



**Ferguson**  
Township  
*Pennsylvania*

# Comprehensive Annual Financial Report

For the Year Ended  
December 31, 2015



**2015**  
***FERGUSON TOWNSHIP***  
CENTRE COUNTY, PENNSYLVANIA

***COMPREHENSIVE ANNUAL FINANCIAL REPORT***  
***For the Calendar Year Ended December 31, 2015***

Prepared by the Township Department of Finance  
Eric Endresen, Director



# **Township of Ferguson, Pennsylvania**

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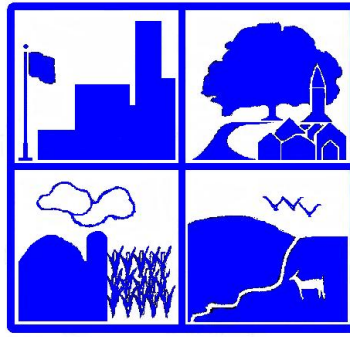


## **Township of Ferguson, Pennsylvania**

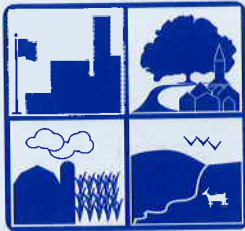
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## Introductory Section



## TOWNSHIP OF FERGUSON

3147 Research Drive • State College, Pennsylvania 16801  
Telephone: 814-238-4651 • Fax: 814-238-3454  
[www.twp.ferguson.pa.us](http://www.twp.ferguson.pa.us)

June 24, 2016

To the Citizens of Ferguson Township, Centre County, Pennsylvania

The Township Manager and Finance Director are pleased to submit the Comprehensive Annual Financial Report ("CAFR") of the Township of Ferguson, Centre County, Pennsylvania for the year ended December 31, 2015.

This CAFR is prepared to inform the Board of Supervisors, Township staff, our citizens, bondholders and other interested parties, detailed information concerning the financial condition of the Township government. Responsibility for the accuracy, completeness and fairness of the data presented, including all disclosures, rests with Township management. To provide the basis for making these representations, the management of the Township has established a comprehensive internal control framework that is designed both to protect the Township's assets from loss, theft, or misuse and to compile reliable information for the preparation of the Township's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Because the cost of internal controls should not outweigh their benefits, the Township's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects.

The CAFR was prepared by the Township Finance Department and the financial statements were audited by the firm Baker Tilly Virchow Krause, LLP, State College, PA.

The Management Discussion and Analysis ("MD&A") is a narrative introduction, overview and analysis of the accompanying basic financial statements. The MD&A can be found immediately following the report of the independent auditors.

An annual budget is adopted on a basis consistent with generally accepted accounting principles for all funds except the employee benefit, internal services, pension trust, and agency funds. The appropriated budgets are prepared by fund, function, and department. Expenditures cannot legally exceed budgeted appropriations at the fund level. Additionally, management cannot revise the total budget obligation by fund level without the approval of the Board of Supervisors.

Although not legally obligated to do so, for management control purposes, the Board of Supervisors reviews and approves interdepartmental budget transfers. All annual appropriations lapse at calendar year end. The Supervisors may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the year and not otherwise appropriated, including the proceeds of any borrowing authorized by law. The Supervisors may authorize the transfer of any unencumbered balance of any appropriation item or any portion thereof.

To the best of our knowledge and belief, the data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and the results of operations of the Township as measured by the financial activity of the various funds. We believe that all disclosures necessary to enable the reader to gain a reasonable understanding of the Township's financial affairs have been included.

## **Ferguson Township Profile**

Ferguson Township is one of 36 municipalities in Centre County. In terms of population, the Township is the second largest municipality in the County behind the State College Borough. If the student population was removed from the census information, the Township may actually have the largest permanent resident population in the County.

The Centre Region is comprised of six municipalities: The Borough of State College, and the Townships of College, Ferguson, Halfmoon, Harris, and Patton. These municipalities have an estimated 92,964 populous (2014) approximating 60 percent of the total County population living within their boundaries and is considered the urban area of the County. Within the Centre Region, Ferguson Township is the second largest municipality in terms of population (2015 estimate 18,310) and the largest in terms of land area (47.65 square miles). Ferguson has an estimated population density of 384.3 persons per square mile (2015).

Ferguson Township is a home rule municipality. On January 1, 1976, the electorate, by referendum, adopted a home rule charter that institutes a council-manager form of government. The Board of Supervisors as the governing body is comprised of five elected officials: two are elected at large and three are elected by ward. The Board of Supervisors is the policy-making body and is responsible for setting tax rates, approving an annual budget, and enacting ordinances to carry out policy. The Board of Supervisors represents the Township as members of the Centre Region Council of Governments ("COG"). Each board member serves in various capacities on committees of the COG dealing with regional issues such as transportation, code enforcement, public services, finance and personnel. The Board of Supervisors appoints the Township Solicitor, Auditor and Township Manager.

Housing units have continued to grow in the current decade. According to the American Community Survey Estimates, there were 7,779 housing units in the township (2014). This compares to the 2010 US Census data, of 7,501 units, an increase of 278 units or 4% in four years.

The population breakdown, according to the American Community Survey for the range 2010-2014, includes 63% of township residents fall in the 18-59-year-old range, and 18% are age 60 and older. Children under the age of 18 make up 19% of the township population.

Of the top 20 employers in the Centre Region, at least 6 of these employers have a presence or home in the Township. These include the largest employer Penn State University, as well as Accuweather (meteorology), Spectrum Technology, et al (defense electronics), HRI (construction) and Minitab, Inc. (software). New small and medium size businesses continue to establish their offices in the Township and lost business is being replaced with new employers.

The local economy is highly dependent upon Penn State University and the effect it has on the region. Penn State University has been a strong economic force for the Township and the Centre Region in general for many years. Being a tax-exempt entity, Penn State purchases local real estate and converts it to tax exempt status affecting the Township negatively, although due to the low property tax rates levied in the Township, this impact is minimized.

The Township has worked on or completed several projects during 2015 that have shaped the Township finances. These are:

- ✓ Received Gold Certification from PA Sustainable Communities
- ✓ Received GFOA Distinguished Budget Presentation Award for the 2015 Budget
- ✓ Received GFOA Comprehensive Annual Financial Report Award for 2014.
- ✓ Completed selection of township auditing firm.
- ✓ Completed design and contract/project management for \$1.508 million in capital equipment, streets and parks projects
- ✓ Finalized traffic calming policy
- ✓ Expanded community engagement through a quarterly business leaders soup/salad and sandwich round-table
- ✓ Completed selection process for Director of Planning and Zoning
- ✓ Expanded staffing to include Arborist and Community Planner
- ✓ Completed first township video, an introduction to the township
- ✓ Recognized by niche.com as the fifth best suburban community in Pennsylvania
- ✓ Recognized as one of the top 50 safest communities in Pennsylvania

The Township is a member of the Centre Region Parks and Recreation Agency. The CRPR is involved in a multimillion dollar project to develop two regional parks. Both of these parks are designed and the funding is secured for the first phase. The first phase of the Oak Hall Park in College Township is complete and the Whitehall Road Park is awaiting a determination on the Cottages development before proceeding. Similarly, funding is set aside annually to replace aging public works equipment over \$25,000 and to replace aging building equipment, in addition to the annual capital replacements for police and other departments.

The Township annual debt service reduces the Township's ability to use the funds for other uses (opportunity cost) remains as long as the debt payments are required. The Township's current debt level is exceptionally low and is projected to remain stable or decrease, depending on the outcome of the township municipal garage project, in 2018 as the current debt is retired. The Township has sufficient financial reserves (using the regional debt) for the current planned phases of the regional park projects.

The long term financial planning outlook for the Township is highly dependent on the growth in the employment tax base to provide sufficient resources for police and public works operational needs, capital (road & park) projects and capital equipment. At this time, the outlook for the Township is favorable for long term growth and stability.

### **Award**

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to Ferguson Township for its comprehensive annual financial report for the fiscal year ended December 31, 2014. This was the sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a certificate of achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

I would like to express my sincere thanks for all the people that have made this report possible. Without the information they provided, support and their efforts, this report would not be realized. I would like to again specifically thank the Board of Supervisors and Mark Kunkle for their support in this project. In no specific order they are:

Board of Supervisors, Ferguson Township

Mark Kunkle, Township Manager, Ferguson Township

David Pribulka, Assistant Township Manager, Ferguson Township

Rick Bair and John Taylor, Baker Tilly Virchow Krause, LLP, CPAs

Ferguson Township Planning and Zoning Department

Diane Conrad, Chief of Police, Ferguson Township

Dave Modricker, Director of Public Works, Ferguson Township

Ron Seybert, Township Engineer, Ferguson Township

Steve McDonald, Road Superintendent, Ferguson Township

Centre Tax Agency

Ferguson Township Police Department

Joe Viglione, Centre Region Council of Governments

If I have omitted anyone, please accept my apologies.

Respectfully Submitted,



Eric R. Endresen, CPA,  
Director of Finance





## VISION STATEMENT

*The Township will strive to appropriate staff and resources to maintain the infrastructure in acceptable condition, provide exemplary service, keep Township operations financially stable and keep pace with technology. As a result, the Township can continue to be a leader and model for the Centre Region and other Home Rule municipalities.*

*The Township is considered a 'Best Place to Live' due to the high quality of life created in part through a sense of place achieved through the development of a vital town center, a strong diversified community, an effective transportation system, a rural/small town atmosphere and the location and availability of open space. The Township will continue to preserve environmentally sensitive areas.*



## MISSION STATEMENT

*It is the Township's mission to provide efficient, cost effective, professional services to our residents in a fair, cooperative, ethical and honest manner. The Township will endeavor to manage its resources allowing planned, sustainable growth while preserving the quality of life and its unique characteristics.*



## Township Values

***Effective, efficient, professionalism in delivering services to our residents.***

*Residents, elected and appointed officials expect the highest quality service delivery from Township staff.*

*It is our duty to meet and exceed those expectations in our daily work.*

***Preserving the unique character  
of the Township.***

*The Township proudly boasts a diverse community of all ages and professions including farmers, scholars, small and large business employers and employees, professionals, and students. Each give the area a character all its own. It is our responsibility to ensure that policies and service delivery are directed at maintaining that character for generations to come.*

***A well-maintained and safe environment.***

*Every resident and guest deserves to live, work, study, and recreate in a high quality environment. Therefore, it is our responsibility to properly maintain and provide for the safety of our community's neighborhoods, streets, parks and common areas.*

***Managing our resources wisely.***

*It is recognized that resources, including tax revenue, public utilities such as water and sewer, and services such as police and fire, are finite and must be allocated in the most efficient manner. It is our responsibility to continuously review and refine our practices to improve the management of public resources to provide the highest quality service delivery.*

***Collaborating with our  
neighboring municipalities to  
provide cost effective services.***

*The Centre Region is home to one of the premier and oldest Council of Governments in the Commonwealth. For decades, the municipalities that comprise the Centre Region have recognized the benefits of regional cooperation to improve the effectiveness and efficiency of service delivery. It is our responsibility to maintain our commitment to the Centre Region Council of Governments and neighboring municipalities for programs where regional cooperation maximizes our return on investment.*

***Ethical and honest behavior.***

*As elected officials and employees of the Township, every official, employee and service provider to the Township is directly accountable to conduct themselves in an ethical and honest manner. It is our responsibility to ensure that all who perform work for the Township operate with the highest standards of ethical and honest behavior.*





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Ferguson Township  
Pennsylvania**

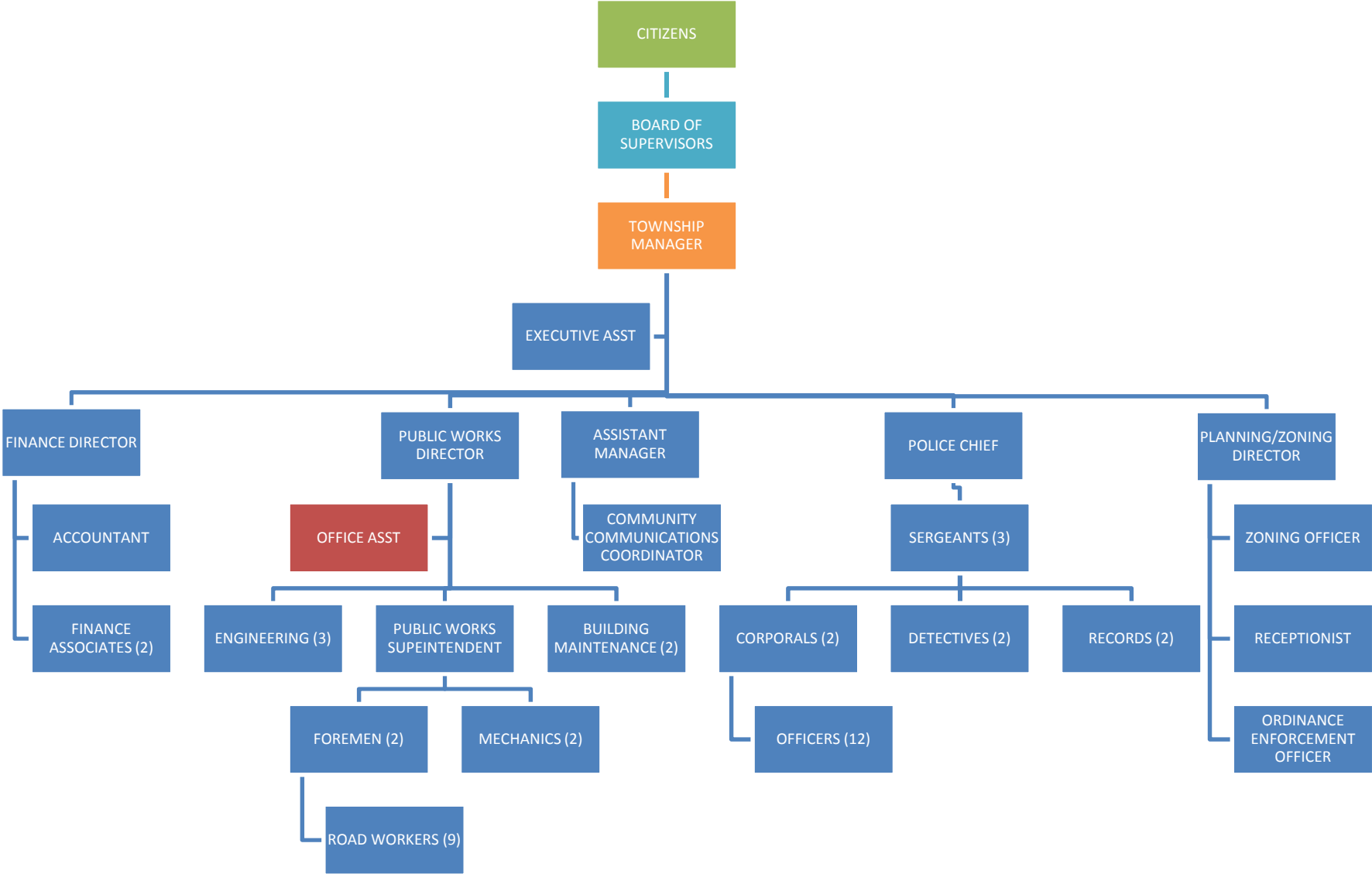
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is fluid and cursive.

Executive Director/CEO

**Ferguson Township Organizational Chart**





## **Township of Ferguson, Pennsylvania**

### **List of Principal Officials 2015**

Richard Mascolo, Chair, Board of Supervisors

Drew Clemson, Vice Chair, Board of Supervisors

Elliot Killian, Supervisor

Steve Miller, Supervisor

Janet Whitaker, Supervisor

Mark A. Kunkle, Township Manager

David G. Pribulka, Assistant Manager

David J. Modricker, Director of Public Works

Eric R. Endresen, Director of Finance

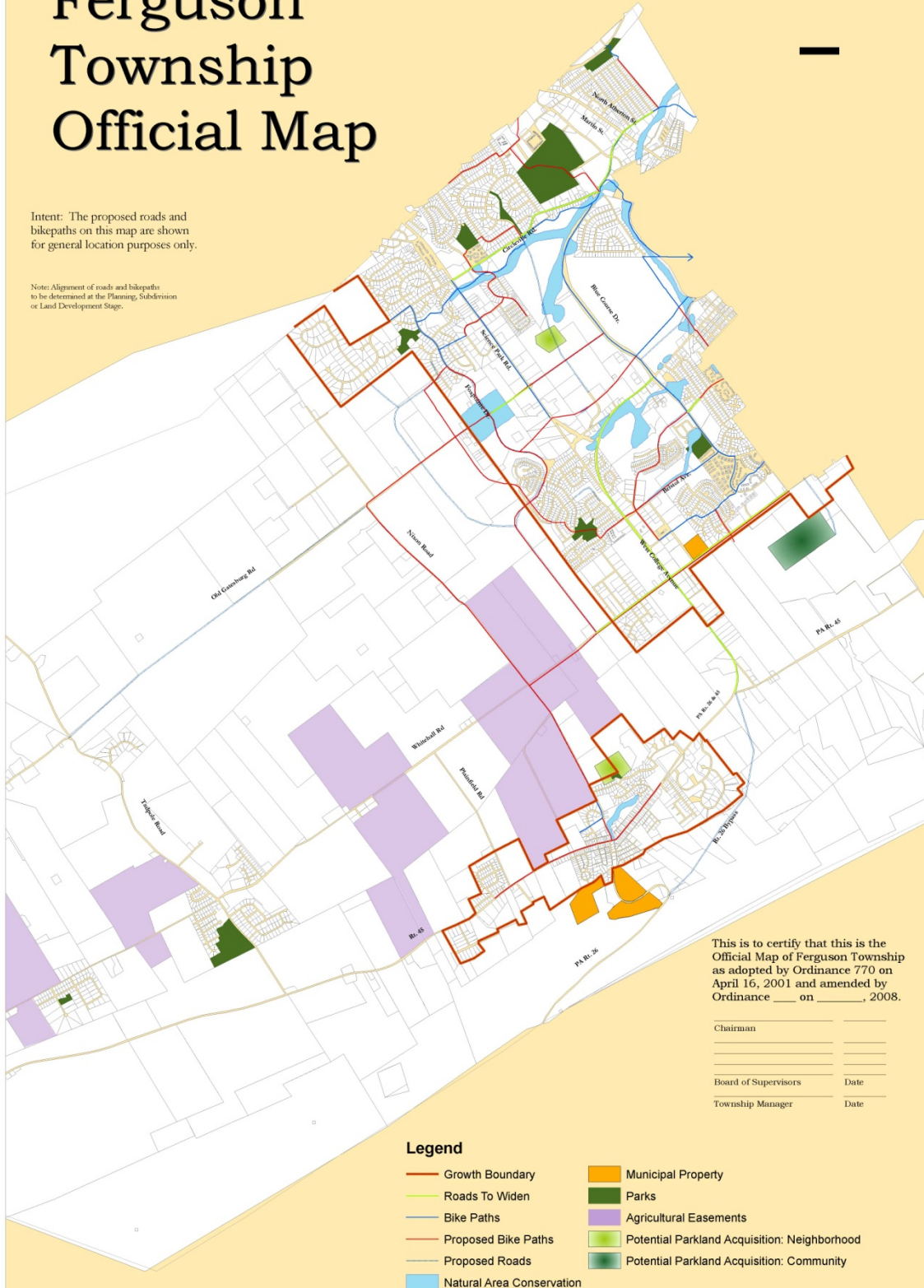
Diane M. Conrad, Chief of Police

Raymond J. Stolinis, Jr., Director of Planning and Zoning

# Ferguson Township Official Map

Intent: The proposed roads and bikepaths on this map are shown for general location purposes only.

Note: Alignment of roads and bikepaths to be determined at the Planning, Subdivision or Land Development Stage.



This is to certify that this is the Official Map of Ferguson Township as adopted by Ordinance 770 on April 16, 2001 and amended by Ordinance \_\_\_\_ on \_\_\_\_, 2008.

Chairman	_____
_____	_____
Board of Supervisors	Date _____
Township Manager	Date _____

## Legend

- |                             |  |
|-----------------------------|--|
| — Growth Boundary           | — Municipal Property                           |
| — Roads To Widen            | — Parks  |
| — Bike Paths                | — Agricultural Easements                       |
| — Proposed Bike Paths       | — Potential Parkland Acquisition: Neighborhood |
| — Proposed Roads            | — Potential Parkland Acquisition: Community    |
| — Natural Area Conservation |  |

0 1,500 3,000 6,000 9,000 12,000 Feet



# Ferguson Township Zoning Map

- Riparian Buffer Overlay District (RBOD)**
- 35 Feet
  - 65 Feet or Extent of Floodplain
  - Wetland Buffer 50 Feet
- Roads**
- Ridge Overlay District (ROD)
  - Corridor Overlay District (COD)
- Zoning**
- Agricultural Research (AR)
  - General Commercial (C)
  - Forest/Gamelands (FG)
  - General Industry (I)
  - Light Industry, R\_D (IRD)
  - Mobile Home Park (MHP)
  - Office Commercial (OC)
  - Planned Residential Development (PRD)
  - Single Family Residential (R1)
  - Suburban Single Family Residential (R1B)
  - Two Family Residential (R2)
  - Townhouse Residential (R3)
  - Multi-Family Residential (R4)
  - Rural Agriculture (RA)
  - Rural Residential (RR)
  - Traditional Town Development (TTD)
  - Village (V)

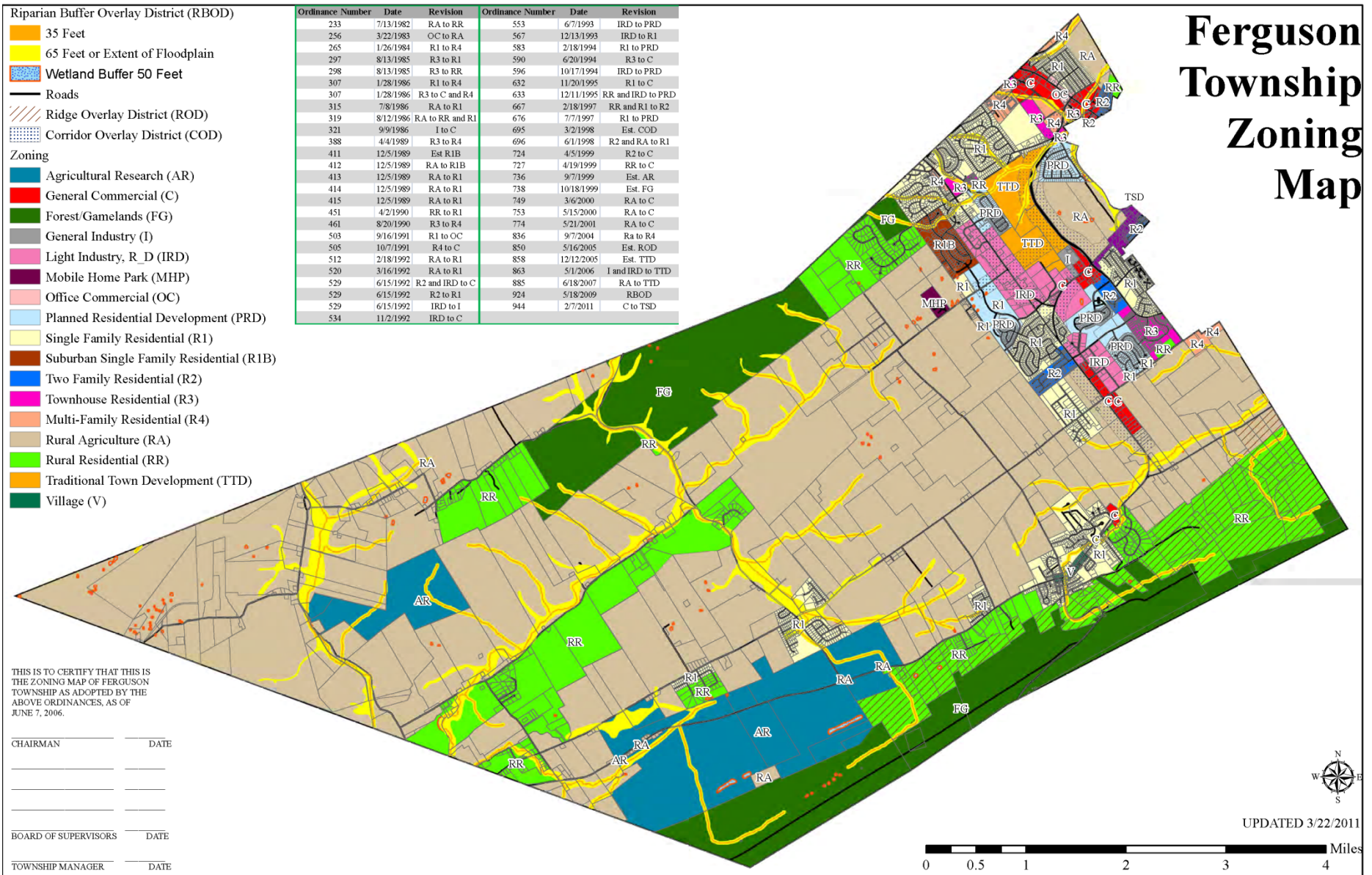
Ordinance Number	Date	Revision	Ordinance Number	Date	Revision
233	7/13/1982	RA to RR	553	6/7/1993	IRD to PRD
256	3/22/1983	OC to RA	567	12/13/1993	IRD to R1
265	1/26/1984	R1 to R4	583	2/18/1994	R1 to PRD
297	8/13/1985	R3 to R1	590	6/20/1994	R3 to C
298	8/13/1985	R3 to RR	596	10/17/1994	IRD to PRD
307	1/28/1986	R1 to C	632	11/20/1995	R1 to C
307	1/28/1986	R3 to C and R4	633	12/11/1995	RR and IRD to PRD
315	7/8/1986	RA to R1	667	2/18/1997	RR and R1 to R2
319	8/12/1986	RA to RR and R1	676	7/7/1997	R1 to PRD
321	9/9/1986	I to C	695	3/2/1998	Est. COD
388	4/4/1989	R3 to R4	696	6/1/1998	R2 and RA to R1
411	12/5/1989	Est. R1B	724	4/5/1999	R2 to C
412	12/5/1989	RA to R1B	727	4/19/1999	RR to C
413	12/5/1989	RA to R1	736	9/7/1999	Est. AR
414	12/5/1989	RA to R1	738	10/18/1999	Est. FG
415	12/5/1989	RA to R1	749	3/6/2000	RA to C
451	4/2/1990	RR to R1	753	5/15/2000	RA to C
461	8/20/1990	R3 to R4	774	5/21/2001	RA to C
503	9/16/1991	R1 to OC	836	9/7/2004	Ra to R4
505	10/7/1991	R4 to C	850	5/16/2005	Est. ROD
512	2/18/1992	RA to R1	858	12/12/2005	Est. TTD
520	3/16/1992	RA to R1	863	5/1/2006	I and IRD to TTD
529	6/15/1992	R2 and IRD to C	885	6/18/2007	RA to TTD
529	6/15/1992	R2 to R1	924	5/18/2009	RBOD
529	6/15/1992	IRD to I	944	2/7/2011	C to TSD
534	11/2/1992	IRD to C			

THIS IS TO CERTIFY THAT THIS IS THE ZONING MAP OF FERGUSON TOWNSHIP AS ADOPTED BY THE ABOVE ORDINANCES, AS OF JUNE 7, 2006.

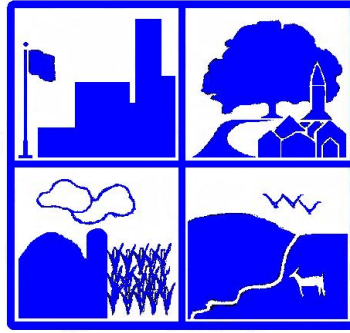
CHAIRMAN \_\_\_\_\_ DATE \_\_\_\_\_

BOARD OF SUPERVISORS \_\_\_\_\_ DATE \_\_\_\_\_

TOWNSHIP MANAGER \_\_\_\_\_ DATE \_\_\_\_\_



UPDATED 3/22/2011



## Financial Section

## **Independent Auditors' Report**

Board of Supervisors  
Township of Ferguson, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Ferguson, Pennsylvania (the "Township") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Ferguson, Pennsylvania as of December 31, 2015, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of a Matter

As discussed in Notes 1, 6 and 10 to the financial statements, the Township adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* in 2015 to conform to accounting principles generally accepted in the United States of America. The Township restated its beginning net position at January 1, 2015 for this adoption. Our opinion was not modified with respect to this adoption.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") on pages 19 through 31 and the supplementary pension trend information on pages 70 through 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Township's basic financial statements. The combining non-major governmental fund financial statements on pages 75 and 76, the budgetary comparison schedules on pages 78 through 83, the combining statements of pension trust funds on pages 85 and 86, and the combining statement of changes in assets and liabilities - all agency funds on page 88, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section on pages 5 through 15, and statistical section on pages 90 through 108 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*Baker Tilly Viechow Krause, LLP*

State College, Pennsylvania  
June 24, 2016

## **Township of Ferguson, Pennsylvania**

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### **Management's Discussion and Analysis (Unaudited)**

As management of the Township of Ferguson, Pennsylvania (the "Township"), we offer readers of the Annual Financial Statements this narrative overview and analysis of the financial activities of the Township for the calendar years (12 months) ending December 31, 2015 and 2014. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in the Township's basic financial statements, which immediately follows this section.

The Management Discussion and Analysis ("MD&A") is an element of the reporting model adopted by the Governmental Accounting Standards Board ("GASB") in their Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. This report includes comparative information for the calendar years ended December 31, 2015 and 2014.

GASB 34 requires the presentation of "government-wide" financial statements, prepared on an accrual accounting basis, which is a widely accepted method commonly used in private industry ("GAAP"), to assist readers in understanding the governmental financial activities. Part of this report is presented on an accrual accounting basis, while the remainder is presented on a modified accrual basis, more commonly used in governmental accounting.

#### **Financial Highlights GASB 34 Presentation**

- At December 31, 2015, the Township had a total of \$12.779 million of unrestricted net position available to meet the Township's long term and ongoing obligations of the governmental activities to citizens and creditors, compared to \$12.610 million at December 31, 2014 representing an increase of \$169 thousand.
- At December 31, 2015, the Township had a reportable total of \$26.255 million net investment in capital assets, compared to \$26.359 million at December 31, 2014 representing a decrease of \$104 thousand. This is the result of depreciation of the current assets.
- At December 31, 2015, the Township's long-term debt was \$1.107 million compared to \$1.650 million at December 31, 2014 representing a decrease of \$543 thousand. No new debt has been secured and the reduction is the result of the payment on the current debt.
- The Township's overall financial position improved fairly significantly during the past year considering changes in fund balances, capital investment, long-term debt, net revenues, and cash flow.

## Township of Ferguson, Pennsylvania

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### Management's Discussion and Analysis (Unaudited)

#### Overview of the Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to the Township's basic financial statements. In accordance with the GASB Statement No. 34, *Basic Financial Statements - and Managements' Discussion and Analysis - for State and Local Governments* (GASB 34), the Township's basic financial statements include three components:

- Government-Wide Financial Statements,
- Fund Financial Statements, and
- Notes to the Basic Financial Statements.

#### Government-Wide Financial Statements

The **Government-Wide Financial Statements** are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The **Government-Wide Financial Statements** distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The government activities of the Township include public safety (police and fire), streets, library, recreation, parks, planning and zoning, and general administrative support. The Township does not have any *business-type activities*.

The **Statement of Net Position** presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The **Statement of Activities** presents information showing how the Township's net position changed during the most recent calendar year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future calendar periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 32 and 33 of this report.



# Township of Ferguson, Pennsylvania

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## Management's Discussion and Analysis (Unaudited)

### Fund Financial Statements

A **Fund** is an independent self-balancing set of accounts that is used to record revenue and expenditures, related assets, liabilities, obligations, reserves and equities, which are segregated for the purpose of carrying out specific activities or attaining certain objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the calendar year. Such information may be useful in evaluating a government's financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Township's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains 12 individual Governmental Funds:

General Fund	Street Light Fund
Debt Service Fund	Transportation Improvement Fund
Liquid Fuels Fund	Park Improvement Fund
Hydrant Fund	Agricultural Preservation Fund
Capital Reserve Fund	Pine Grove Mills Streetlight Fund
Piney Ridge Fund	Regional Capital Recreational Projects Fund

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Transportation Improvement Fund, and Capital Reserve Fund all of which are considered major funds.

Data from the other nine governmental funds are combined into a single, aggregated presentation captioned "other non-major governmental funds". Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Township adopts an annual appropriated budget for all its Governmental Funds. Budgetary comparison statements have been provided to demonstrate compliance with the budgets.

The basic Governmental Fund financial statements can be found on pages 34 through 38 of this report.

## Township of Ferguson, Pennsylvania

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### Management's Discussion and Analysis (Unaudited)

The *Street Light Fund*, the *Hydrant Fund* and the *Liquid Fuels Fund* are **Special Revenue Funds** which are proceeds of specific revenue sources (other than capital projects) that are legally restricted for specific purposes.

The *Transportation Improvement Fund*, *Park Improvement Fund*, *Capital Reserve Fund*, *Piney Ridge Fund*, *Agricultural Preservation Fund*, *Regional Capital Recreation Projects Fund* and *Pine Grove Mills Streetlight Fund* are **Capital Projects Funds**. This includes funds defined as financial resources to be used for the acquisition or construction of major capital facilities.

#### **Debt Service Fund**

The *Debt Service Fund* is the main vehicle for recording and tracking bond proceeds, required debt payments and loan balances, not otherwise recorded in a capital projects fund.

#### **Proprietary Fund**

The Township has no Proprietary Funds.

#### **Fiduciary Funds**

The Township has three Fiduciary Funds: *Police Pension Fund*, *Non-Uniform 401 Pension Fund*, and the *Tudek Memorial Park Trust Fund*. These funds account for the assets held by the Township in a trustee capacity or as the agent for individuals, private organizations and other governmental units or funds.

The basic Fiduciary Fund financial statements can be found on pages 39 and 40 of this report.

#### **Notes to the Financial Statements**

The Notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 41 through 68 of this report.

#### **Fund Balances**

Non-spendable Fund balances are those that are not in spendable form. Restricted Fund balances are those that are restricted by external parties or enabling legislation. Committed Fund balances are those that are restricted by the highest level of decision making authority. Assigned Fund balances are those that are constrained by the Townships' intent to be used for a specific purpose, but are not restricted or committed. Unassigned Fund balances are those that have no formal restrictions for spending. Management feels that the restrictions, commitments and assignments of its fund balances does not significantly affect the resources available for future use of the Township for ongoing operations.

# Township of Ferguson, Pennsylvania

## Management's Discussion and Analysis (Unaudited)

### Government-Wide Financial Analysis

#### Statement of Net Position December 31, 2015 and 2014 (Unaudited)

	Governmental Activities		
	2015	2014	Differences
Current and other assets	\$ 15,349,496	\$ 15,193,331	\$ 156,165
Capital assets (net of depreciation)	27,362,299	28,009,331	(647,032)
Deferred outflows - pension	555,817	-	555,817
Total assets and deferred outflows	43,267,612	43,202,662	64,950
Current liabilities	973,076	820,029	153,047
Long-term liabilities	1,475,960	1,365,514	110,446
Deferred inflows - pension	54,052	-	54,052
Total liabilities and deferred inflows	2,503,088	2,185,543	317,545
Net investment in capital assets	26,255,099	26,359,131	(104,032)
Restricted	1,730,464	2,047,601	(317,137)
Unrestricted	12,778,961	12,610,387	168,574
Total net position	\$ 40,764,524	\$ 41,017,119	\$ (252,595)

#### Statement of Activities Years Ended December 31, 2015 and 2014 (Unaudited)

	Governmental Activities			
	2015	2014	Differences	
			\$	%
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 532,984	\$ 631,577	\$ (98,593)	(15.6) %
Operating grants and contributions	709,431	705,282	4,149	.6 %
Capital grants and contributions	626,743	536,505	90,238	16.8 %
Total program revenues	1,869,158	1,873,364	(4,206)	(.2) %
General revenues				
Real estate taxes	1,357,773	1,338,977	18,796	1.4 %
Transfer taxes	1,432,285	1,276,766	155,519	12.2 %
Earned income taxes	6,211,770	6,497,093	(285,323)	(4.4) %
Local services taxes	401,208	334,138	67,070	20.1 %
Unrestricted investment income	142,073	128,308	13,765	10.7 %
Miscellaneous	165,818	964,296	(798,478)	(82.8) %
Total general revenues	9,710,927	10,539,578	(828,651)	(7.9) %
Total revenues	11,580,085	12,412,942	(832,857)	(6.7) %

## Township of Ferguson, Pennsylvania

### Management's Discussion and Analysis (Unaudited)

	Governmental Activities			
	2015	2014	Differences	
			\$	%
<b>Expenses</b>				
General government	\$ 2,211,153	\$ 2,190,517	\$ 20,636	0.9 %
Public safety	3,816,904	3,835,519	(18,615)	( 0.5) %
Health and welfare	8,133	6,464	1,669	25.8 %
Public works-sanitation	33,005	33,005	-	0.0 %
Public works-highways	3,316,169	2,864,437	451,732	15.8 %
Other public works	118,196	135,962	(17,766)	(13.1) %
Culture and recreation	1,365,146	1,259,033	106,113	8.4 %
Interest on long-term debt	13,141	55,422	(42,281)	(76.3) %
Total expenses	10,881,847	10,380,359	501,488	4.8 %
<b>Changes in Net Position</b>	698,238	2,032,583	(1,334,345)	(65.6) %
<b>Net Position, Beginning</b>	41,017,119	38,984,536	2,032,583	5.2 %
<b>Effect of Adoption of GASB 68</b>	(950,833)	-	(950,833)	0.0 %
<b>Net Position, Ending</b>	<u>\$ 40,764,524</u>	<u>\$ 41,017,119</u>	<u>\$ (252,595)</u>	<u>0.6 %</u>

At the end of 2015, the Township is able to report a positive balance of \$40.765 million in total net position which, other than non-spendable capital assets, is not significantly affected by restrictions, commitments or any other limitations. The Township's overall financial position improved as reflected in the \$698 thousand increase in total net position shown in the table above not considering the effect of adoption of GASB 68.

### Governmental Activities

Governmental activities increased the Township's net position by \$698 thousand. Key elements of this increase are as follows:

- Salaries were \$131 thousand under budget
- Contracted services were \$121 thousand under budget
- Project costs were \$706 thousand under budget
- Capital expenditures were \$302 thousand under budget
- State intergovernmental revenue was \$310 thousand under budget
- These items were reduced further by increased health costs, pensions, and parks & recreation expenditures

## **Township of Ferguson, Pennsylvania**

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### **Management's Discussion and Analysis (Unaudited)**

#### **Financial Analysis of the Government's Funds**

As noted, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental Funds**

##### **Financial Analysis of the Major Funds**

###### **General Fund**

The General Fund is the primary operating fund of the Township. At December 31, 2015, the Unassigned General Fund balance was \$6.857 million compared to \$4.824 million in 2014, an increase of \$2.033 million. As a measure of the General Fund's liquidity, the Unassigned Fund balance at December 31, 2015 represents 69% ( $\$6,856,644 / \$9,915,571$ ) of the total General Fund expenditures (including interfund transfers out) or approximately 252 days ( $\$6,856,644 / (\$9,915,571 / 365)$ ) of operating costs, an increase of approximately 78 days. One main item underlying this change is the decrease in interfund transfers to the Capital Reserve Fund.

There were transfers out of the General Fund to other Governmental Funds in the amount of \$1.795 million to support capital equipment needs during the year ended December 31, 2015 compared to \$2.335 million in 2014, representing a decrease of \$540 thousand.

###### **General Fund Budgetary Highlights**

The 2015 General Fund expenditure budget of \$11.123 million (including interfund transfers of \$2.459 million) compares to \$10.581 million for 2014, representing an increase of \$542 thousand, or 5.1%

The 2015 General Fund actual expenditures (\$8.121 million, less Interfund transfers) were less than budgeted expenditures (\$8.664 million) by \$543 thousand or approximately 6.3%. This reflects reduced interfund transfers made relative to budget by \$646 thousand.

The 2015 General Fund revenue budget was \$10.554 million compared to \$10.169 million for 2014, representing an increase of \$385 thousand. This reflects the growth in earned income tax revenues year over year reflecting improved employment in the region.

The 2015 General Fund actual revenues of \$11.948 million exceeded budgeted revenues of \$10.554 million by \$1.394 million. This reflects unbudgeted contributions and other one-time revenues.

# Township of Ferguson, Pennsylvania

## Management's Discussion and Analysis (Unaudited)

### Statement of Revenues and Expenditures Years Ended December 31, 2015 and 2014 General Fund

	2015	2014	Differences	
			\$	%
<b>Revenues</b>				
Taxes	\$ 10,570,286	\$ 9,343,175	\$ 1,227,111	13.1 %
Licenses and permits	304,284	287,061	17,223	6.0 %
Fines and forfeits	117,778	115,854	1,924	1.7 %
Interest and rents	76,792	67,676	9,116	13.5 %
Intergovernmental	709,431	705,282	4,149	0.6 %
Charges for services	132,402	251,565	(119,163)	(47.4) %
Miscellaneous revenue	37,207	11,696	25,511	218.1 %
Refund of prior year's expenses	-	257	(257)	(100.0) %
Total revenues	11,948,180	10,782,566	1,165,614	10.8 %
<b>Expenditures</b>				
General government	1,347,726	1,303,277	44,449	3.4 %
Public safety	2,805,538	2,751,303	54,235	2.0 %
Health and welfare	8,133	6,464	1,669	25.8 %
Public works-sanitation	33,005	33,005	-	0.0 %
Public work-highways	973,706	913,660	60,046	6.6 %
Other public works	86,495	107,792	(21,297)	(19.8) %
Culture and recreation	1,044,225	1,030,424	13,801	1.3 %
Community development	30,415	30,415	-	(0.0) %
Insurance and other operating	1,791,248	1,615,771	175,477	10.9 %
Debt service-interest	458	5,676	(5,218)	(91.9) %
Total expenditures	8,120,949	7,797,787	323,162	4.1 %
<b>Excess of Revenues Over Expenditures</b>	3,827,231	2,984,779	842,452	28.2 %
<b>Other Financing Uses</b>				
Transfers out, net	(1,794,622)	(2,335,203)	540,581	(23.1) %
<b>Net Increase in Fund Balance</b>	2,032,609	649,576	\$ 1,383,033	212.9 %
<b>Fund Balance, Beginning</b>	4,824,035	4,174,459		
<b>Fund Balance, Ending</b>	\$ 6,856,644	\$ 4,824,035		



## **Township of Ferguson, Pennsylvania**

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### **Management's Discussion and Analysis (Unaudited)**

#### **Transportation Improvement Fund**

The Transportation Improvement Fund was created to account for certain road projects of the Township. At December 31, 2015, the Transportation Improvement Fund balance was \$4.122 million compared to \$3.115 million in 2014, representing an increase of \$1.007 million. This is the result of a significant reduction in spending on road projects for the year.

#### **Capital Reserve Fund**

The Capital Reserve Fund is used to account for financial resources expended to acquire capital equipment, buildings and parks. The Township expended \$1.207 million in 2015 and \$727 thousand in 2014 on such projects. Major expenditures for 2015 included:

- Two police vehicles
- Petersen rear steer grappler truck
- Peterbilt tandem axle truck
- Selders Circle Drainage
- Cecil Irvin Park

#### **Debt Service Fund**

The General Obligation Fund was created to record and track bond or loan proceeds, required debt payments and loan balances, not otherwise recorded in a capital projects fund. At December 31, 2015, the General Obligation Fund balance was \$1,203 compared to a fund balance of \$5,961 in 2014, representing a decrease in fund balance of \$4,758. This is due to the difference in transfers from the General Fund and the debt payments.

#### **Other Capital Projects Funds**

The other Capital Projects Funds (separate from the Major Funds) segregate the various capital expenditures (including projects) from the General Fund operating expenditures of the Township. These funds include the Piney Ridge Fund, Agricultural Preservation Fund, Regional Capital Recreation Projects Fund, Pine Grove Mills Streetlight Fund, and the Park Improvement Fund. At December 31, 2015, the combined non-major Capital Projects Funds balance was \$1.462 million compared to \$1.575 million in 2014, representing a decrease of \$113 thousand.

#### **Special Revenue Funds**

As noted earlier, the Special Revenue Funds are proceeds of specific revenue sources (other than capital projects) that are legally restricted for specific purposes. These funds include the Liquid Fuels Fund, Street Light Fund, and Hydrant Fund. The combined expenditures exceeded revenues by \$204 thousand for 2015. The combined revenues exceeded expenditures by \$131 thousand for 2014, a decrease of \$335 thousand.

## Township of Ferguson, Pennsylvania

### Management's Discussion and Analysis (Unaudited)

#### Long-term Debt

The total principal balance of notes payable and bonds payable at December 31, 2015 was \$1.107 million and \$1.650 million at December 31, 2014, representing a decrease of \$543 thousand. This is the result of the annual debt service principal payment.

Following is a summary of changes in long term liabilities for the years ended December 31, 2015 and 2014:

<b>Governmental Activities</b>	<b>January 1 Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>December 31 Balance</b>
<b>2015</b>				
<b>Bonds Payable,</b>				
General Obligation Note	\$ 1,650,200	\$ -	\$ (543,000)	\$ 1,107,200
<b>Other Liabilities:</b>				
Net Pension Liability	530,360	169,041	-	699,401
Accrued Vacation	251,755	25,104	(26,300)	250,559
Total Other Liabilities	782,115	194,145	(26,300)	949,960
Total Long Term Liabilities	\$ 2,432,315	\$ 194,145	\$ (569,300)	\$ 2,057,160
<b>2014</b>				
<b>Bonds Payable:</b>				
General Obligation Bonds	\$ 2,110,000	\$ -	\$ (2,110,000)	\$ -
General Obligation Note	-	1,650,200	-	1,650,200
Unamortized Premium	5,764	-	(5,764)	-
Total Bonds Payable	2,115,764	1,650,200	(2,115,764)	1,650,200
<b>Other Liabilities,</b>				
Accrued Vacation	239,221	29,734	(17,200)	251,755
Total Long Term Liabilities	\$ 2,354,985	\$ 1,679,934	\$ (2,132,964)	\$ 1,901,955

Additional information on the Township's long-term debt can be found at Note 4 in the notes to financial statements.

## **Township of Ferguson, Pennsylvania**

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### **Management's Discussion and Analysis (Unaudited)**

#### **Pension Trust Funds**

The *Police Pension Fund* and the *Non-Uniform 401 Pension Fund* are used to account for the employee retirement plan contributions of the Township and its employees, related benefit payments and other plan costs.

The net position at December 31, 2015 and 2014 of the Police Pension Fund was \$4.604 million and \$4.481 million, respectively, representing an increase of \$123 thousand. This is the result of state funding combined with investment earnings. The Township contributed \$273 thousand to the Police Pension Fund in 2015, in accordance with the annual minimum municipal obligation ("MMO") compared to \$210 thousand in 2014, representing an increase of \$63 thousand.

The net position at December 31, 2015 and 2014 of the Non-Uniform 401 Pension Fund were \$2.947 million and \$2.938 million, respectively, an increase of \$9 thousand. The Township contributed \$177 thousand to the non-uniform 401 pension fund in 2015, in accordance with the annual MMO, compared to \$142 thousand in 2014, representing an increase of \$35 thousand.

The Police Pension Fund showed a net pension liability of \$699 thousand at December 31, 2015, compared to a net pension liability of \$530 thousand at December 31, 2014, an increase of \$169 thousand.

#### **Cash Flows and Liquidity**

Governmental cash and cash equivalents totaled \$11.680 million and \$11.196 million at December 31, 2015 and 2014, respectively, representing 76% (\$11,679,850/\$15,421,154) and 75% (\$11,196,355/\$14,829,835) of total governmental assets, respectively. This provides for up to 384 days (\$11,679,850/(\$11,106,142/365)) (not including interfund transfers) of operating expenditures for 2014 and 374 days (\$11,196,355/(\$10,930,085/365)) (not including interfund transfers) for 2014 of governmental operating expenditures, an increase of 10 days. This is the result of the positive return on operations for the year.

#### **Capital Assets**

Beginning in 2013, the Township classifies capital assets as individual items costing \$2,500 or more and an estimated asset life of more than one year. The Township's investment in capital assets (net of accumulated depreciation and related debt) for its governmental activities as of December 31, 2015 amounted to \$26.255 million and \$26.359 million for 2014 (net of accumulated depreciation and related debt) a net decrease of \$104 thousand. This is the result of investments in infrastructure offset by depreciation. This investment in capital assets includes land, parks, buildings, equipment, infrastructure and associated improvements.

## Township of Ferguson, Pennsylvania

### Management's Discussion and Analysis (Unaudited)

Following is a breakdown by asset class (net of accumulated depreciation):

<u>Class</u>	<u>2015</u>	<u>2014</u>
Land	\$ 2,164,693	\$ 2,164,693
Land improvements	23,614	32,298
Buildings and improvements	3,362,988	3,698,052
Office furniture and equipment	798,600	921,759
Infrastructure	18,703,194	19,623,094
Parks and improvements	1,161,264	615,828
Vehicles	1,147,946	953,607
Total	<u>\$ 27,362,299</u>	<u>\$ 28,009,331</u>

Additional information on the Township's capital assets can be found at Note 3 in the notes to financial statements.

### Economic Condition and Next Year's Budgets and Rates

The overall economy of the Centre Region has been growing with the exception of the recession of 2008/2009. Penn State, the largest employer for the township residents, continues to expand and invest in the region. The township is experiencing the pressure of (student and employee) housing needs as developers are expanding into the available open spaces. The region has a growth boundary that limits development for several reasons, such as protecting farms and open space. The business environment is diversified with smaller companies replacing the large employers that once inhabited the township. Centre region municipalities continue to invest in parks and sporting venues, partly in an effort to attract and retain young residents and families.

Residential and commercial construction increased the Township's real estate taxable assessed values to \$565.3 million at March 1, 2015 from \$556.2 million at March 1, 2014 reflecting an increase of \$ 9.1 million or 1.6%.

The Township continues to experience continued population growth since 2010 according to the American Community Survey Foundation. With the addition of several (student) housing projects and residential development, this growth is expected to continue.

The 2015 General Fund expenditure budget includes an estimated 4.6% (\$11,122,983-\$10,637,242) increase in expenditures over the 2014 budget figures. This includes interfund transfers from the General Fund. The interfund transfers are monies transferred from one fund to another. For individual funds and especially the General Fund, it is important to include the interfund transfers. Interfund transfers from the General Fund are reductions in the General Fund balance and since the General Fund provides much of the funding for the remaining governmental funds, this is a reasonable way to determine the demands on the General Fund for expenditures in the other funds. However, they should be removed when reporting on the aggregate. Including these in the aggregate fund totals would give the appearance of larger revenue and expenditures than actual.

## **Township of Ferguson, Pennsylvania**

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### **Management's Discussion and Analysis (Unaudited)**

When comparing aggregate fund totals, the Interfund transfers should be removed from the total to get a more accurate view of the recurring operations of the Township in the aggregate. The reason for this is that they are included in both the revenue and expenditures in the aggregate, duplicating those amounts. However, they are included when displaying individual fund activities.

At the fund level, the Interfund transfers provide information about the sources and uses of the transfers. The budget for 2016 provides sufficient revenues to cover General Fund expenditures using existing available fund balance. The 2016 General Fund budget includes a net shortfall of \$582 thousand (including net interfund transfers of \$2.31 million).

Since 2006, the Township has been a member of the Pennsylvania Municipal Health Insurance Cooperative a non-profit insurance co-operative to stabilize the cost of healthcare for the Township employees. The rate increase experience has varied between 5%-13% per year while more recently, net costs (per employee) have stabilized.

Finally, the availability of credit for housing has improved in the past year. This has had a significant impact on the townships transfer tax and earned income tax collections. With these improved economic conditions, the township future looks favorable.

### **Requests for Information**

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Ferguson Township Finance Director or Township Manager at 3147 Research Drive, State College, PA 16801.

**Township of Ferguson, Pennsylvania**Statement of Net Position  
December 31, 2015

	<b>Governmental Activities</b>
<b>Assets and Deferred Outflows of Resources</b>	
<b>Assets</b>	
Current assets:	
Cash	\$ 11,679,850
Investments	996,183
Taxes receivable	2,513,095
Due from fiduciary funds	11,756
Prepaid expenses	112,784
Other receivables	35,828
	<hr/>
Total current assets	15,349,496
	<hr/>
Non-current assets:	
Capital assets, net of accumulated depreciation	
Land	2,164,693
Buildings and improvements	3,386,602
Equipment	798,600
Vehicles	1,147,946
Infrastructure	19,864,458
	<hr/>
Total capital assets, net of accumulated depreciation	27,362,299
	<hr/>
Total assets	42,711,795
	<hr/>
<b>Deferred Outflows of Resources - Pension</b>	555,817
	<hr/>
Total	<u>\$ 43,267,612</u>
	<hr/>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
<b>Liabilities</b>	
Current liabilities:	
Current maturities of notes payable	\$ 551,200
Accounts payable	126,425
Payroll and benefits payable	11,534
Curb/development deposits	253,013
Accrued interest	904
Current portion of compensated absences	30,000
	<hr/>
Total current liabilities	973,076
	<hr/>
Non-current liabilities:	
Notes payable	556,000
Net pension liability	699,401
Compensated absences	220,559
	<hr/>
Total non-current liabilities	1,475,960
	<hr/>
Total liabilities	2,449,036
	<hr/>
<b>Deferred Inflows of Resources - Pension</b>	54,052
	<hr/>
<b>Net Position</b>	
Net investment in capital assets	26,255,099
Restricted for:	
Public works	321,873
Capital projects	1,268,574
Culture and recreation	140,017
Unrestricted	12,778,961
	<hr/>
Total net position	40,764,524
	<hr/>
Total	<u>\$ 43,267,612</u>
	<hr/>

See notes to financial statements

# Township of Ferguson, Pennsylvania

## Statement of Activities

Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues			Net Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
General government	\$ 2,211,153	\$ 371,041			\$ (1,840,112)
Public safety	3,816,904	117,778	\$ 709,431		(2,989,695)
Health and welfare	8,133	8,561			428
Public works - sanitation	33,005				(33,005)
Public works - highways	3,316,169	2,786		\$ 626,743	(2,686,640)
Public works - other services	118,196	32,818			(85,378)
Culture and recreation	1,365,146				(1,365,146)
Interest on long-term debt	13,141				(13,141)
Total governmental activities	<u>\$ 10,881,847</u>	<u>\$ 532,984</u>	<u>\$ 709,431</u>	<u>\$ 626,743</u>	<u>(9,012,689)</u>

### General Revenues

#### Taxes:

Real estate	1,357,773
Transfer	1,432,285
Earned income	6,211,770
Local services	401,208
Unrestricted investment earnings	142,073
Miscellaneous	165,818

Total general revenues 9,710,927

Increase in net position 698,238

### Net Position, Beginning

As previously reported	41,017,119
Effect of adoption of GASB No. 68	(950,833)

As restated 40,066,286

**Net Position, Ending** \$ 40,764,524

See notes to financial statements

**Township of Ferguson, Pennsylvania**

Balance Sheet

Governmental Funds

December 31, 2015

		<b>Capital Projects Funds</b>			
	<b>General</b>	<b>Transportation</b>	<b>Capital</b>	<b>Other</b>	
	<b>Fund</b>	<b>Improvement</b>	<b>Reserve</b>	<b>Non-Major</b>	<b>Totals</b>
		<b>Fund</b>	<b>Fund</b>	<b>Funds</b>	
<b>Assets</b>					
Cash	\$ 4,173,106	\$ 4,122,305	\$ 1,580,931	\$ 1,803,508	\$ 11,679,850
Investments	996,183				996,183
Taxes receivable	2,513,095				2,513,095
Other accounts receivable	35,828				35,828
Prepaid expenses	112,784				112,784
Due from other funds	34,144			49,270	83,414
Total assets	<u>\$ 7,865,140</u>	<u>\$ 4,122,305</u>	<u>\$ 1,580,931</u>	<u>\$ 1,852,778</u>	<u>\$ 15,421,154</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 58,213	\$ 720	\$ 8,181	\$ 59,311	\$ 126,425
Payroll and benefits payable	11,534				11,534
Due to other funds	62,158		1,241	8,259	71,658
Curb/development deposits	253,013				253,013
Total liabilities	<u>384,918</u>	<u>720</u>	<u>9,422</u>	<u>67,570</u>	<u>462,630</u>
Deferred Inflows of Resources, Unavailable revenues - taxes	<u>623,578</u>				<u>623,578</u>
Fund balances:					
Restricted		4,121,585		1,786,098	5,907,683
Committed			1,571,509		1,571,509
Assigned				1,203	1,203
Unassigned (deficit)	<u>6,856,644</u>			<u>(2,093)</u>	<u>6,854,551</u>
Total fund balances	<u>6,856,644</u>	<u>4,121,585</u>	<u>1,571,509</u>	<u>1,785,208</u>	<u>14,334,946</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,865,140</u>	<u>\$ 4,122,305</u>	<u>\$ 1,580,931</u>	<u>\$ 1,852,778</u>	<u>\$ 15,421,154</u>

See notes to financial statements



## Township of Ferguson, Pennsylvania

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2015

**Total Fund Balances - Governmental Funds** \$ 14,334,946

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

Taxes receivable will be collected in the future, but are  
not available to pay for current period expenditures  
and, therefore, are deferred in the funds. 623,578

Capital assets used in governmental activities are  
not reported as net position in governmental funds.  
The cost of the capital assets is \$45,617,376  
and the accumulated depreciation is \$18,255,077. 27,362,299

Deferred outflows related to net pension liability  
are not reported in the governmental funds, however  
are reported in the statement of net position. 555,817

Deferred inflows related to net pension liability  
are not reported in the governmental funds, however  
are reported in the statement of net position. (54,052)

Long-term liabilities, including notes payable, are  
not due and payable in the current period, and  
therefore are not reported as liabilities in the funds.  
Long-term liabilities at year end consist of:

Notes payable	\$ (1,107,200)	
Net pension liability	(699,401)	
Accrued interest	(904)	
Compensated absences	(250,559)	(2,058,064)

**Total Net Position - Governmental Activities** \$ 40,764,524

**Township of Ferguson, Pennsylvania**

Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended December 31, 2015

		<b>Capital Projects Funds</b>			
	<b>General Fund</b>	<b>Transportation Improvement Fund</b>	<b>Capital Reserve Fund</b>	<b>Other Non-Major Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Taxes	\$ 10,570,286				\$ 10,570,286
Licenses and permits	304,284				304,284
Fines and forfeits	117,778				117,778
Interest and rents	76,792	\$ 29,907	\$ 16,768	\$ 18,606	142,073
Intergovernmental	709,431		38,736	588,007	1,336,174
Charges for service	132,402			32,816	165,218
Miscellaneous revenue	37,207		55,000		92,207
Total revenues	11,948,180	29,907	110,504	639,429	12,728,020
<b>Expenditures</b>					
Current:					
General government	1,347,726	80,297	27,245		1,455,268
Public safety	2,805,538		135,248		2,940,786
Health and welfare	8,133				8,133
Public works - sanitation	33,005				33,005
Public works - highways	973,706	186,661	430,121	735,732	2,326,220
Public works - other services	86,495			31,701	118,196
Culture and recreation	1,044,225		613,554	187,864	1,845,643
Community development	30,415				30,415
Insurance and other operating	1,791,248		643		1,791,891
Debt service:					
Debt service - principal				543,000	543,000
Debt service - interest	458			13,127	13,585
Total expenditures	8,120,949	266,958	1,206,811	1,511,424	11,106,142
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	3,827,231	(237,051)	(1,096,307)	(871,995)	1,621,878
<b>Other Financing (Uses) Sources</b>					
Transfers - in		1,244,122		550,500	1,794,622
Sale of capital assets			19,314		19,314
Transfers - out	(1,794,622)				(1,794,622)
Total other financing (uses) sources	(1,794,622)	1,244,122	19,314	550,500	19,314
Net increase (decrease) in fund balances	2,032,609	1,007,071	(1,076,993)	(321,495)	1,641,192
<b>Fund Balances, Beginning</b>	4,824,035	3,114,514	2,648,502	2,106,703	12,693,754
<b>Fund Balances, Ending</b>	\$ 6,856,644	\$ 4,121,585	\$ 1,571,509	\$ 1,785,208	\$ 14,334,946

## Township of Ferguson, Pennsylvania

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended December 31, 2015

**Net Increase in Fund Balances - Total Governmental Funds** \$ 1,641,192

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

Some taxes will not be collected for several months after year-end as they are not considered "available" revenues in the governmental funds. (1,167,249)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	\$ 1,595,739	
Depreciation expense	(2,242,771)	(647,032)

Net pension liability is considered long-term in nature, and is not reported as a liability within the funds. Such a liability is, however, reported with in the statement of net position, and changes in the liability is reflected within the statement of net position. This represents the change in pension liability and the deferred outflows and inflows related to the pension. 326,687

The issuance of long term debt provides current financial resources to government while the repayment of the principal of long-term debt consumes the current financial resources of government funds. These transactions, however, do not have an effect on net position. Reconciling items related to long-term debt activity for the year ended December 31, 2015 are as follows:

Principal payments on long-term debt made in 2015. 543,000

Accrued interest expense on long-term debt is reported in the statement of activities but does not require the use of current financial resources.

Therefore, accrued interest expense is not reported as expenditures in governmental funds. The net change is recorded in the statement of activities. 444

In the statement of activities, certain operating expenses - compensated absences (vacation and sick days) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used. 1,196

**Change in Net Position of Governmental Activities** \$ 698,238

**Township of Ferguson, Pennsylvania**

## Statement of Revenues, Expenditures, and Changes in Fund Balances

## Budget-to-Actual Comparison

## General Fund

Year Ended December 31, 2015

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 9,268,302	\$ 9,268,302	\$ 10,570,286	\$ 1,301,984
Licenses and permits	289,064	289,064	304,284	15,220
Fines and forfeits	93,750	93,750	117,778	24,028
Interest and rents	75,608	75,608	76,792	1,184
Intergovernmental	687,809	687,809	709,431	21,622
Charges for service	139,201	139,201	132,402	(6,799)
Miscellaneous	-	-	37,207	37,207
Total revenues	10,553,734	10,553,734	11,948,180	1,394,446
<b>Expenditures</b>				
General government	1,421,821	1,421,821	1,347,726	74,095
Public safety	3,014,528	3,014,528	2,805,538	208,990
Health and welfare	5,000	5,000	8,133	(3,133)
Public works - sanitation	33,005	33,005	33,005	-
Public works - highways	1,029,464	1,029,464	973,706	55,758
Other public works	113,946	113,946	86,495	27,451
Culture and recreation	1,054,697	1,054,697	1,044,225	10,472
Community development	30,575	30,575	30,415	160
Insurance and other operating	1,959,630	1,959,630	1,791,248	168,382
Debt service - interest	1,750	1,750	458	1,292
Total expenditures	8,664,416	8,664,416	8,120,949	543,467
<b>Excess of Revenues Over Expenditures</b>	1,889,318	1,889,318	3,827,231	1,937,913
<b>Other Financing Uses</b>				
Transfers - out	(2,458,567)	(2,458,567)	(1,794,622)	663,945
Net changes in fund balances	<u>\$ (569,249)</u>	<u>\$ (569,249)</u>	2,032,609	<u>\$ 2,601,858</u>
<b>Fund Balances, Beginning</b>			4,824,035	
<b>Fund Balances, Ending</b>			<u>\$ 6,856,644</u>	

See notes to financial statements

## Township of Ferguson, Pennsylvania

### Statement of Fiduciary Net Position

#### Fiduciary Funds

December 31, 2015

	<b>Pension Trust Funds</b>	<b>Tudek Memorial Trust Fund</b>	<b>Agency Fund</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 280,241	\$ 124,625	\$ 269,088
Investments, at fair value:			
Cash and cash equivalents	111,582		
Fixed income	1,216,819		
Equities	2,421,258		
Mutual funds	3,546,699		
Accounts receivable		3,500	
Due from other funds	5,485	13,808	
Land		2,118,100	
Land improvements, net		35,399	
Total assets	<u>7,582,084</u>	<u>2,295,432</u>	<u>269,088</u>
<b>Liabilities</b>			
Accounts payable		626	269,088
Due to other funds	<u>31,049</u>		
Total liabilities	<u>31,049</u>	<u>626</u>	<u>\$ 269,088</u>
<b>Net Position Restricted for Pensions and Other Trust Fund</b>	<u>\$ 7,551,035</u>	<u>\$ 2,294,806</u>	

See notes to financial statements

**Township of Ferguson, Pennsylvania**

## Statement of Changes in Fiduciary Net Position

## Fiduciary Funds

Year Ended December 31, 2015

	<b>Pension Trust Funds</b>	<b>Tudek Memorial Trust Fund</b>
<b>Additions</b>		
Contributions:		
Employer contributions	\$ 449,544	
Employee contributions	75,107	
Forfeitures	2,411	
	<u>527,062</u>	
Total contributions		
	<u>527,062</u>	
Investment income (loss):		
Net depreciation in fair value of investments	(171,299)	\$ (1,403)
Interest and dividends	142,999	2,343
Less investment expense	(47,120)	
	<u>(75,420)</u>	
Net investment (loss) income		<u>940</u>
	<u>(75,420)</u>	
Grants and gifts - nongovernmental		<u>11,758</u>
		<u>11,758</u>
Total additions	<u>451,642</u>	<u>12,698</u>
	<u>451,642</u>	<u>12,698</u>
<b>Deductions</b>		
Park operations		5,089
Administration		1,691
Insurance		2,939
Benefits paid to participants	318,892	
	<u>318,892</u>	
Total deductions		<u>9,719</u>
	<u>318,892</u>	<u>9,719</u>
Net changes in net position	132,750	2,979
	<u>132,750</u>	<u>2,979</u>
<b>Net Position Restricted for Pensions and Other Trust Fund, Beginning</b>	<u>7,418,285</u>	<u>2,291,827</u>
	<u>7,418,285</u>	<u>2,291,827</u>
<b>Net Position Restricted for Pensions and Other Trust Fund, Ending</b>	<u>\$ 7,551,035</u>	<u>\$ 2,294,806</u>

See notes to financial statements

# **Township of Ferguson, Pennsylvania**

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## **Notes to Financial Statements**

December 31, 2015

### **1. Summary of Significant Accounting Policies**

The accounting methods and procedures adopted by the Township of Ferguson, Pennsylvania (the "Township"), conform to accounting principles generally accepted in the United States of America as applied to governmental entities. The following notes to the financial statements are an integral part of the Township's financial statements:

#### **Financial Reporting Entity**

The Township is located in central Pennsylvania and operates under a Home Rule Charter with an elected five member Board of Supervisors. The Township provides services to its residents in many areas, including general government services, police and fire protection, highway repair and maintenance, and community health and recreation programs.

A component unit is a legally separate organization with which the primary government has a significant operational or financial relationship. Based upon the application of this criteria, the financial statements of no other organizations are included in the accompanying financial statements. A description of related organizations and jointly governed organizations, while not included as component units, is as follows:

#### **Related Organization**

The Ferguson Township Industrial Development Authority ("IDA") is a potential component unit that has a separate appointed board and provides services to residents, generally within the geographic boundaries of the government. The IDA is not considered a component unit of the Township as it is not deemed to have a significant operational or fiscal relationship.

#### **Jointly Governed Organizations**

Centre Area Transportation Authority ("CATA"), Centre Region Council of Governments ("CRCOG"), Centre Regional Recreation Authority ("CRRRA") and Schlow Library have boards appointed jointly by the area governments' governing bodies. The Township elects two members to the Schlow Centre Region Library governing board and one member to the remaining units' governing boards. Accordingly, these organizations are not component units. These are independent units that select management staff, set user charges, establish budgets and control all aspects of the daily activities. In the event that one of these units would dissolve, however, the assets and/or liabilities would be shared among the participating municipalities. The Township approved the following operating and capital grants to these organizations for 2015: CATA \$86,495, CRCOG \$483,088, CRRRA \$580,235 and Schlow Centre Region Library \$378,112.

The Township guarantees bank debt for CRCOG. The Township would be obligated in the event CRCOG was not able to meet principal and interest payments when they become due. As of December 31, 2015 the maximum amount payable under such guarantees is \$4,871,900 plus interest. CRCOG is current with the debt payments and the Township believes there is only a remote possibility that it would be required to perform under the guarantees, therefore no liability is recorded. The Township has guaranteed the debt through its maturity in 2028. There is no formal arrangement for recovery of payments should the guarantee be exercised.

## **Township of Ferguson, Pennsylvania**

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### Notes to Financial Statements

December 31, 2015

Separate financial reports are available at the following addresses: Schlow Library, 211 South Allen Street, State College, PA 16801; Centre Region Council of Governments, 2643 Gateway Drive, State College, PA 16801; Centre Region Recreation Authority, 2643 Gateway Drive #1, State College, PA 16801; Centre Area Transportation Authority, 2081 West Whitehall Road, State College, PA 16801.

### **Government - Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements with the exception of those representing balances between the governmental activities and fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support (the Township currently has no business-type activities). Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The expenses reported for functional activities include allocated indirect expenses. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.



## **Township of Ferguson, Pennsylvania**

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### **Notes to Financial Statements**

December 31, 2015

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

### **Governmental Funds**

#### **Major Governmental Funds**

##### **General Fund**

The General Fund is the primary operating fund of the Township. It accounts for all financial resources and legally authorized activities of the Township except those required to be accounted for in other specialized funds. The majority of the current operating expenditures of the Township are financed through revenue of the General Fund.

##### **Transportation Improvement Fund**

The Transportation Improvement Fund is a capital projects fund and was created to account for specific road projects related to the tax increase in 2001.

##### **Capital Reserve Fund**

The Capital Reserve Fund is a capital projects fund and accounts for road projects and capital improvements of the Township. This fund is shown as a major fund in order to maintain consistency of reporting.

#### **Non-Major Governmental Funds**

##### **Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

##### **Capital Projects Funds**

Capital projects funds account for the capital purchases of the Township.

##### **Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

# **Township of Ferguson, Pennsylvania**

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## **Notes to Financial Statements**

December 31, 2015

### **Fiduciary Funds**

Fiduciary funds include trust and agency funds that are used to account for assets held by the Township in a trustee capacity. Fiduciary funds of the Township include two pension trust funds, a private purpose trust fund and the tax office. Pension trust funds are reported using economic resources measurement focus and the accrual basis of accounting which is the same as proprietary funds. The tax office is an Agency Fund. Agency Funds are custodial in nature and do not involve measurement of results of operations or equity, since the assets are due to individuals or entities at some future time.

### **Budgets and Budgetary Accounting**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for all funds except the pension trust, Pine Grove Mills Streetscape and agency funds. The appropriated budget is prepared by fund, function, and department. Expenditures cannot legally exceed budgeted appropriations at the fund level. Additionally, management cannot revise the total budget obligation by fund level without the approval of the Board of Supervisors.

### **Net Position**

In the government-wide financial statements, net position is classified in the following categories:

#### **Net Investment in Capital Assets**

Capital assets, net of accumulated depreciation and outstanding debt attributable to the acquisition, construction, or improvement of those assets.

#### **Restricted**

A portion of net position subject to externally imposed conditions by parties outside of the Township (such as creditors, grantors, laws, regulations, or other governments).

#### **Unrestricted**

All other categories of net position. These assets may be designated for specific purposes.

### **Governmental Fund Balances**

The Township classifies its governmental fund balances as follows:

- *Non-spendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Township through board resolution. A resolution must be passed to establish, modify or rescind a fund balance commitment.

## Township of Ferguson, Pennsylvania

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### Notes to Financial Statements

December 31, 2015

- *Assigned* - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Township, but not through a formal action of the Supervisors. The board created a policy which grants authority to the Township Manager to assign fund balance.
- *Unassigned* - includes position fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The government has not formally adopted a minimum fund balance policy.

### **Restricted Net Position/Fund Balances**

In governmental funds when an expenditure is incurred that can be paid using either restricted or unrestricted resources, the Township's policy is generally to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications - committed, assigned, and then unassigned fund balances.

### **Cash Equivalents**

The Township considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents.

### **Investments**

Investments are carried at fair value except for money market investments which include short-term, highly liquid debt instruments which are reported at cost or amortized cost. Any differences between the market values and costs of investments, other than short-term money market investments, are reflected in investment income.

### **Prepaid Items**

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items. These items are recognized as expenditures proportionately over the periods that the service is provided (consumption method).

### **Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the calendar year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to or from other funds." All trade and certain tax receivables are shown net of an allowance for uncollectible. Township management has determined that an allowance for property taxes receivable is not necessary at December 31, 2015, based on collection history.

# **Township of Ferguson, Pennsylvania**

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## **Notes to Financial Statements**

December 31, 2015

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Township will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Township will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

### **Capital Assets**

Capital assets, which include land, buildings and improvements, equipment, vehicles, and infrastructure assets (e.g., roads, sidewalks, traffic signals, bike paths, and similar items), are reported in the government-wide financial statements. Infrastructure assets have been capitalized on a prospective basis from 2004. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are defined by the Township as assets with an initial, individual cost of \$2,500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure assets are recorded at historical cost using prevailing wages.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the assets are not capitalized.

Buildings, land improvements, building improvements, park improvements, furniture and equipment, vehicles, and infrastructure are depreciated using the straight-line method over the estimated useful lives as follows:

Buildings	30 years
Land improvements	10 to 30 years
Building improvements	10 to 30 years
Park improvements	10 to 30 years
Furniture and equipment	3 to 20 years
Infrastructure	10 to 20 years
Vehicles	5 years

### **Compensated Absences**

Employees earn vacation on an anniversary year calendar based upon length of service. It is the Township's policy to permit employees to accumulate unused vacation benefits for one year up to a maximum determined by bargaining unit agreements. If not used in the next anniversary year, the time is lost. Upon termination, employees are paid for all earned vacation days that have not been used up to the maximum number of days. Accumulated paid leave and compensatory time for employees paid out of governmental funds are recorded as an expenditure when due for payment. In the government-wide financial statements, an expense and a liability are recorded as the paid leave and compensatory time benefits accrue to employees.

## **Township of Ferguson, Pennsylvania**

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### **Notes to Financial Statements**

December 31, 2015

#### **Pension Plans**

The Township provides a separate defined benefit pension plan for uniformed police department personnel and a defined contribution plan for general employees. It is the Township's policy to fund the normal cost of the defined benefit pension plan as required through an actuarial valuation.

#### **Deferred Compensation Plan**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

#### **Real Estate Taxes**

Because the Township operates under a Home Rule Charter, it is not subject to state law limiting the amount of tax levy millage allowable for use in providing general government services or for payment of principal and interest on long-term debt.

The Township's property tax is levied by ordinance of the Board of Supervisors on real property located within the Township. Assessed values are generally 50% of market value as of the date of the last reassessments by the Centre County Board of Property Assessments, Appeals, and Review. The total assessed valuation was approximately \$565,266,000 as of March 1, 2014. For 2015, Township real estate taxes were levied at the rate of 2.422 mills (.002422) on every dollar of taxable adjusted valuation.

Real estate taxes are levied on March 1. The Township tax office bills and collects these taxes. Taxpayers making payments prior to April 30 are given a 2% discount. Amounts paid after June 30 are assessed a 10% penalty. The levy becomes delinquent on December 31. Centre County collects delinquent real estate taxes on behalf of the Township.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

# **Township of Ferguson, Pennsylvania**

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## Notes to Financial Statements

December 31, 2015

### **Recent Accounting Standards**

The Township adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*. This improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of *Statement No. 27, Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The Township implemented the accounting and reporting requirements of GASB 68 as of January 1, 2015. The effect of this adoption decreased the Township's net position at January 1, 2015 by \$950,833 for the recording of the Township's net pension liability, and expanded note disclosures and required supplementary information.

In January 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The objective of this statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that statement by employers and nonemployer contributing entities. The adoption of this standard did not have an impact on the Township's financial statements.

## **2. Cash, Cash Equivalents, and Investments**

### **Governmental Activities**

The Township is required to disclose deposit and investment risks: credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The following is a description of the Township's deposit and investment risks.

### **Cash and Cash Equivalents**

At December 31, 2015, the Township's total bank deposits were \$12,268,661. The Township's cash deposits are held at one local bank and the Pennsylvania Local Government Investment Trust. The operating accounts are held at a local bank and are secured by FDIC insurance up to \$250,000 under current law.

## **Township of Ferguson, Pennsylvania**

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### Notes to Financial Statements

December 31, 2015

#### **Investment Portfolio**

Pennsylvania statutes provide for the investment of governmental funds in certain authorized investment types, including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for cash management and investment purposes. In addition to the investments authorized for governmental funds, fiduciary fund investments may be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practices. Act 72 requires all governmental (public funds) deposits not insured by the Federal Depository Insurance Corporation ("FDIC") to be collateralized by the financial institution.

The deposit and investment policy of the Township adheres to state statutes. Deposits of the governmental funds are either maintained in demand deposits or pooled for investment purposes in certificates of deposit.

The Township's investment policy identifies permitted investments as follows:

- Insured or collateralized savings accounts or time deposits
- Insured or collateralized certificates of deposits
- United States Treasury bills
- Obligations of the United States government or its agencies or instrumentalities
- Obligations of the Commonwealth of Pennsylvania or its agencies or instrumentalities
- Obligations of the political subdivisions of the Commonwealth of Pennsylvania or its agencies or instrumentalities
- Pooled investments in accordance with the provisions of the Act of the Pennsylvania General Assembly of July 12, 1972 (P.L. 762, No. 180).

#### **Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Township will not recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The Township does not have a formal deposit policy for custodial credit risk. As of December 31, 2015, the Township's total bank deposits and certificates of deposit were \$12,268,661. Of this amount, \$500,000 was insured by the FDIC. \$134,909 of the total deposits is held in trust by the Pennsylvania Local Government Investment Trust ("PLGIT") in accounts separate and apart from the assets of the financial institution. The PLGIT trust invests in two basic types of Federal Securities: Obligations backed by the full faith and credit of the United States and short term obligations of the U.S. Government and its agencies instrumentalities. The remaining bank deposits of \$11,633,752 were exposed to custodial credit risk, as these deposits were not covered by depository insurance. Rather, these deposits were collateralized with securities held by the pledging institution, but not in the Township's name. Local financial institution Certificates of Deposit are held for safekeeping by the Township (except those held by Morgan Stanley Smith Barney).

The Township has investments with the firm Morgan Stanley Smith Barney in the amount of \$996,183. The types of investments include certificates of deposit insured by the FDIC in the amount of \$988,425, and mortgage and asset backed securities in the amount of \$340 with the remainder in cash or cash equivalents. These investments are held by the investment firm in an account separate and apart from the assets of the financial institution. The brokerage account is held in the Ferguson Township's name.

## Township of Ferguson, Pennsylvania

### Notes to Financial Statements

December 31, 2015

#### Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a credit rating by a nationally recognized organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Township does not have a formal deposit policy for credit risk.

As of December 31, 2015, the Township's credit quality distribution of securities only applies to its mortgage-backed securities:

#### Credit Quality Distribution of Securities with Credit Exposure as a Percentage of Total Investments

Mortgage-backed securities	Unrated	.03%
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#### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Township's investment in a single issuer. The Township places no limit on the amount the Township may invest in any one issuer. As of December 31, 2015, there are no investments that exceed 5% of the total portfolio's market value.

#### Interest Rate Risk

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to charges in marked interest rates.

The Township's investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments shall have maturities no longer than 3 years. The Township utilizes the "segmented time distribution" as a measurement of interest rate risk for debt securities.

Information about the sensitivity of the fair values of the investments to market interest rate fluctuation is provided by the following table that shows distribution of the investments by maturity as of December 31, 2015:

Maturity	Amount
None	\$ 7,418
Less than one year	\$ 515,021
One to two years	\$ 396,952
Two to three years	\$ 76,792

#### Foreign Currency Risk

Foreign currency risk is the risk that changes in the foreign exchange rate will adversely affect the fair value of an investment. There are currently no investments in securities exchanged in foreign denominations. The Township does not have a formal policy for foreign currency risk.



# Township of Ferguson, Pennsylvania

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## Notes to Financial Statements

December 31, 2015

### Pension Trust Funds

The deposits and investments of the fiduciary funds are administered by the Police Pension Trustees ("trustees") and are held separately from those of other Township funds.

Investments in the trust funds are stated at fair value for both reporting and actuarial purposes. Investment purchases are recorded as of the trade date. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are generally reported at cost, which is not expected to be materially different from fair value. The following summarize the investment philosophy of the trustees:

### Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Trustees do not have a formal deposit policy for custodial credit risk. The Police Pension Fund investments are held with Merrill Lynch in the accounts separate and apart from the assets of the financial institution. According to the brokerage, "customer securities are legally the property of customers - they are not on Merrill Lynch's balance sheet and are not exposed to Merrill Lynch's creditors. Under the SEC's customer protection rule, customers' securities must be segregated from Merrill Lynch's proprietary securities." The securities are held in central depositories with the record of ownership reflected on a book entry basis. The brokerage account is held in the Ferguson Township Police Pension Fund name.

### Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a credit rating by a nationally recognized organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Trustees do not have a formal deposit policy for credit risk.

As of December 31, 2015, the Township's credit quality distribution of securities as a percentage of total investments is as follows:

#### **Credit Quality Distribution of Securities with Credit Exposure as a Percentage of Total Investments**

Corporate bonds	A	.94%
Corporate bonds	BBB	.64%

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the Township's investment in a single issuer. The Police Pension fund investment policy requires that investments meet asset allocation formulas prevalent in balanced portfolios using a strategic allocation of 60% S&P 500, 30% Lehman Brothers Government/Credit Index Intermediate, and 10% cash equivalents. Allocations may range from a minimum of 30% equities and/or fixed income investments to a maximum of 70% equities and/or fixed income.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Trustees investment guidelines have no formal policy that limits investment maturities as a means of managing its exposure to interest rate risk.

Information about the sensitivity of the fair values of the investments to market interest rate fluctuation is provided by the following table that shows distribution of the investments by maturity as of December 31, 2015:

<b>Maturity</b>	<b>Amount</b>
None	\$ 7,582,084
Less than one year	\$ -
One to two years	\$ -
Two to three years	\$ -

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in the foreign exchange rate will adversely affect the fair value of an investment. There are currently no investments in securities exchanged in foreign denominations. The Trustees do not have a formal policy for foreign currency risk.

# Township of Ferguson, Pennsylvania

## Notes to Financial Statements

December 31, 2015

### 3. Capital Assets

A summary of changes in capital assets is as follows:

	January 1, 2015	Additions	Transfers	Disposals	December 31, 2015
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 2,164,693				\$ 2,164,693
Capital assets being depreciated:					
Buildings and improvements	8,566,941	\$ 19,883			8,586,824
Equipment	2,556,188	80,408		\$ (23,754)	2,612,842
Vehicles	2,591,396	400,278		(88,318)	2,903,356
Infrastructure	28,254,491	1,095,170			29,349,661
Total capital assets being depreciated	41,969,016	1,595,739	\$ -	(112,072)	43,452,683
Accumulated depreciation:					
Buildings and improvements	(4,836,591)	(363,631)			(5,200,222)
Equipment	(1,634,428)	(203,568)		23,754	(1,814,242)
Vehicles	(1,637,789)	(205,939)		88,318	(1,755,410)
Infrastructure	(8,015,570)	(1,469,633)			(9,485,203)
Total accumulated depreciated	(16,124,378)	(2,242,771)	-	112,072	(18,255,077)
Governmental activities capital assets, net	\$ 28,009,331	\$ (647,032)	\$ -	\$ -	\$ 27,362,299

Depreciation expense was charged to governmental activities as follows:

General government	\$ 435,573
Public safety	149,950
Highway and streets	1,569,333
Culture and recreation	87,915
Total	\$ 2,242,771

## Township of Ferguson, Pennsylvania

### Notes to Financial Statements

December 31, 2015

#### 4. Long-Term Debt

The changes in long-term liabilities for the year ended December 31, 2015 are as follows:

	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2015</u>	<u>Current Portion</u>
Bonds payable, General Obligation Note Series of 2014	\$ 1,650,200	\$ -	\$ (543,000)	\$ 1,107,200	\$ 551,200
Compensated absences	<u>251,755</u>	<u>25,104</u>	<u>(26,300)</u>	<u>250,559</u>	<u>30,000</u>
Total long-term liabilities	<u>\$ 1,901,955</u>	<u>\$ 25,104</u>	<u>\$ (569,300)</u>	<u>\$ 1,357,759</u>	<u>\$ 581,200</u>

For governmental activities, compensated absences are generally liquidated by the General Fund.

Long-term debt at December 31, 2015 consists of the following:

\$1,650,200 General Obligation Note, Series of 2014, used to refund all outstanding debt, due in varying annual installments through June 2017, interest at .98%.	\$ 1,107,200
Current portion	<u>551,200</u>
Long-term debt	<u>\$ 556,000</u>

Debt service requirements at December 31, 2015 are as follows:

<u>Year Ending December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 551,200	\$ 8,150	\$ 559,350
2017	<u>556,000</u>	<u>2,724</u>	<u>558,724</u>
Total	<u>\$ 1,107,200</u>	<u>\$ 10,874</u>	<u>\$ 1,118,074</u>

Federal arbitrage regulations are not applicable to the Township's debt.

## Township of Ferguson, Pennsylvania

### Notes to Financial Statements

December 31, 2015

#### 5. Interfund Accounts

The Township records receipts in the General Fund typically and records a liability/receivable for other funds as needed. Individual fund receivables and payables at December 31, 2015, were as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payable</b>
General Fund	\$ 34,144	\$ 62,158
Capital Reserve Fund		1,241
Park Improvement Fund	41,850	
Debt Service Fund	6,500	5,484
Liquid Fuels Fund	920	
Street Light Fund		227
Hydrant Fund		2,548
Fiduciary Funds	19,293	31,049
Total	<u>\$ 102,707</u>	<u>\$ 102,707</u>

Interfund transfers for the year ended December 31, 2015 were as follows:

	<b>In</b>	<b>Out</b>
General Fund		\$ 1,794,622
Transportation Improvement Fund	\$ 1,244,122	
Debt Service Fund	550,500	
Total	<u>\$ 1,794,622</u>	<u>\$ 1,794,622</u>

Transfers are primarily attributable to funding of capital projects and debt service as well as timing and the receipt of funds into the General Fund.

#### 6. Pensions

The Township has two pension plans for its employees. A single-employer defined benefit pension plan covers all full-time police and a single-employer defined contribution plan covers all full-time non-uniformed employees. The Township's payroll for employees fully and partially vested by the police and non-uniform pension plans for the year ended December 31, 2015 was \$1.640 million and \$1.611 million, respectively, which in total, represents 95% of the Township's total payroll of \$3.411 million for all employees.

##### Defined Benefit Plan - Police Employees

###### Plan Description and Administration

The Township of Ferguson Police Pension Plan (the "Plan") is a contributory defined benefit single employer retirement plan covering all full-time police. The plan is included in the accompanying financial statements of the Township as a pension trust fund and does not issue a separate plan financial statement.

The Plan is governed by the Township of Ferguson Board of Supervisors.

## Township of Ferguson, Pennsylvania

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### Notes to Financial Statements

December 31, 2015

At January 1, 2015, the date of the latest valuation, members of the plan was as follows:

Inactive plan members currently receiving benefits	10
Inactive plan members entitled to benefits but not yet receiving them	1
Current employees	<u>21</u>
Total membership	<u><u>32</u></u>
Number of participating employers	<u><u>1</u></u>

### Benefits Provided

#### Normal Retirement

If a member is hired before January 24, 2001, such member is eligible for normal retirement after attainment of age 50 and completion of 20 years of service. If a member is hired on or after January 24, 2001, such member is eligible for normal retirement after attainment of age 55 and completion of 25 years of service.

The normal retirement pension is payable monthly during the member's lifetime, with payments continuing after the member's death to the surviving spouse, or eligible child, equal to 50% of the amount payable to the member at the time of the member's death. The amount of monthly pension is equal to 50% of average monthly compensation.

Average monthly compensation is based upon the last 36 months of employment.

#### Late Retirement

If a member continues working after his normal retirement date, his pension does not start until he actually retires. The monthly late retirement pension is equal to the benefit accrued to the late retirement date.

#### Disability Retirement

If an active member was hired before January 24, 2001, and becomes totally and permanently disabled, such member is eligible for a disability pension after six months of disability. If an active member was hired on or after January 24, 2001 and becomes totally and permanently disabled in the line of duty, such member is eligible for a disability pension after six months of disability. The disability pension is equal to the present value of the accrued benefit at the date of disability.

If an active member becomes totally and permanently disabled in the line of duty after April 17, 2002, such member is eligible for a minimum monthly disability pension equal to 50% of the member's monthly salary at the time of disability.

## Township of Ferguson, Pennsylvania

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### Notes to Financial Statements

December 31, 2015

#### Death Benefits

If an active member is killed in the line of duty, a monthly death benefit is payable to his surviving spouse, or eligible child, equal to 100% of the member's monthly salary at the time of death.

If a member is eligible for retirement at the time of death, a monthly death benefit is payable to his surviving spouse, or eligible child, equal to 50% of the monthly benefit the member would have been receiving had he been retired at the time of death.

Upon the death of an active member who does not have a surviving spouse or eligible child who is entitled to the survivor's benefit, a death benefit is payable to his elected beneficiary equal to the present value of this accrued benefit at the date of death.

#### Vesting

If a member is hired before January 24, 2001, such member's benefits vest according to the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
0-4 Years	0%
5	25%
6	30%
7	35%
8	40%
9	45%
10	50%
11	60%
12	70%
13	80%
14	90%
15 or more years	100%

If a member is hired on or after January 24, 2001, such member's benefits vest upon completion of 12 years of service.

The vested benefit is a deferred monthly pension beginning at normal retirement equal to the benefit accrued to the date of termination multiplied by the applicable vesting percentage.

#### Funding Policy and Contributions

The Township's funding policy provides for periodic employee contributions at actuarially determined rates that are sufficient to accumulate assets to pay benefits when due. The employer contribution rate is determined based on the annual required contribution. Based on this calculation, employees were required to contribute 5% of their base salary to the plan. Member contributions are credited with 6% interest. The annual required contribution was determined by the actuary based on the actuarial valuation as of January 1, 2015. The contribution requirements of Plan members and the Township are established and may be amended by the Board of Supervisors. The Township funded 100% of required contributions.

## Township of Ferguson, Pennsylvania

### Notes to Financial Statements

December 31, 2015

The annual required contribution for the current year was determined as part of the January 1, 2015 actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used for the police pension include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 5.0% per year, (c) no post-retirement benefit increases, (d) assets valued at market value as determined by the Trustee, (e) RP-2000 Mortality Table for males and females, (f) a disability benefit factor of 3.0% added to basic pension costs, and (g) moderate inflation rate of 3.0% based on long-term historical average rates. The amortization method is level dollar closed, over a remaining amortization period of 15 years. The assumptions made provision for administration expenses to be added to the normal cost.

### Deposits and Investments

The Plan allows funds to be invested in and established the following target allocation across asset categories:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	30 %	1.0 - 3.0 %
Domestic equity	50	5.5 - 7.5
Alternatives	15	5.5 - 7.5
Cash and cash equivalents	5	0.0 - 1.0

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table above.

### Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of Pension Fund investment expense, was 6.5 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



## Township of Ferguson, Pennsylvania

### Notes to Financial Statements

December 31, 2015

#### Net Pension Liability

The Township's net pension liability was measured at December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. The components of the net pension liability of the Plan as of December 31, 2015 were as follows:

Total pension liability	\$ 5,303,900
Plan fiduciary net position	<u>4,604,499</u>
Plan net pension liability	<u>\$ 699,401</u>
Plan fiduciary net position as a percentage of total pension liability	<u>86.8%</u>

#### Changes in the Net Pension Liability

The changes in the Township's net pension liability during the year ended December 31, 2015 are as follows:

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 1, 2015	\$ 5,011,103	\$ 4,480,743	\$ 530,360
Changes for the year:			
Service cost	184,304	-	184,304
Interest cost	401,750	-	401,750
Changes for experience	(65,866)	-	(65,866)
Contributions - employee	-	74,524	(74,524)
Contributions - employer	-	272,819	(272,819)
Net investment income	-	10,204	(10,204)
Benefit payments, including refunds	(227,391)	(227,391)	-
Administration	-	(6,400)	6,400
Net changes	<u>292,797</u>	<u>123,756</u>	<u>169,041</u>
Balances at December 31, 2015	<u>\$ 5,303,900</u>	<u>\$ 4,604,499</u>	<u>\$ 699,401</u>

The schedule of changes in the employer's net pension liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information related to the funded status of the Pension Fund.

The net pension liability was measured as of December 31, 2015, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2015. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

## Township of Ferguson, Pennsylvania

### Notes to Financial Statements

December 31, 2015

#### Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of January 1, 2015 using the following actuarial methods and assumptions:

Actuarial valuation date	January 1, 2015
Actuarial cost method	Entry-age normal
Actuarial assumptions:	
Projected salary increases	5.0%
Inflation	3.0%
Interest rate	8.0%
Cost-of-living adjustments	0.0%
Asset valuation method	Market

Mortality rates were based on the RP-2000 Mortality Table for males and females. The actuarial assumptions used in the January 1, 2015 valuation were selected jointly by the actuary and the governing body of the pension.

#### Discount Rate

The discount rate used to measure the total pension liability for the Plan was 8.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

#### Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Plan calculated using the discount rate of 8.0% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (7.0%) or 1 percentage point higher (9.0%) than the current rate:

	<b>1% Decrease (7.0%)</b>	<b>Current Discount Rate</b>	<b>1% Increase (9.0%)</b>
Net pension liability	\$ 1,384,962	\$ 699,401	\$ 125,057

## Township of Ferguson, Pennsylvania

### Notes to Financial Statements

December 31, 2015

#### **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources**

For the year ended December 31, 2015, the Township recognized pension expense of \$218,951. At December 31, 2015, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 54,052
Difference between projected and actual earnings on investments	282,998	-
Township contributions subsequent to the measurement date	272,819	-
Total	<u>\$ 555,817</u>	<u>\$ 54,052</u>

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

Year ended December 31:	
2016	\$ (51,194)
2017	(51,194)
2018	(51,194)
2019	(51,194)
2020	(51,194)
Thereafter	27,024
Total	<u>\$ (228,946)</u>

### **Defined Contribution Plan - Non-Uniform Employees**

The Township of Ferguson Municipal Employees Money Purchase Pension Plan is a 401 qualified, defined contribution plan for all non-uniform employees. Employees who retire at or after age 55 with 10 years of credited service are entitled to retirement benefits. Vesting starts after 3 years of service and employees are fully vested after 7 years. The plan requires that the Township contribute an amount equal to 10% of the employee's base salary (with no contribution from the employee). In conjunction with the 401 plan, the Township requires all participating non-uniform employees to contribute a minimum of 2% of their base salary to a 457 Deferred Compensation Plan.

The Township, as the employer, is specifically identified as the plan trustee and has selected the ICMA Retirement Corporation as the plan administrator. The Township holds the fiduciary duty to select the fund or funds that the employer's share of the contributions are invested. The Township has limited employer contributions to four model portfolios commonly referred to as the Savings Oriented, Long Term Growth, Conservative Growth, and Traditional Growth portfolios. The Township has chosen not to allow loans on the plan's assets. As specified in the plan document section VI, 6.01, the trustee shall be the employer or such other person which agrees to act in that capacity hereunder. In accordance with the adoption agreement and the plan document, sections XIV 14.05 and XV 15.01, the employer may amend or terminate the plan and the plan administrator may amend the plan upon 30 days written notice to the employer for the express purpose of maintaining compliance with applicable federal laws and regulations of the Internal Revenue Service. The plan document, under section XIV, the employer has the authority to amend the future contributions and vesting schedule, to the extent that current account balances and current vesting may not be reduced.

At December 31, 2015, there were thirty-five 401 and 457 plan members.

## Township of Ferguson, Pennsylvania

### Notes to Financial Statements

December 31, 2015

Pension contributions for year ended December 31, 2015:

	<b>401 Qualified Pension Plan</b>	<b>457 Deferred Compensation Plan</b>
Township contributions	\$ 176,725	
Employee contributions	583	\$ 159,810
Forfeitures	2,411	
Total contributions	<u>\$ 179,719</u>	<u>\$ 159,810</u>

The Commonwealth of Pennsylvania provided \$286,221 during 2015 toward the Township contributions to the police and non-uniform pension plan through Act 205.

The following financial statements present data for the individual pension plans maintained by the Township.

### Combining Statement of Pension Trust Funds

December 31, 2015

	<b>Police Pension Trust Fund</b>	<b>Non-Uniformed Pension Trust Fund</b>	<b>Total Pension Trust Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 42,570	\$ 237,671	\$ 280,241
Investments, at fair value:			
Cash and cash equivalents	111,582		111,582
Fixed income	1,216,819		1,216,819
Equities	2,421,258		2,421,258
Mutual funds	806,825	2,739,874	3,546,699
Due from other funds	5,485		5,485
Total	<u>4,604,539</u>	<u>2,977,545</u>	<u>7,582,084</u>
<b>Liabilities</b>			
Due to other funds	<u>40</u>	<u>31,009</u>	<u>31,049</u>
<b>Net Position</b>			
Net position restricted for pensions	<u>\$ 4,604,499</u>	<u>\$ 2,946,536</u>	<u>\$ 7,551,035</u>

## Township of Ferguson, Pennsylvania

### Notes to Financial Statements

December 31, 2015

#### Combining Statement of Changes in Pension Trust Funds

For the Year Ended December 31, 2015

	<b>Police Pension Trust Fund</b>	<b>Non-Uniformed Pension Trust Fund</b>	<b>Total Pension Trust Funds</b>
<b>Additions</b>			
Contributions:			
Employer contributions	\$ 272,819	\$ 176,725	\$ 449,544
Employee contributions	74,524	583	75,107
Forfeitures		2,411	2,411
Total contributions	347,343	179,719	527,062
Investment income (loss):			
Net depreciation in fair value of investments	(95,535)	(75,764)	(171,299)
Interest and dividends	142,949	50	142,999
Investment expense	(43,610)	(3,510)	(47,120)
Net investment income (loss)	3,804	(79,224)	(75,420)
Total additions	351,147	100,495	451,642
<b>Deductions</b>			
Benefits paid to participants	227,391	91,501	318,892
<b>Net Changes in Net Position</b>	123,756	8,994	132,750
<b>Net Position Restricted for Pensions, Beginning</b>	4,480,743	2,937,542	7,418,285
<b>Net Position Restricted for Pensions, Ending</b>	<u>\$ 4,604,499</u>	<u>\$ 2,946,536</u>	<u>\$ 7,551,035</u>

#### Summary of Significant Accounting Policies - Pension Trust Funds

The plans' financial statements are prepared using the accrual basis of accounting. Employer contributions to each plan are recognized when due as required by Act 205 of the Commonwealth. Benefits and refunds are recognized when due and payable in accordance with the terms of the appropriate plan.

Investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. Fair value is determined by quoted market price.

There are no assets legally reserved for purposes other than the payment of plan member benefits for either plan. The plans held no individual investments whose market value exceeds five percent or more of net position available for benefits. There are no long-term contracts for contributions.

## Township of Ferguson, Pennsylvania

### Notes to Financial Statements

December 31, 2015

#### 7. Private Purpose Trust Fund

On June 22, 1993 the Township established the Tom Tudek Memorial Park Trust (the "Trust"). The Trust received its 501(c)(3) status from the Internal Revenue Service on December 22, 1993. The Trust will receive annual contributions from Robert and Elsie Tudek until the principal of the Trust reaches \$100,000. Income amounts will be used by the Township to pay the operating maintenance and improvement expense for the park. Principal amounts may only be used for legal consultation or actions relating to enforcing the terms and conditions of the Trust.

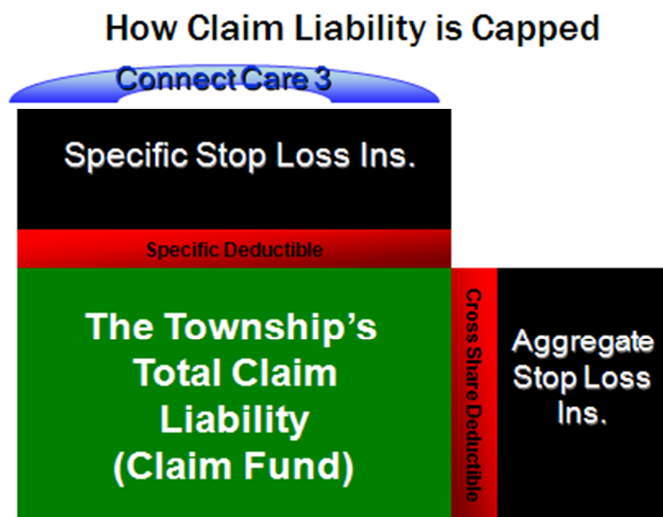
#### 8. Risk Financing

The Township maintains a self-insured plan in the General Fund. The plan is for the employee health coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

##### Health Insurance

The health insurance plan is administered by the PMHIC (Pennsylvania Municipal Health Insurance Cooperative) in conjunction with the Benecon Group. The PMHIC is made up of members combining employees to reduce the overall risk and cost of the plan. Many of the Centre Region municipalities are members of the cooperative.

The plan provides for shared risk up to the amount of cross share assigned to each member for claims below the stop loss protection. If a participant's claim exceeds \$30,000, it is first paid from the specific deductible and then, depending on the amount over \$30,000, it is paid from the specific stop loss insurance. This protects the Township from very high dollar claims.



If the Township has many claims under \$30,000 that exceed the amount in the Township's claim fund, this amount is paid from the Cross Share deductible. This fund is created through mutual agreement of the members to share some of the surpluses of members. As of the date of this report, there have been no claims against the Aggregate Stop Loss since the member contributions have been sufficient to cover the claims.

## Township of Ferguson, Pennsylvania

### Notes to Financial Statements

December 31, 2015

#### 9. Fund Balance Classifications

The Township presents its governmental fund balances by level of constraint in the aggregate on its balance sheet - governmental funds. The individual specific purposes of each constraint are presented below:

	<u>General Fund</u>	<u>Transportation Improvement Fund</u>	<u>Capital Reserve Fund</u>	<u>Other Non-Major Funds</u>	<u>Total</u>
Restricted for:					
Transportation improvement		\$ 4,121,585			\$ 4,121,585
Liquid fuels				\$ 323,966	323,966
Capital projects				110,953	110,953
Regional capital projects				1,157,621	1,157,621
Park improvement				140,017	140,017
Agricultural preservation				53,541	53,541
Total	<u>\$ -</u>	<u>\$ 4,121,585</u>	<u>\$ -</u>	<u>\$ 1,786,098</u>	<u>\$ 5,907,683</u>
Committed for,					
Capital projects	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,571,509</u>	<u>\$ -</u>	<u>\$ 1,571,509</u>
Assigned for,					
Debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,203</u>	<u>\$ 1,203</u>

#### 10. Effect of Adoption of GASB No. 68

The Township adopted GASB Statement No. 68 for year ended December 31, 2015, which requires that the effects be applied to the earliest period practical. The changes within the Township's January 1, 2015 net position are as follows:

Net position, as previously reported, at January 1, 2015	<u>\$ 41,017,119</u>
Net pension asset removal	(420,473)
Net pension liability addition	<u>(530,360)</u>
Effect of adoption of GASB No. 68 restatement	<u>(950,833)</u>
Restated net position, at January 1, 2015	<u>\$ 40,066,286</u>



### 11. Pending Changes in Accounting Principles

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements and to provide guidance for applying fair value of certain investments and disclosures related to all fair value measurements. To the extent applicable, the Township is required to adopt Statement No. 72 for its 2016 financial statements.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plan Other Than Pension Plans*, which replaces the requirements of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement 74 addresses the financial reports of defined benefit OPES plans that are administered through trusts that meet specified criteria. The statement follows the framework for financial reporting of defined benefit OPES plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to measurement of the OPES liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPES plans. To the extent applicable, the Township is required to adopt Statement No. 74 for its 2017 financial statements.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide: Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability equal to the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments. Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and RSI about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. To the extent applicable, the Township is required to adopt Statement No. 75 for its 2018 financial statements.

## Township of Ferguson, Pennsylvania

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### Notes to Financial Statements

December 31, 2015

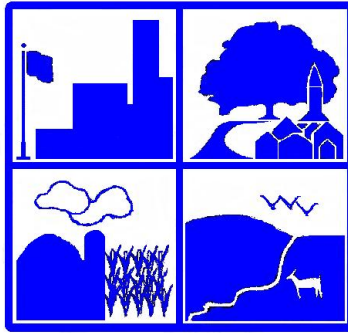
In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The primary objective of this statement is to identify - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles ("GAAP"). This statement reduces the GAAP hierarchy to two categories of authoritative literature and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. To the extent applicable, the Township is required to adopt Statement No. 76 for its 2016 financial statements.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. To the extent applicable, the Township is required to adopt Statement No. 77 for its 2017 financial statements.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. Statement No. 79, permits qualifying external investment pools to measure pool investments, which function similarly to private sector money market funds, at amortized cost. The statement also establishes additional disclosure requirements, which includes information about any limitations or restrictions on participant withdrawals, for both the pool and its participants. To the extent applicable, the Township is required to adopt Statement No. 79 for its 2017 financial statements.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*, an amendment of GASB Statement No. 14. Statement No. 80 amends the blending requirements related to not-for-profit corporations for which the primary government is the sole corporate member. To the extent applicable, the Township is required to adopt Statement No. 80 for its 2017 financial statements.

Township management is in the process of evaluating, but has not yet determined how the adoption of the above GASB guidance will impact the Township's financial statements.



## **Required Supplementary Information - Supplementary Pension Trend Information**

**Township of Ferguson, Pennsylvania****Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Most Recent Year**

	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>		
Service cost	\$ 184,304	\$ 169,971
Interest changes of benefit terms	401,750	380,013
Changes for experience	(65,866)	-
Benefit payments, including refunds of member contributions	(227,391)	(227,366)
Net change in total pension liability	292,797	322,618
<b>Total Pension Liability, Beginning</b>	<b>5,011,103</b>	<b>4,688,485</b>
<b>Total Pension Liability, Ending (a)</b>	<b>\$ 5,303,900</b>	<b>\$ 5,011,103</b>
<b>Plan Fiduciary Net Position</b>		
Employer contributions	\$ 272,819	\$ 210,393
Employee contributions	74,524	69,108
Net investment income	10,204	235,734
Benefit payments, including refunds of member contributions	(227,391)	(227,366)
Administration	(6,400)	(9,353)
Net change in plan fiduciary net position	123,756	278,516
<b>Plan Fiduciary Net Position, Beginning</b>	<b>4,480,743</b>	<b>4,202,227</b>
<b>Plan Fiduciary Net Position, Ending (b)</b>	<b>\$ 4,604,499</b>	<b>\$ 4,480,743</b>
<b>Township's Net Pension Liability, Ending (a) - (b)</b>	<b>\$ 699,401</b>	<b>\$ 530,360</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>86.81%</b>	<b>89.42%</b>
<b>Covered-employee Payroll</b>	<b>\$ 1,640,148</b>	<b>\$ 1,443,614</b>
<b>Township's Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	<b>42.64%</b>	<b>36.74%</b>

**Note to Schedule:**

The Township implemented GASB Statement No. 67 in 2014. Information prior to 2014 is not available.

**Township of Ferguson, Pennsylvania**

 Schedule of Employer Contributions  
 Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 95,002	\$ 98,866	\$ 105,300	\$ 108,605	\$ 125,120	\$ 221,588	\$ 189,018	\$ 204,059	\$ 210,393	\$ 255,274
Contributions in relation to the actuarially determined contribution	100,083	98,866	114,708	125,120	129,394	245,751	189,018	204,060	210,393	272,819
Contribution deficiency (excess)	<u>\$ (5,081)</u>	<u>\$ -</u>	<u>\$ (9,408)</u>	<u>\$ (16,515)</u>	<u>\$ (4,274)</u>	<u>\$ (24,163)</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (17,545)</u>
Covered-employee payroll	\$ 960,378	\$ 1,043,688	\$ 1,186,337	\$ 1,265,496	\$ 1,310,355	\$ 1,323,391	\$ 1,428,127	\$ 1,542,479	\$ 1,443,614	\$ 1,640,148
Contributions as a percentage of covered-employee payroll	10.42%	9.47%	9.67%	9.89%	9.87%	18.57%	13.24%	13.23%	14.57%	16.63%

**Notes to Schedule:**

Valuation date: Actuarially determined contributions are calculated as of January 1 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level Dollar Closed
Remaining amortization period	15 years
Asset valuation method	Market value of assets as determined by the trustee
Inflation	3%
Salary increases	5%, average, including inflation
Investment rate of return	8%
Retirement age	Members hired before January 24, 2001: Attainment of age 50 and completion of 20 years of service. Members hired on or after January 24, 2001: Normal Retirement Age.
Mortality	RP-2000 Mortality Table. This table does not include projected mortality improvements.

## Township of Ferguson, Pennsylvania

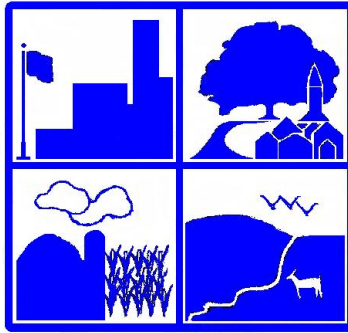
### Schedule of Investment Returns

Most Recent Year

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	<u>6.50%</u>	<u>6.50%</u>

#### Notes to Schedule:

The Township implemented GASB Statement No. 67 in 2014. Information prior to 2014 is not available.



## **Combining Statements of Non-Major Governmental Funds**

## **Township of Ferguson, Pennsylvania**

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Description of Non-Major Governmental Funds  
December 31, 2015

### **Special Revenue Funds**

Special Revenue Funds account for the proceeds of specific revenue sources (other than for debt service and major capital projects) that are legally restricted to expenditures for specified purposes.

The Street Light Fund accounts for assessments specifically restricted for the maintenance of street lights.

The Hydrant Fund accounts for assessments specifically restricted for the installation and maintenance of hydrants.

The Liquid Fuels Fund accounts for state aid revenues used for the building of and improving of roads and bridges. Financing is provided by the Township's share of state taxes on gasoline and diesel fuel.

### **Capital Projects Funds**

Capital Projects Funds account for the capital purchases of the Township.

The Piney Ridge Fund accounts for the funding set aside from a contribution by the Ferguson Township Authority when the Piney Ridge subdivision received sanitary sewer service and for upgrades to the roads within the subdivision.

The Agricultural Preservation Fund accounts for the Township's contributions towards the County's agricultural conservation easements purchases in the Township.

The Regional Capital Recreation Projects Fund accounts for the Township's payments in accordance with the agreement among the Township, the Pennsylvania State University, and Lezzer-Haubert, LLC.

The Park Improvement Fund accounts for funds set aside from fees-in-lieu payments received from the developer and any private donations.

The Pine Grove Mills Streetlight Fund accounts for the specific purpose of acquiring vintage style streetlights in conjunction with a more comprehensive streetscape improvement project.

### **Debt Service Fund**

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

The Debt Service Fund accounts for the payments of principal and interest for the General Obligation Note, Series of 2014.

The annual adopted budgets are prepared on the basis consistent with accounting principles generally accepted in the United States of America.



**Township of Ferguson, Pennsylvania**

Combining Balance Sheet

Non-Major Governmental Funds

December 31, 2015

	Special Revenue Funds			Capital Projects Funds						
	Street Light Fund	Hydrant Fund	Liquid Fuels Fund	Piney Ridge Fund	Agricultural Preservation Fund	Regional Capital Recreation Projects	Pine Grove Mill Street	Park Improvement Fund	Debt Service Fund	Total Non-Major Funds
<b>Assets</b>										
Cash	\$ -	\$ 725	\$ 339,559	\$ 89,587	\$ 53,541	\$ 1,157,621	\$ 21,366	\$ 140,017	\$ 1,092	\$ 1,803,508
Due from other funds			920					41,850	6,500	49,270
Total assets	<u>\$ -</u>	<u>\$ 725</u>	<u>\$ 340,479</u>	<u>\$ 89,587</u>	<u>\$ 53,541</u>	<u>\$ 1,157,621</u>	<u>\$ 21,366</u>	<u>\$ 181,867</u>	<u>\$ 7,592</u>	<u>\$ 1,852,778</u>
<b>Liabilities and Fund Balances (Deficit)</b>										
Liabilities:										
Accounts payable			\$ 16,513					\$ 41,850	\$ 905	\$ 59,268
Cash overdraft	\$ 43									43
Due to other funds	227	\$ 2,548							5,484	8,259
Total liabilities	<u>270</u>	<u>2,548</u>	<u>16,513</u>					<u>41,850</u>	<u>6,389</u>	<u>67,570</u>
Fund balances (deficit):										
Restricted			323,966	\$ 89,587	\$ 53,541	\$ 1,157,621	\$ 21,366	140,017		1,786,098
Assigned									1,203	1,203
Unassigned	(270)	(1,823)								(2,093)
Total fund balance (deficit)	<u>(270)</u>	<u>(1,823)</u>	<u>323,966</u>	<u>89,587</u>	<u>53,541</u>	<u>1,157,621</u>	<u>21,366</u>	<u>140,017</u>	<u>1,203</u>	<u>1,785,208</u>
Total liabilities and fund balance (deficit)	<u>\$ -</u>	<u>\$ 725</u>	<u>\$ 340,479</u>	<u>\$ 89,587</u>	<u>\$ 53,541</u>	<u>\$ 1,157,621</u>	<u>\$ 21,366</u>	<u>\$ 181,867</u>	<u>\$ 7,592</u>	<u>\$ 1,852,778</u>

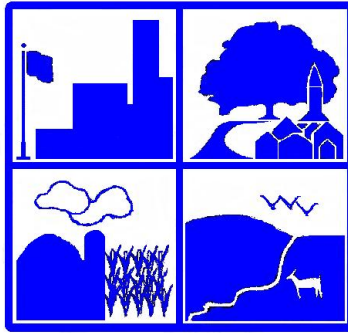
**Township of Ferguson, Pennsylvania**

Combining Statement of Revenues, Expenditures, and Changes in

Fund Balances - Non-Major Governmental Funds

Year Ended December 31, 2015

	Special Revenue Funds			Capital Projects Funds						
	Street Light Fund	Hydrant Fund	Liquid Fuels Fund	Piney Ridge Fund	Agricultural Preservation Fund	Regional Capital Recreation Project	Pine Grove Mill Street	Park Improvement Fund	Debt Service Fund	Total Non-Major Funds
<b>Revenues</b>										
Interest and rents	\$ 48	\$ 109	\$ 6,110	\$ 669	\$ 400	\$ 9,103	\$ 160	\$ 1,138	\$ 869	\$ 18,606
Intergovernmental			524,532					63,475		588,007
Charges for service	11,189	21,627								32,816
Total revenues	11,237	21,736	530,642	669	400	9,103	160	64,613	869	639,429
<b>Expenditures</b>										
Public works - highways	15,518		720,214							735,732
Public works - other services		31,701								31,701
Culture and recreation						136,851		51,013		187,864
Debt service:										
Debt service - principal									543,000	543,000
Debt service - interest									13,127	13,127
Total expenditures	15,518	31,701	720,214	-	-	136,851	-	51,013	556,127	1,511,424
<b>(Deficiency) Excess of Revenues Over Expenditures</b>	(4,281)	(9,965)	(189,572)	669	400	(127,748)	160	13,600	(555,258)	(871,995)
<b>Other Financing Sources</b>										
Transfers - in									550,500	550,500
Net (decrease) increase in fund balances	(4,281)	(9,965)	(189,572)	669	400	(127,748)	160	13,600	(4,758)	(321,495)
<b>Fund Balances, Beginning</b>	4,011	8,142	513,538	88,918	53,141	1,285,369	21,206	126,417	5,961	2,106,703
<b>Fund Balances, Ending</b>	<u>\$ (270)</u>	<u>\$ (1,823)</u>	<u>\$ 323,966</u>	<u>\$ 89,587</u>	<u>\$ 53,541</u>	<u>\$ 1,157,621</u>	<u>\$ 21,366</u>	<u>\$ 140,017</u>	<u>\$ 1,203</u>	<u>\$ 1,785,208</u>



# **Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget-to-Actual Comparisons**

- **Transportation Improvement Fund**
- **Capital Reserve Fund**
- **Non-Major Governmental Funds -  
Special Revenue Funds**
- **Non-Major Governmental Funds -  
Capital Projects Funds**
- **Non-Major Governmental Fund -  
Debt Service Fund**

## Township of Ferguson, Pennsylvania

### Schedule of Revenues, Expenditures, and Changes in Fund Balances

#### Budget-to-Actual Comparison

#### Transportation Improvement Fund

Year Ended December 31, 2015

	<u>Budget Original &amp; Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Interest and rents	<u>\$ 22,500</u>	<u>\$ 29,907</u>	<u>\$ 7,407</u>
<b>Expenditures</b>			
General government	541,000	80,297	460,703
Public works - highways	<u>571,000</u>	<u>186,661</u>	<u>384,339</u>
Total expenditures	<u>1,112,000</u>	<u>266,958</u>	<u>845,042</u>
<b>Excess of Expenditures Over Revenues</b>	(1,089,500)	(237,051)	852,449
<b>Other Financing Sources</b>			
Transfers - in	<u>1,668,567</u>	<u>1,244,122</u>	<u>(424,445)</u>
Net changes in fund balances	<u><u>\$ 579,067</u></u>	<u>1,007,071</u>	<u><u>\$ 428,004</u></u>
<b>Fund Balances, Beginning</b>		<u>3,114,514</u>	
<b>Fund Balances, Ending</b>		<u><u>\$ 4,121,585</u></u>	

**Township of Ferguson, Pennsylvania****Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget-to-Actual Comparison

Capital Reserve Fund

Year Ended December 31, 2015

	<b>Budget Original &amp; Final</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Interest and rents	\$ 21,000	\$ 16,768	\$ (4,232)
Intergovernmental	399,000	38,736	(360,264)
Miscellaneous	177,000	55,000	(122,000)
Total revenues	597,000	110,504	(486,496)
<b>Expenditures</b>			
General government	167,800	27,245	140,555
Public safety	382,189	135,248	246,941
Public works - highways	543,525	430,121	113,404
Culture and recreation	371,700	613,554	(241,854)
Other operating	6,000	643	5,357
Total expenditures	1,471,214	1,206,811	264,403
<b>Excess of Expenditures Over Revenues</b>	(874,214)	(1,096,307)	(222,093)
<b>Other Financing Sources</b>			
Transfers - in	500,000	-	(500,000)
Sale of capital assets	1,000	19,314	18,314
Total other financing sources	501,000	19,314	(481,686)
Net changes in fund balances	\$ (373,214)	(1,076,993)	\$ (703,779)
<b>Fund Balances, Beginning</b>		2,648,502	
<b>Fund Balances, Ending</b>		\$ 1,571,509	

# Township of Ferguson, Pennsylvania

## Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget-to-Actual Comparison

Non-Major Governmental Funds

Special Revenue Funds

Year Ended December 31, 2015

	Street Light			Hydrant			Liquid Fuels		
	<u>Budget</u>		<u>Variance with</u>	<u>Budget</u>		<u>Variance with</u>	<u>Budget</u>		<u>Variance with</u>
	<u>Original &amp;</u>	<u>Actual</u>	<u>Final Budget -</u>	<u>Original &amp;</u>	<u>Actual</u>	<u>Final Budget -</u>	<u>Original &amp;</u>	<u>Actual</u>	<u>Final Budget -</u>
	<u>Final</u>		<u>Positive</u>	<u>Final</u>		<u>Positive</u>	<u>Final</u>		<u>Positive</u>
			<u>(Negative)</u>			<u>(Negative)</u>			<u>(Negative)</u>
<b>Revenues</b>									
Interest and rents	\$ 50	\$ 48	\$ (2)	\$ 100	\$ 109	\$ 9	\$ 7,500	\$ 6,110	\$ (1,390)
Intergovernmental							477,083	524,532	47,449
Charges for service	12,390	11,189	(1,201)	22,756	21,627	(1,129)			
Total revenues	12,440	11,237	(1,203)	22,856	21,736	(1,120)	484,583	530,642	46,059
<b>Expenditures</b>									
Public works - highways	14,616	15,518	(902)				772,850	720,214	52,636
Public works - other services				27,810	31,701	(3,891)			
Total expenditures	14,616	15,518	(902)	27,810	31,701	(3,891)	772,850	720,214	52,636
Net changes in fund balances	<u>\$ (2,176)</u>	<u>(4,281)</u>	<u>\$ (2,105)</u>	<u>\$ (4,954)</u>	<u>(9,965)</u>	<u>\$ (5,011)</u>	<u>\$ (288,267)</u>	<u>(189,572)</u>	<u>\$ 98,695</u>
<b>Fund Balances, Beginning</b>		4,011			8,142			513,538	
<b>Fund Balances (Deficit), Ending</b>		<u>\$ (270)</u>			<u>\$ (1,823)</u>			<u>\$ 323,966</u>	

# Township of Ferguson, Pennsylvania

## Schedule of Revenues, Expenditures, and Changes in Fund Balances

### Budget-to-Actual Comparison

### Non-Major Governmental Funds

### Capital Projects Funds

Year Ended December 31, 2015

	Piney Ridge			Agricultural Preservation		
	<u>Budget Original &amp; Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Budget Original &amp; Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>						
Interest and rents	\$ 600	\$ 669	\$ 69	\$ 300	\$ 400	\$ 100
<b>Expenditures</b>						
Public works - highways	88,417		88,417			-
Culture and recreation				25,000		25,000
Total expenditures	88,417	-	88,417	25,000	-	25,000
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(87,817)	669	(88,348)	(24,700)	400	(24,900)
<b>Other Financing Sources</b>						
Transfers - in				25,000		(25,000)
Net changes in fund balances	<u>\$ (87,817)</u>	669	<u>\$ (88,348)</u>	<u>\$ 300</u>	400	<u>\$ 100</u>
<b>Fund Balances, Beginning</b>		88,918			53,141	
<b>Fund Balances, Ending</b>		<u>\$ 89,587</u>			<u>\$ 53,541</u>	

(Continued)

# Township of Ferguson, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget-to-Actual Comparison

Non-Major Governmental Funds

Capital Projects Funds

Year Ended December 31, 2015

	Regional Capital Recreation Projects			Park Improvement		
	<u>Budget</u>		<u>Variance with</u>	<u>Budget</u>		<u>Variance with</u>
	<u>Original &amp;</u>	<u>Actual</u>	<u>Final Budget -</u>	<u>Original &amp;</u>	<u>Actual</u>	<u>Final Budget -</u>
	<u>Final</u>		<u>Positive</u>	<u>Final</u>		<u>Positive</u>
			<u>(Negative)</u>			<u>(Negative)</u>
<b>Revenues</b>						
Interest and rents	\$ 7,000	\$ 9,103	\$ 2,103	\$ 250	\$ 1,138	\$ 888
Intergovernmental					63,475	63,475
Total revenues	7,000	9,103	2,103	250	64,613	64,363
<b>Expenditures</b>						
Culture and recreation	136,852	136,851	1	99,000	51,013	47,987
Net changes in fund balances	<u>\$ (129,852)</u>	(127,748)	<u>\$ 2,104</u>	<u>\$ (98,750)</u>	13,600	<u>\$ 112,350</u>
<b>Fund Balances, Beginning</b>		1,285,369			126,417	
<b>Fund Balances, Ending</b>		<u>\$ 1,157,621</u>			<u>\$ 140,017</u>	



## Township of Ferguson, Pennsylvania

### Schedule of Revenues, Expenditures, and Changes in Fund Balances

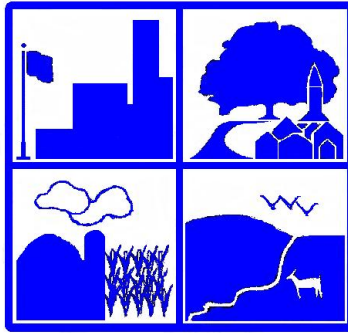
Budget-to-Actual Comparison

Non-Major Governmental Funds

Debt Service Fund

Year Ended December 31, 2015

	<u>Budget Original &amp; Final</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Interest	\$ -	\$ 869	\$ 869
<b>Expenditures</b>			
Debt service:			
Debt service - principal	543,000	543,000	-
Debt service - interest	<u>13,511</u>	<u>13,127</u>	<u>384</u>
Total expenditures	<u>556,511</u>	<u>556,127</u>	<u>384</u>
<b>Excess of Expenditures Over Revenues</b>	<u>(556,511)</u>	<u>(555,258)</u>	<u>1,253</u>
<b>Other Financing Sources</b>			
Transfers - in	<u>560,000</u>	<u>550,500</u>	<u>(9,500)</u>
Net changes in fund balances	<u>\$ 3,489</u>	<u>(4,758)</u>	<u>\$ (8,247)</u>
<b>Fund Balances, Beginning</b>		<u>5,961</u>	
<b>Fund Balances, Ending</b>		<u>\$ 1,203</u>	



## Combining Statements of Pension Trust Funds

**Township of Ferguson, Pennsylvania**

## Combining Statement of Pension Trust Funds

December 31, 2015

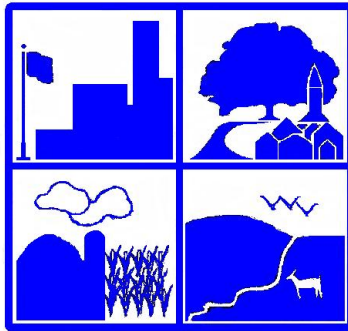
	<b>Police Pension Trust Fund</b>	<b>Non-Uniformed Pension Trust Fund</b>	<b>Total Trust Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 42,570	\$ 237,671	\$ 280,241
Investments, at fair value:			
Cash and cash equivalents	111,582		111,582
Fixed income	1,216,819		1,216,819
Equities	2,421,258		2,421,258
Mutual funds	806,825	2,739,874	3,546,699
Due from other funds	5,485		5,485
Total assets	4,604,539	2,977,545	7,582,084
<b>Liabilities</b>			
Due to other funds	40	31,009	31,049
<b>Net Position</b>			
Net position restricted for pensions	\$ 4,604,499	\$ 2,946,536	\$ 7,551,035

# Township of Ferguson, Pennsylvania

## Combining Statement of Changes in Pension Trust Funds

Year Ended December 31, 2015

	Police Pension Fund	Non-Uniformed Pension Fund	Total Trust Funds
<b>Additions</b>			
Contributions:			
Employer contributions	\$ 272,819	\$ 176,725	\$ 449,544
Employee contributions	74,524	583	75,107
Forfeitures		2,411	2,411
Total contributions	347,343	179,719	527,062
Investment income:			
Net depreciation in fair value of investments	(95,535)	(75,764)	(171,299)
Interest and dividends	142,949	50	142,999
Less investment expense	(43,610)	(3,510)	(47,120)
Net investment income/(loss)	3,804	(79,224)	(75,420)
Total additions	351,147	100,495	451,642
<b>Deductions</b>			
Benefits paid to participants	227,391	91,501	318,892
Net changes in net position	123,756	8,994	132,750
<b>Net Position Restricted for Pensions, Beginning</b>	4,480,743	2,937,542	7,418,285
<b>Net Position Restricted for Pensions, Ending</b>	\$ 4,604,499	\$ 2,946,536	\$ 7,551,035



## **Combining Statement of Changes in Assets and Liabilities - All Agency Funds**

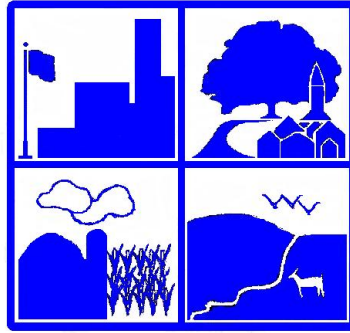
## Township of Ferguson, Pennsylvania

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

December 31, 2015

	<b>Balance, January 1, 2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, December 31, 2015</b>
<b>Earned Income Tax Office</b>				
Assets,				
Cash	<u>\$ 52,402</u>	<u>\$ 7,754</u>	<u>\$ (9,037)</u>	<u>\$ 51,119</u>
Liabilities,				
Payable to other taxing units	<u>\$ 52,402</u>	<u>\$ 7,754</u>	<u>\$ (9,037)</u>	<u>\$ 51,119</u>
<b>Real Estate Tax Office</b>				
Assets,				
Cash	<u>\$ 387,672</u>	<u>\$ 24,135,230</u>	<u>\$ (24,304,933)</u>	<u>\$ 217,969</u>
Liabilities,				
Payable to other taxing units	<u>\$ 387,672</u>	<u>\$ 24,135,230</u>	<u>\$ (24,304,933)</u>	<u>\$ 217,969</u>
<b>Total All Agency Funds</b>				
Assets,				
Cash	<u>\$ 440,074</u>	<u>\$ 24,142,984</u>	<u>\$ (24,313,970)</u>	<u>\$ 269,088</u>
Liabilities,				
Payable to other taxing units	<u>\$ 440,074</u>	<u>\$ 24,142,984</u>	<u>\$ (24,313,970)</u>	<u>\$ 269,088</u>



## Statistical Section

## **Township of Ferguson, Pennsylvania**

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Statistical Section  
December 31, 2015

### **Statistical Section**

The Statistical Section presents additional detailed information as a context for understanding the information provided in the financial statements, note disclosures and required supplementary information about the Township's overall financial health.

### **Financial Trends**

Schedules 1 through 4 provide trend information to help the reader understand the changes in the Township's financial health over time.

### **Revenue Capacity**

Schedules 5 through 10 provide information to help the reader assess the Township's ability to generate revenues.

### **Debt Capacity**

Schedules 11 through 13 provide information to help the reader assess the ability of the Township to fulfill the current debt requirements and to provide additional debt if needed in the future.

### **Demographic and Economic Information**

Schedules 14 and 15 offer demographic and economic indicators to help the reader understand the economic environment of the Township as a whole.

### **Operating Information**

Schedules 16 through 18 provide service and infrastructure information to help the reader understand how the activities and services provided by the Township affect the financial statements.



**Township of Ferguson, Pennsylvania**

Schedule of Government - Wide Net Position by Component  
(Unaudited)  
Years Ended December 31

**SCHEDULE 1**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 15,480,980	\$ 17,332,193	\$ 17,993,703	\$ 21,514,479	\$ 17,881,248	\$ 20,883,275	\$ 21,228,343	\$ 25,807,727	\$ 26,359,131	\$ 26,255,099
Restricted						1,160,103	1,117,065	1,188,166	2,047,601	1,730,464
Unrestricted/unassigned	<u>8,804,653</u>	<u>8,700,755</u>	<u>11,124,825</u>	<u>10,192,207</u>	<u>15,642,390</u>	<u>14,602,551</u>	<u>15,415,901</u>	<u>11,988,643</u>	<u>12,610,387</u>	<u>12,778,961</u>
Total governmental activities net position	<u>\$ 24,285,633</u>	<u>\$ 26,032,948</u>	<u>\$ 29,118,528</u>	<u>\$ 31,706,686</u>	<u>\$ 33,523,638</u>	<u>\$ 36,645,929</u>	<u>\$ 37,761,309</u>	<u>\$ 38,984,536</u>	<u>\$ 41,017,119</u>	<u>\$ 40,764,524</u>

Note: (1) the Township has no business type activities

Source: Independent Auditors' Report

# **Township of Ferguson, Pennsylvania**

Schedule of Government- Wide Changes in Net Position

(Unaudited)

Years Ended December 31

## **SCHEDULE 2**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses:</b>										
Governmental type activities (current):										
General government	\$ 654,632	\$ 1,310,524	\$ 1,185,216	\$ 1,466,992	\$ 1,454,365	\$ 1,573,015	\$ 1,566,073	\$ 2,162,036	\$ 2,190,517	\$2,211,153
Public safety	1,969,855	2,136,230	2,404,827	2,437,740	2,519,983	2,671,630	2,662,723	3,647,288	3,835,519	3,816,904
Health and welfare	2,586	5,678	2,961	7,317	5,729	7,166	5,090	6,673	6,464	8,133
Public works	1,463,204	1,981,038	1,667,533	1,935,062	2,753,477	2,650,121	3,771,053	3,537,116	3,033,404	3,467,370
Culture and recreation	702,090	905,683	1,363,566	1,076,279	1,050,198	1,085,404	1,329,119	1,320,474	1,259,033	1,365,146
Conservation and development			30,546	11,955						
Insurance and other operating	938,315	1,047,775	1,061,465	702,868	1,223,395	1,377,940	1,382,998			
Interest on long term debt	131,475	181,020	168,704	138,215	92,996	79,627	71,586	62,219	55,422	13,141
Total governmental activities expenses	5,862,157	7,567,948	7,884,818	7,776,428	9,100,143	9,444,903	10,788,642	10,735,806	10,380,359	10,881,847
<b>Revenues:</b>										
Governmental activities:										
Charges for services:										
General Government	106,637	120,023	310,685	379,075	438,827	438,355	397,660	458,619	468,869	371,041
Public Safety	29,775	45,645	161,429	132,062	128,099	117,887	135,854	120,435	115,854	117,778
Health and welfare	5,390	6,380	6,013	6,068	6,625	6,328	7,738	8,018	7,939	8,561
Public Works	37,769	39,192	39,154	44,964	44,628	46,112	39,148	22,724	38,915	35,604
Operating grants and contributions	1,143,635	790,172	838,783	491,698	518,193	751,857	531,506	577,761	705,282	709,431
Capital grants and contributions	45,158	13,500	556,648	582,527	392,822	2,908,628	999,364	513,747	536,505	626,743
Total governmental activities revenues	1,368,364	1,014,912	1,912,712	1,636,394	1,529,194	4,269,167	2,111,270	1,701,304	1,873,364	1,869,158
<b>Net Revenues (Expenses)</b>										
Governmental activities	(4,493,793)	(6,553,036)	(5,972,106)	(6,140,034)	(7,570,949)	(5,175,736)	(8,677,372)	(9,034,502)	(8,506,995)	(9,012,689)
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental activities:										
Taxes:										
Real estate	765,019	797,979	1,238,068	1,264,640	1,275,750	1,285,660	1,314,567	1,323,738	1,338,977	1,357,773
Transfer	1,371,866	1,251,853	1,234,907	840,595	1,034,100	832,580	969,487	1,978,764	1,276,766	1,432,285
Earned Income	5,371,056	4,886,700	5,580,764	5,846,005	6,015,241	5,890,462	5,542,488	6,029,207	6,497,093	6,211,770
Local Services	360,192	366,482	299,621	346,277	319,906	381,124	307,512	331,371	334,138	401,208
Franchise Fees	152,971	152,881								
Fines	95,294	108,818								
Unrestricted investment earnings	468,628	436,853	359,670	340,381	211,615	222,331	190,669	124,685	128,308	142,073
Miscellaneous	191,286	298,785	344,656	90,294	531,289	685,870	468,029	469,964	964,296	165,818
Total governmental activities general revenues	8,776,312	8,300,351	9,057,686	8,728,192	9,387,901	9,298,027	8,792,752	10,257,729	10,539,578	9,710,927
<b>Changes in Net Position,</b>										
Governmental activities	\$ 4,282,519	\$ 1,747,315	\$ 3,085,580	\$ 2,588,158	\$ 1,816,952	\$ 4,122,291	\$ 115,380	\$ 1,223,227	\$ 2,032,583	\$ 698,238

Notes: (1) the Township has no business type activities

Source: Independent Auditors' Report

**Township of Ferguson, Pennsylvania**

Schedule of Fund Balances of Governmental Funds

(Unaudited)

Years Ended December 31

**SCHEDULE 3**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Non-Spendable (1)						\$ 3,594	\$ 65,159	\$ 70,220		
Restricted (1)										
Committed (1)						1,000,000	1,000,000			
Assigned (1)										
Unassigned (1)						4,187,743	2,991,653	4,104,239	\$ 4,824,035	\$ 6,856,644
Unreserved:										
Undesignated	\$ 4,140,927	\$ 4,824,174	\$ 4,482,879	\$ 5,058,582	\$ 5,119,166					
Total general fund	4,140,927	4,824,174	4,482,879	5,058,582	5,119,166	5,191,337	4,056,812	4,174,459	4,824,035	6,856,644
<b>All Other Governmental Funds</b>										
Non-Spendable (1)										
Restricted (1)						1,160,103	1,117,065	1,188,166	2,047,601	5,907,683
Committed (1)						7,913,681	9,240,120	5,921,213	5,816,157	1,571,509
Assigned (1)						27	835	1,709	5,961	1,203
Unassigned (1)										(2,093)
Reserved for:										
Capital Projects	1,861,064	561,377	1,336,771	1,450,563	1,411,733					
Unreserved, Undesignated, reported in:										
Special Revenue Funds	278,045	200,061	390,210	325,815	330,486					
Capital Projects Funds	2,670,841	3,653,616	5,076,180	5,383,208	6,250,624					
Debt Service	4,803	1,444	1,747	(7,979)	(7,267)					
Total all other governmental funds	4,814,753	4,416,498	6,804,908	7,151,607	7,985,576	9,073,811	10,358,020	7,111,088	7,869,719	7,478,302
Total governmental fund balances	\$ 8,955,680	\$ 9,240,672	\$ 11,287,787	\$ 12,210,189	\$ 13,104,742	\$ 14,265,148	\$ 14,414,832	\$ 11,285,547	\$ 12,693,754	\$ 14,334,946

Note: 1. GASB Statement number 54, Fund Balance Reporting takes effective for years beginning after June 15, 2010, prior balances are not restated

Source: Independent Auditors' Report

**Township of Ferguson, Pennsylvania**

Schedule of Changes in Governmental Fund Balances

(Unaudited)

Years Ended December 31

**SCHEDULE 4**

	2006 (1)	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$ 7,544,600	\$ 8,067,179	\$ 8,376,605	\$ 7,948,380	\$ 8,082,875	\$ 8,403,023	\$ 8,478,220	\$ 9,771,549	\$ 9,343,175	\$ 10,570,286
Licenses and permits	172,638	170,481	215,362	220,608	262,036	250,463	239,880	309,657	287,061	304,284
Fines and forfeits	95,294	108,818	116,518	132,062	128,099	117,887	135,854	120,435	115,854	117,778
Interest and rents	468,628	436,853	359,670	340,381	211,615	222,331	190,669	124,685	128,308	142,073
Intergovernmental	1,188,793	803,672	895,431	1,074,225	911,015	3,660,485	1,530,870	1,091,508	1,241,787	1,336,174
Charges for services	179,570	211,240	209,215	234,625	240,954	253,990	223,269	259,019	277,645	165,218
Other financing sources	15,767	1,482	500,000							
Miscellaneous revenues	222,380	279,703	320,432	61,281	472,726	661,005	409,016	355,649	889,269	92,207
Refund of prior year expenditures			410	3,887	6,946	7,296	255	274	18,118	
<b>Total revenues</b>	<b>9,887,670</b>	<b>10,079,428</b>	<b>10,993,643</b>	<b>10,015,449</b>	<b>10,316,266</b>	<b>13,576,480</b>	<b>11,208,033</b>	<b>12,032,776</b>	<b>12,301,217</b>	<b>12,728,020</b>
<b>Expenditures</b>										
General government	2,599,674	2,539,108	1,241,043	1,169,636	1,125,718	1,143,935	1,278,323	1,469,596	1,465,556	1,455,268
Public safety	2,049,776	2,185,869	2,410,533	2,485,741	2,488,052	2,718,215	2,649,349	2,907,932	2,947,837	2,940,786
Health and welfare	2,586	5,678	2,961	7,317	5,729	7,166	5,090	6,673	6,464	8,133
Public works	5,049,669	2,515,353	2,159,994	2,685,156	2,994,141	5,206,287	3,542,450	7,411,752	3,017,784	2,477,421
Culture and recreation	796,000	922,915	1,454,367	1,099,725	1,075,672	1,365,651	1,711,634	1,321,946	1,297,150	1,845,643
Community development			30,546	11,955				30,415	30,415	30,415
Insurance and other operating	936,345	1,047,775	1,061,465	1,164,589	1,212,337	1,421,872	1,352,827	1,576,850	1,616,637	1,791,891
Debt issuance costs									21,442	
Debt service-principal	1,884,418	396,000	416,000	329,053	465,000	475,000	485,000	495,000	505,000	543,000
Debt service-interest	119,401	181,738	169,619	143,515	93,771	81,860	73,830	64,490	43,242	13,585
Other costs				116,462						
<b>Total expenditures</b>	<b>13,437,869</b>	<b>9,794,436</b>	<b>8,946,528</b>	<b>9,213,149</b>	<b>9,460,420</b>	<b>12,419,986</b>	<b>11,098,503</b>	<b>15,284,654</b>	<b>10,951,527</b>	<b>11,106,142</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(3,550,199)</b>	<b>284,992</b>	<b>2,047,115</b>	<b>802,300</b>	<b>855,846</b>	<b>1,156,494</b>	<b>109,530</b>	<b>(3,251,878)</b>	<b>1,349,690</b>	<b>1,621,878</b>
<b>Other Financing Sources (Uses)</b>										
Net transfers in (out)							23,587	75,617		
Sale of capital assets					38,707	3,912	16,567	46,976	13,317	19,314
Net proceeds from long term debt				4,435,000					1,650,200	
Bond premium				12,249						
Payments to refund bonds and notes payable				(4,327,147)					(1,605,000)	
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,102</b>	<b>38,707</b>	<b>3,912</b>	<b>40,154</b>	<b>122,593</b>	<b>58,517</b>	<b>19,314</b>
<b>Net Changes in Fund Balances</b>	<b>\$ (3,550,199)</b>	<b>\$ 284,992</b>	<b>\$ 2,047,115</b>	<b>\$ 922,402</b>	<b>\$ 894,553</b>	<b>\$ 1,160,406</b>	<b>\$ 149,684</b>	<b>\$ (3,129,285)</b>	<b>\$ 1,408,207</b>	<b>\$ 1,641,192</b>

Debt service as a percentage of non capital expenditures

(2)

Notes:

- (1) Restatement due to change from modified cash basis to modified accrual basis
- (2) Capital outlay is integrated in all functions of current expenditures. Amount is subtracted from amount used in calculation

Source: Independent Auditors' Report

## Township of Ferguson, Pennsylvania

### Schedule of Earned Income Tax

(Unaudited)

Years Ended December 31

#### SCHEDULE 5

Year	Rate	Total Earned Income Tax Collected (1)	% Change
2006	1.40%	\$ 5,049,275	9.19%
2007	1.40%	5,267,427	4.32%
2008	1.40%	5,604,008	6.39%
2009	1.40%	5,496,867	-1.91%
2010	1.40%	5,453,119	-0.80%
2011	1.40%	5,890,462	8.02%
2012	1.40%	5,542,488	-5.91%
2013	1.40%	6,029,207	8.78%
2014	1.40%	6,497,093	7.76%
2015	1.40%	6,211,770	-4.39%

Sources:

Ferguson Township Operating Budgets (actual)  
Independent Auditors' Report

Notes: 1. Modified Accrual Basis

## Township of Ferguson, Pennsylvania

Schedule of Earned Income Tax Rates -  
All Direct and Overlapping Governments  
(Unaudited)  
Years Ended December 31

### SCHEDULE 6

Tax Rates (% per \$1 of Taxable income)			
Fiscal Year	Township (1)	School (2)	Total
2006	1.40%	0.95%	2.35%
2007	1.40%	0.95%	2.35%
2008	1.40%	0.95%	2.35%
2009	1.40%	0.95%	2.35%
2010	1.40%	0.95%	2.35%
2011	1.40%	0.95%	2.35%
2012	1.40%	0.95%	2.35%
2013	1.40%	0.95%	2.35%
2014	1.40%	0.95%	2.35%
2015	1.40%	0.95%	2.35%

Sources:

1. Ferguson Township tax office
2. State College Area School District

# Township of Ferguson, Pennsylvania

Schedule of Principal Earned Income Taxpayers  
(Unaudited)  
Current Year and Nine Years Ago  
Years Ended December 31

## SCHEDULE 7

Income Level	2015 (1)				2006 (1)			
	Number of Filers	Percentage of Total	Tax Liability (3)	Percentage of Total Levy	Number of Filers	Percentage of Total	Tax Liability (3)	Percentage of Total Levy
Greater than \$100,000.00	1,221	10.88%	\$ 2,968,929	45.73%	686	8.59%	\$ 2,725,684	36.48%
\$75,000.01 - \$100,000.00	773	6.89%	934,890	14.40%	471	5.90%	957,071	12.81%
\$50,000.01 - \$75,000.00	1,091	9.72%	936,938	14.43%	983	12.31%	1,424,378	19.06%
\$25,000.01 - \$50,000.00	1,890	16.84%	973,106	14.99%	1,755	21.97%	1,498,226	20.05%
\$10,000.01 - \$25,000.00	1,818	16.20%	430,811	6.64%	1,635	20.47%	639,320	8.56%
Less than or equal to \$10,000.00	4,430	39.47%	247,065	3.81%	2,457	30.76%	227,981	3.05%
Total	11,223	100.00%	\$ 6,491,739	100.00%	7,987	100.00%	\$ 7,472,660	100.00%

Notes: (1) 2015 collections represent the 2014 tax year and 2006 collections represent the 2005 tax year.

(2) specific taxpayers do not necessarily correlate between current and nine years ago

(3) calculated based on Township tax rate of 1.4%

Source: Ferguson Township Tax Office

**Township of Ferguson, Pennsylvania**

## Schedule of Assessed Value of Taxable Properties

(Unaudited)

Years Ended December 31

## SCHEDULE 8

Fiscal Year (1)	Real Property Assessed Taxable Value							Actual Taxable Value	TAV as % of ATV (2)	Tax Exempt \$ (Memo)
	Agricultural Property	Commercial Property	Industrial Property	Land	Residential Property	Total	Direct Rate			
2006	\$ 14,062,795	\$ 129,822,235	\$ 13,481,930	\$ 6,055,870	\$ 324,958,435	\$ 488,381,265	1.58	\$ 976,762,530	50%	\$ 26,638,070
2007	14,421,085	130,262,130	13,186,950	6,786,290	340,546,430	505,202,885	1.58	1,010,405,770	50%	27,959,275
2008	15,285,225	132,884,930	12,172,300	6,286,075	350,663,250	517,291,780	1.58	1,034,583,560	50%	29,891,230
2009	15,720,705	132,576,170	12,172,300	7,400,445	358,974,380	526,844,000	1.58	1,053,688,000	50%	30,912,005
2010	16,470,715	133,017,220	11,164,945	6,936,740	364,063,395	531,653,015	1.58	1,063,306,030	50%	32,160,585
2011	17,001,920	138,668,730	10,948,925	6,191,775	367,974,515	540,785,865	1.58	1,081,571,730	50%	33,146,690
2012	17,138,480	139,442,480	11,015,825	5,968,120	370,636,915	544,201,820	1.58	1,088,403,640	50%	33,370,925
2013	17,143,675	140,072,895	11,307,210	5,661,630	375,567,930	549,753,340	1.58	1,099,506,680	50%	35,560,310
2014	17,346,975	148,383,300	6,343,510	4,115,330	380,023,120	556,212,235	1.58	1,112,424,470	50%	40,463,395
2015	17,504,845	152,558,035	6,343,510	5,113,425	383,746,530	565,266,345	1.58	1,130,532,690	50%	40,657,855

Notes: 1. As of March 1 of each year  
 2. TAV=taxable assessed value, ATV=actual taxable value

Sources: Centre County Assessment Office Township Tax Duplicate



**Township of Ferguson, Pennsylvania**

Schedule of Principal Property Taxpayers

(Unaudited)

Year Ended December 31

**SCHEDULE 9**

Taxpayer	2015			2006		
	Taxable Assessed Values	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Values	Rank	Percentage of Total Taxable Assessed Value
Circleville Road Partners	\$ 9,320,605	1	1.65%			0.00%
Minitab Inc.	9,190,030	2	1.63%	\$ 4,788,965	2	0.98%
Copper Beach Townhouses	8,755,760	3	1.55%	5,796,560	1	1.19%
C2S LP	6,566,240	4	1.16%			0.00%
HFL Corporation	5,354,565	5	0.95%			0.00%
State College Park Apartments LLC	4,511,265	6	0.80%			0.00%
CSC Northland LP	3,598,730	7	0.64%			0.00%
Park Crest Terrace LTD	3,250,550	8	0.58%	3,250,550	7	0.67%
Hemmingway Place	2,587,830	9	0.46%			0.00%
Weis Markets	2,543,760	10	0.45%			0.00%
QSI Partnership			0.00%	2,692,945	10	0.55%
WHGMH Realty (Accuweather)			0.00%	2,795,110	9	0.57%
David & Natalie Roberts			0.00%	3,097,780	8	0.63%
Edens & Avant Financing			0.00%	3,856,370	6	0.79%
Murata Electronics Inc.			0.00%	4,119,650	5	0.84%
WcWhirter Family Limited Partnership			0.00%	4,151,300	4	0.85%
Unico Corporation			0.00%	4,511,265	3	0.92%
Total	<u>\$ 55,679,335</u>		<u>9.85%</u>	<u>\$ 39,060,495</u>		<u>8.00%</u>
<b>Total Taxable Assessed Value</b>	<u><u>\$ 565,266,345</u></u>			<u><u>\$ 488,381,265</u></u>		

Source: Centre County Township Real Estate Tax duplicate

**Township of Ferguson, Pennsylvania**

## Schedule of Property Tax Levies and Collections

(Unaudited)

Years Ended December 31

## SCHEDULE 10

<b>Fiscal Year</b>	<b>Tax Levy for the Year (1)</b>	<b>Current Tax Collections (2)</b>	<b>Percent of Current Levy Collected</b>	<b>Delinquent Tax Collections (2)</b>	<b>Total Tax Collections</b>	<b>Total Collections as a Percent of Current Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Outstanding Delinquent Taxes as a Percent of Current Levy</b>
2006	\$ 762,852	\$ 742,734	97.36%	\$ 7,798	\$ 750,532	98.39%	\$ 12,320	1.61%
2007	789,127	781,519	99.04%	6,571	788,090	99.87%	1,037	0.13%
2008 (3)	1,252,881	1,211,014	96.66%	7,376	1,218,390	97.25%	34,491	2.75%
2009	1,276,016	1,247,574	97.77%	10,800	1,258,374	98.62%	17,642	1.38%
2010	1,287,664	1,238,257	96.16%	19,938	1,258,195	97.71%	29,468	2.29%
2011	1,309,783	1,284,797	98.09%	13,829	1,298,626	99.15%	11,157	0.85%
2012	1,318,057	1,285,000	97.49%	9,000	1,294,000	98.17%	24,057	1.83%
2013	1,331,503	1,307,069	98.16%	16,669	1,323,738	99.42%	7,765	0.58%
2014	1,347,146	1,321,780	98.12%	17,198	1,338,978	99.39%	8,168	0.61%
2015	1,369,075	1,336,271	97.60%	16,978	1,353,249	98.84%	15,826	1.16%

## Sources:

- (1) Taxable Assessed value (Centre County Assessment Office tax duplicate) multiplied by tax rate
- (2) Ferguson Township Operating Budgets (actuals) (does not include supplementals) & Bond applications  
Independent auditors' report
- (3) tax increase .86 mils

**Township of Ferguson, Pennsylvania****Schedule of Ratios of Outstanding Debt by Type**

(Unaudited)

Years Ended December 31

**SCHEDULE 11**

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Percentage of Actual Value of Taxable Property (2)</b>	<b>Per Capita Debt (2)</b>
	<b>General Obligation Bonds</b>	<b>Notes Payable</b>				
2006	\$ 2,095,000	\$ 2,968,200	\$ 5,063,200	1.10%	0.21%	\$ 315.64
2007	1,700,000	2,967,200	4,667,200	0.96%	0.17%	285.25
2008	1,285,000	2,966,200	4,251,200	1.07%	0.12%	255.85
2009	4,030,000	-	4,030,000	0.96%	0.38%	242.54
2010	3,565,000	-	3,565,000	0.77%	0.34%	201.53
2011	3,090,000	-	3,090,000	0.65%	0.29%	174.29
2012	2,605,000	-	2,605,000	0.55%	0.24%	146.93
2013	2,110,000	-	2,110,000	0.43%	0.19%	118.35
2014	-	1,650,200	1,650,200	0.26%	0.15%	90.13
2015	-	1,107,200	1,107,200	0.14%	0.10%	60.22

**Notes:**

1. The Township has no business type debt and therefore is not shown in the schedule.

**Sources:**

- (1) Schedule of Demographic and Economic Statistics for population and personal income data.
- (2) Schedule of Assessed Value of Taxable Properties for property value data.

## Township of Ferguson, Pennsylvania

### Schedule of Direct and Estimated Overlapping Debt

(Unaudited)

Year Ended December 31, 2015

#### SCHEDULE 12

<b>Governmental Unit</b>	<b>Estimated Debt Outstanding</b>	<b>Township Percentage of Debt</b>	<b>Township Share of Overlapping Debt</b>
<b>Bonded Debt</b>			
Total Bonded Debt	\$ -		\$ -
<b>Notes Payable (Notes 1,2)</b>			
Ferguson Township	\$ 1,107,200	100.00%	\$ 1,107,200
Centre Region Parks & Rec (pools)	4,871,900	26.84%	1,307,618
Centre Region Parks & Rec (parks)	5,876,000	28.04%	1,647,630
Total Notes Payable	11,855,100		4,062,448
Total	\$ 11,855,100		\$ 4,062,448

#### Notes:

- (1) The percentage of overlapping debt for the Centre Region Parks & Rec is based upon the CROG formula for Parks & Rec. for 2008 and is fixed for 10 years.

#### Sources:

- (1) Independent Auditors' Report  
(2) Centre Region Parks & Rec

**Township of Ferguson, Pennsylvania**

## Schedule of Legal Debt Margin Information

(Unaudited)

Years Ended December 31

## SCHEDULE 13

<b>Fiscal Year</b>	<b>Borrowing Base</b>	<b>Debt Limit Percentage</b>	<b>Debt Limit</b>	<b>Total Net Debt (Note 2)</b>	<b>Net NonElectoral Legal Debt Margin</b>	<b>Total Debt as a Percentage of Debt Limit</b>
2006	\$ 12,831,589	250%	\$ 32,078,973	\$ 5,063,200	\$ 27,015,773	15.8%
2007	13,685,363	250%	34,213,408	4,667,200	29,546,208	13.6%
2008	14,150,296	250%	35,375,740	4,251,200	31,124,540	12.0%
2009	13,684,413	250%	34,211,033	4,580,623	29,630,410	13.4%
2010	13,571,071	250%	33,927,676	4,927,973	28,999,703	14.5%
2011	13,917,882	250%	34,794,705	4,718,383	30,076,322	13.6%
2012	14,713,903	250%	36,784,758	6,130,093	30,654,665	16.7%
2013	15,987,861	250%	39,969,653	5,442,905	34,526,748	13.6%
2014	15,562,756	250%	38,906,890	4,796,957	34,109,933	12.3%
2015	15,142,976	250%	37,857,440	4,062,448	33,794,992	10.7%

## Notes:

1. The Commonwealth of PA has enacted the "Local Government Debt Act" which limits debts to revenues. In short, revenues of the most recent three years are adjusted for various non recurring and excludable items. The results are then averaged to calculate the "borrowing base". Certain percentages are applied to the borrowing base to determine the debt limits.

2. The total net debt includes the Township portion of the CRCOG debt. The Township is not liable for any more than its share of the debt

## Sources:

- (1) Department of Community and Economic Development filings
- (2) Independent Auditors' Reports
- (3) Centre Region Council of Governments

## Township of Ferguson, Pennsylvania

### Schedule of Demographic and Economic Statistics

(Unaudited)

Years Ended December 31

#### SCHEDULE 14

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Income (3)</b>	<b>Public School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
2006	16,041	\$ 461,066,463	\$ 28,743	7,325	3.7%
2007	16,362	484,871,508	29,634	7,233	3.4%
2008	16,616	396,009,128	23,833	7,115	4.3%
2009	16,616	418,208,104	25,169	7,253	6.3%
2010	17,690	460,983,710	26,059	6,950	5.7%
2011	17,729	473,506,132	26,708	6,927	5.1%
2012	17,828	487,043,132	27,319	6,856	6.0%
2013	18,174	563,312,217	30,996	6,817	6.0%
2014	18,310	634,844,320	34,672	6,775	6.0%
2015	18,386	811,558,040	44,140	6,776	3.5%

Note: (1) 2010 data is taken from 2010 US census. 2011-2015 data from US Census estimates.

Sources:

- (1) US Census Bureau
- (2) Determined by multiplying population by per capita income
- (3) Economic Development Intelligence System, NC; PA Dept of Labor & Industry; Penn Labor & Industry; Penn State Data Center; ACS Survey
- (4) State College Area School District, does not include charter schools or private
- (5) US Bureau of Labor Statistics for State College PA (MSA) annual rate @ 12/31

# Township of Ferguson, Pennsylvania

Schedule of Principal Employers

(Unaudited)

Years Ended December 31

## SCHEDULE 15

Employer	2015			2006		
	Employees	Rank	Percentage of Total Township Employment	Employees	Rank	Percentage of Total Township Employment
Penn State University	598	1	4.87%			0.00%
Accu Weather Inc.	411	2	3.34%	327	4	3.58%
HRI Inc.	310	3	2.52%	366	3	4.01%
Minitab, Inc.	292	4	2.38%	211	6	2.31%
Raytheon Company	235	5	1.91%	510	1	5.59%
Spectrum Control Technology	228	6	1.86%	165	8	1.81%
Hellenic Ventures Inc.	224	7	1.82%	177	7	1.94%
Sound Technologies	224	8	1.82%			0.00%
Pediatric Services	220	9	1.79%			0.00%
Ahold Financial Services	201	10	1.64%			0.00%
Skills of Central PA, Inc			0.00%			0.00%
Murata Electronics NA, Inc.			0.00%			0.00%
MBNA (Bank of America)			0.00%	216	5	2.37%
Adecco USA, Inc.			0.00%			0.00%
Jostens			0.00%	407	2	4.46%
State College Area School District			0.00%			0.00%
Collegiate Subs, Inc			0.00%			0.00%
Metz Enterprises			0.00%	163	9	1.79%
Best Buy Stores			0.00%	165	8	1.81%
Weis Markets			0.00%	162	10	1.78%
Total	2,943		23.95%	2,869		31.44%
Total Township Employment	12,287			9,124		
Net Gain/(Loss) of Employment			3,163			

Sources: Ferguson Township Tax Office, Centre Tax Agency

## **Township of Ferguson, Pennsylvania**

### **Schedule of Full-time Equivalent Township Employees by Function**

(Unaudited)

Years Ended December 31

#### **SCHEDULE 16**

<b>Year</b>	<b>General Government</b>	<b>Public Works</b>	<b>Public Safety</b>	<b>Planning &amp; Zoning</b>	<b>Total</b>
2006	7.0	21.8	24.7	4.3	57.8
2007	7.3	22.3	24.0	3.4	57.0
2008	7.1	20.0	24.4	4.0	55.5
2009	7.3	19.3	24.3	3.9	54.8
2010	7.5	19.6	25.0	4.0	56.1
2011	7.3	20.2	24.9	3.8	56.2
2012	7.0	20.0	25.0	3.6	55.6
2013	7.4	21.1	23.8	3.5	55.8
2014	7.4	21.5	24.9	3.6	57.4
2015	7.5	23.5	24.7	3.4	59.1

Notes:

1. Totals do not include Board of Supervisors
2. Totals include part time employees and overtime hours
3. FTEs are based on 2080 hours for full-time employees

Source:

Microdata Payroll Services, Keystone Payroll



# Township of Ferguson, Pennsylvania

Schedule of Operating Indicators by Function/Program

(Unaudited)

Years Ended December 31

## SCHEDULE 17

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Administration (5)</b>										
Electricity Costs - Office	\$ 15,597	\$ 19,549	\$ 14,129	\$ 22,168	\$ 19,704	\$ 24,478	\$ 18,533	\$ 20,867	\$ 21,040	\$ 21,495
Electricity Costs - Public Works	3,996	4,797	6,763	8,155	6,344	8,212	5,629	6,744	5,785	4,370
Heating Costs (gas) - Office	3,480	2,454	5,416	7,136	3,348	3,676	2,505	4,722	4,989	4,195
Heating Costs (gas) - Public Works	6,484	6,815	5,656	4,163	4,577	7,387	4,790	6,414	7,147	6,546
<b>Police (1)</b>										
Number of Sworn Officers	20	19	20	20	20	20	20	21	21	22
Total Calls for Service	4,533	4,475	4,722	4,787	4,760	4,479	4,486	4,879	4,695	4,926
Traffic Citations	824	1,108	1,476	1,869	1,553	781	1,080	1,242	1,228	992
Criminal Arrests	395	403	345	399	401	312	363	385	303	281
Traffic Stops	1,076	1,420	1,693	2,712	3,254	1,975	2,214	3,428	3,257	2,692
Parking Tickets	519	695	545	1,058	720	812	655	572	565	878
<b>Public Works/Engineering (2,4)</b>										
Highway Occupancy Permits issued	58	35	39	33	31	71	82	52	69	57
Land Development/Subdivision plans reviewed	24	29	18	15	17	10	16	26	16	19
Tons of Salt purchased	742	1,200	1,917	971	1,119	1,375	924	1,382	1,676	1,410
Cubic yards/tons of leaves/brush collected (a)	5,829	7,342	8,538	12,456	9,721	10,585	11,068	8,709	1,214	1,297
<b>Planning &amp; Zoning (3)</b>										
Zoning permits issued	276	262	244	230	379	249	349	197	186	232
Sign permits issued	NA	NA	50	37	62	53	54	46	43	30
Home Occupation permits issued	NA	NA	NA	NA	NA	NA	NA	NA	11	7
Rental permits issued (b)	NA	NA	NA	48	52	73	90	277	83	244
Land Development permits issued	NA	NA	NA	NA	NA	NA	11	10	11	3

NA= data not available

Notes: (a) Beginning in 2014, leaf and brush measured by weight rather than volume  
(b) Beginning in 2014, rental permits are reported separately from home occupation permits

Sources: (1) Ferguson Township Police Department  
(2) Ferguson Township Public Works Department  
(3) Ferguson Township Planning and Zoning Department  
(4) Ferguson Township Annual Operating Budgets  
(5) Ferguson Township accounting records

# Township of Ferguson, Pennsylvania

## Schedule of Capital Asset Statistics by Function/Program

(Unaudited)

Years Ended December 31

### SCHEDULE 18

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles (2)	17	16	16	17	17	17	17	17	17	14
CNG Vehicles (a)										3
<b>Information Technology (1)</b>										
Servers	3	3	4	4	4	4	4	5	5	5
Desktops/Towers	29	29	31	35	35	35	28	30	36	34
Laptops	6	6	10	10	14	16	15	13	16	22
Tablets							1	1	3	4
Police Vehicle Laptops	10	10	10	10	10	10	10	10	10	10
<b>Public Works (3)</b>										
Road miles of road surface	86.0	87.4	89.8	89.8	89.8	89.8	91.7	91.7	91.7	91.7
Heavy Trucks	14	14	14	16	16	16	16	17	19	17
Pickup Trucks and Autos	4	4	4	5	6	6	6	7	6	2
<b>Parks and Recreation (4)</b>										
Township owned developed Parks	9	9	10	10	10	10	10	10	10	10
Number of developed acres	84.5	84.5	172.5	172.5	172.5	172.5	172.5	188.6	188.6	172.5
Township owned un-developed Parks	1	1	2	2	2	2	2	2	2	2
Number of un-developed acres	1.5	1.5	80.7	85.7	85.7	116.1	96.1	96.1	96.1	96.1
Number of Regional Park acres located in Ferguson Township (undeveloped)			75	75	75	100	100	100	100	100

Notes (a) tracking of CNG vehicles began in 2015

Sources: (1) IT Inventory listing  
 (2) Police Department  
 (3) Public Works Department  
 (4) Centre Region Parks & Rec