➤ Administering Grants Effectively
Debt	<ul style="list-style-type: none"> ➤ Debt Management Policy ➤ Analyzing and Issuing Refunding Bonds
Investment	<ul style="list-style-type: none"> ➤ Local Government Investment Pools ➤ Investment of Bond Proceeds
Economic Development	<ul style="list-style-type: none"> ➤ Evaluating and Managing Economic Development Incentives ➤ Coordinating Economic Development and Capital Planning ➤ Monitoring Economic Development Performance ➤ Developing an Economic Development Incentive Policy
Accounting & Financial Reporting	<ul style="list-style-type: none"> ➤ Documenting Accounting Policies and Procedures ➤ Encouraging and Facilitating the Reporting of Fraud and Questionable Accounting and Auditing Practices ➤ Audit Committees ➤ Basis of Accounting versus the Budgetary Basis
Risk Management & Internal Controls	<ul style="list-style-type: none"> ➤ Practical Steps to Avoid, Limit, or Eliminate Internal Control Deficiencies Identified in an Audit ➤ Business Preparedness and Continuity Guidelines ➤ Creating a Comprehensive Risk Management Program

Complying with GASB 54 – the New Fund Balance Reporting Requirements

by Marcia Taylor, Member of the GFOA-PA Board of Directors

Marcia Taylor is the Assistant Manager for Mt. Lebanon, PA. Marcia also serves as a member of the Governmental Accounting Standards Board (GASB).

GASB 54 is designed to improve financial reporting by establishing fund balance classifications that are easier to understand and apply. It establishes a hierarchy based largely on the extent to which a government is bound to observe spending constraints for how it can use fund balance amounts reported in the governmental funds balance sheet. This hierarchy will bring greater clarity and consistency to fund balance reporting, which according to users is needed.

Governments are required to implement Statement 54 for fiscal years ending on June 30, 2011 and later.

Statement 54 establishes the following classifications depicting the relative strength of the constraints that control how specific fund balance amounts can be spent:

- **Nonspendable** - amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of a donor-restricted fund, for example).
- **Restricted** - amounts that can be spent only for the specific purposes stipulated by external resource providers (such as grant providers), constitutionally, or through enabling legislation (legislation passed by the entity that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or removed only with the consent of resource providers.
- **Committed** - amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or removed only by the government taking the same formal action that committed the amount originally. The action establishing a commitment must be taken before year end, though amounts can be determined after the close of the fiscal year.
- **Assigned** - amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body given that authority by the governing body. In addition, in governmental funds other than the general fund, assigned fund balance represents any residual amount that is not restricted or committed.
- **Unassigned** - amounts that represent the residual, after other fund balance classifications are established, for the general fund. This is the amount that is technically available for any purpose. For all governmental fund types, any fund balance deficits are reported as unassigned.

GASB 54 also is designed to improve the usefulness of fund balance information by clarifying certain parts of the definitions of governmental fund types. For special revenue funds it makes clear that this fund type is created only to report a specific revenue source (s) that is restricted or committed to a specified purpose. The specific revenue source(s) should constitute a substantial portion of the total inflows reported by the fund.

The terminology in the definition of the capital project fund type has been clarified to focus on the broader, more consistently understood notion of capital outlays, rather than acquisition of facilities.

Statement 54 clarifies how stabilization, or "rainy day", amounts can be reported by treating these arrangements as a specified purpose. Consequently, amounts constrained to stabilization will be reported as restricted or committed fund balance in the general fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization are identified in sufficient detail and are not expected to occur routinely.

Governments complying with Statement 54 should no longer display encumbrances on their governmental balance sheet as a specific line. Instead, encumbrances will be included in restricted, committed or assigned fund balance, as appropriate.

Continued on next page

Complying with GASB 54: *continued*

Under Statement 54, governments are required to make certain disclosures about fund balances and funds, including:

- Committed fund balance - the highest level of decision making authority and the formal action required to be taken
- Assigned fund balance - who is authorized to make assignments and the policy under which the assignment decision may be made
- Spending - when restricted and unrestricted fund balance are both available, the policy on the order of spending as well as the similar policy regarding the order funds are spent from the committed, assigned, and unassigned categories (when available in more than one category for a particular expenditure)
- Aggregate presentation - specific purpose details if aggregate presentation is made for any of the fund balance categories
- Stabilizations arrangements - key information about the arrangement, including the authority by which they were established, provisions for additions, and circumstances under which stabilization amounts may be spent
- Minimum fund balances - the policy establishing the minimum fund balance
- Encumbrances - in total, by major and nonmajor funds in conjunction with required disclosures about other significant commitments
- Special revenue funds - the purpose for each major special revenue fund—identifying which specific revenues and other resources are authorized to be reported in each

In order to comply with GASB 54 for the 2011 year-ends (those occurring on or after June 30), a government needs to take certain steps and actions including:

- Determine if any special revenue funds should be discontinued based on the substantial specific revenue criteria
- Examine existing fund balances and determine which category should be used
- If assignments will be made, authorize authority for assignments (who can make them)
- Develop or confirm the policy under which assignments may be made
- Develop a policy for the order of spending for restricted/unrestricted and within unrestricted for committed/assigned/unassigned when more than one resource exists for a particular expenditure
- Determine if an existing stabilization arrangements qualify as such arrangements as now defined
- Establish commitments (if any) before year-end
- Determine the level of fund balance detail to be presented in the financial statements

GASB Statement 54 will improve financial reporting by providing fund balance categories and classifications that will be more easily understood and more consistent. Users will have the information they need to understand the processes under which the use of resources are constrained and the strength of those constraints.