

**POCONO MOUNTAIN**  
**REGIONAL POLICE DEPARTMENT**  
*MONROE COUNTY, PENNSYLVANIA*

**FINANCIAL STATEMENTS**  
**AND AUDITORS' REPORTS**

AS OF AND FOR THE YEAR ENDED  
**DECEMBER 31, 2013**





# **POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**

## **CONTENTS**

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### **AUDITOR'S REPORT**

<b>INDEPENDENT AUDITOR'S REPORT</b>	1-3
-------------------------------------	-----

<b>REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	4-5
---	-----

<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	6-18
---	------

### **GOVERNMENT WIDE FINANCIAL STATEMENTS**

Statement of Net Assets	19
Statement of Activities	20
Reconciliation of the Governmental funds balance sheet to the statement of net position	21
Reconciliation of the statement of revenues, expenditures and change in fund balance to the statement of activities	22

### **FUND FINANCIAL STATEMENTS**

Combined balance sheet	23
Combined statement of revenues, expenditures and changes in fund balance	24
Budget and actual – general fund	25
Statements of fiduciary net assets	26
Statement of changes in fiduciary net assets	27

<b>NOTES TO FINANCIAL STATEMENTS</b>	28-41
--------------------------------------	-------

<b>COMBINING SCHEDULES</b>	42-47
----------------------------	-------

<b>DETAILED BUDGET AND ACTUAL</b>	48
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TODD J. BUSHTA, CPA

C E R T I F I E D P U B L I C A C C O U N T A N T

## **INDEPENDENT AUDITORS' REPORT**

### **POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**

#### **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 Pocono Mountain Regional Police Department, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the Township's 2012 financial statements and in our report dated March 15, 2013, we expressed unmodified opinions on the respective financial statements of the governmental activities,, each major fund and the aggregate remaining fund information.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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.

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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 Department, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **OTHER MATTERS**

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

## **OTHER INFORMATION**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with Government Auditing Standards, we have also issued our report dated May 31, 2014, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.

*Bushta & Company*

**BETHLEHEM, PENNSYLVANIA**

**MAY 31, 2014**



TODD J. BUSHTA, CPA

C E R T I F I E D P U B L I C A C C O U N T A N T

**INDEPENDENT AUDITORS' REPORT on INTERNAL CONTROL over FINANCIAL REPORTING and on COMPLIANCE and OTHER MATTERS BASED on an AUDIT of FINANCIAL STATEMENTS PERFORMED in ACCORDANCE with GOVERNMENT AUDITING STANDARDS**

**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pocono Mountain Regional Police Department as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Department's basic financial statements and have issued our report thereon dated May 31, 2014.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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## **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bushta & Company*

**BETHLEHEM, PENNSYLVANIA**

**MAY 31, 2014**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2013

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The discussion and analysis of Pocono Mountain Regional Police Department's financial performance provides an overall review of the Department's financial activities for the fiscal year ended December 31, 2013. The intent of this discussion and analysis is to look at the Department's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Department's financial performance.

### FINANCIAL HIGHLIGHTS

*Key government-wide financial highlights for 2013 are as follows:*

- In total, net position were \$4,520,138
- General revenues accounted for \$413 (interest income). Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$6,020,509 of total revenues.
- Total assets were \$5,202,937 of which \$1,586,138 represents unrestricted cash and investments. Fixed assets, net of accumulated depreciation were \$2,852,723.
- The Department had \$5,833,157 in expenses; all of which was offset by program specific charges for services, grants, or contributions.
- Revenue, after program expenses were \$187,352.
- Net position increased by \$187,765 for the year.
- Charges to the member municipalities for police protection services were \$4,836,749.

Township of Coolbaugh ..... 41%

Township of Tobyhanna..... 33%

Borough of Mt. Pocono..... 13%

Township of Tunkhannock... 13%

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

DECEMBER 31, 2013

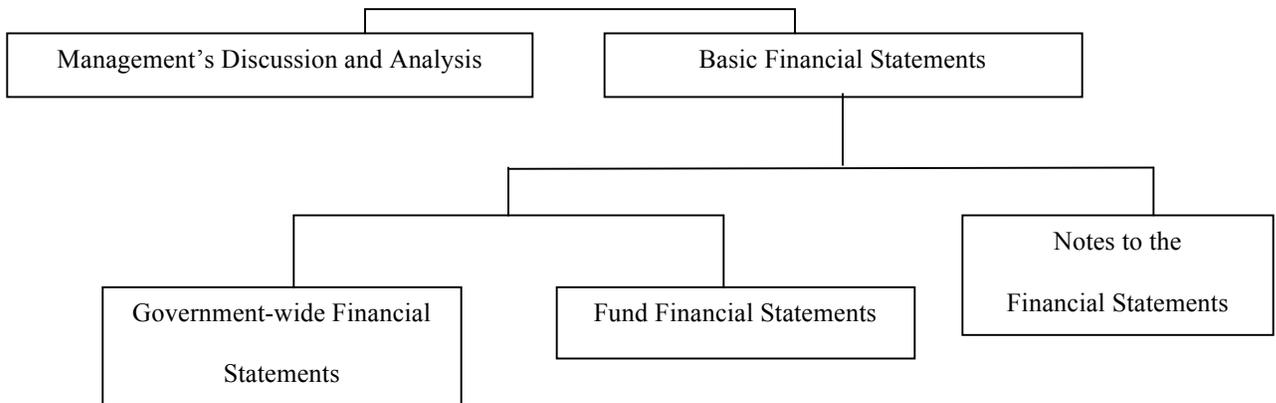
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### THE COMMISSION

The Pocono Mountain Regional Police Department is a police department governed by The Pocono Mountain Regional Police Commission formed in 1993 under the Department of the act of July 1972, P.L. 180 with the purpose of providing police services to its present and future member municipalities. The Department commenced operations in 1994. Member municipalities are billed quarterly for their proportionate share of the adopted budget as determined by hours of police protection services provided.

### USING THIS GENERAL ACCEPTED ACCOUNTING PRINCIPALS REPORT (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Pocono Mountain Regional Police Department as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.



The Statement of Net Position and Statement of Activities provide information about the activities of the whole Department, presenting both an aggregate view of the Department's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Department's most significant funds with all other non-major funds presented in total in one column. In the case of The Department, the General Fund is by far the most significant fund.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

DECEMBER 31, 2013

### REPORTING THE DEPARTMENT AS A WHOLE

#### *Statement of Net Position and the Statement of Activities*

While this document contains the of funds used by the Department to provide programs and activities, the view of the Department as a whole looks at all financial transactions and asks the question, "How did we do financially during the year?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the Department's net position and changes in those assets. This change in net position is important because it tells the reader that, for the Department as a whole, the financial position of the Department has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the Department's facility condition and other factors. You will note that the majority of the Department's net position are "locked up" in fixed assets or restricted for specified projects or uses.

*Table 1 provides a summary of the Department's net Position:*

	2013	2012	2011	2010	2009
<b>Assets</b>					
Current and Other Assets	\$ 2,350,214	\$ 2,019,204	\$ 1,870,767	\$ 1,971,026	\$ 2,061,573
Capital Assets, net	<u>2,852,723</u>	<u>2,996,318</u>	<u>3,046,347</u>	<u>2,873,631</u>	<u>2,623,905</u>
	<u>5,202,937</u>	<u>5,015,522</u>	<u>4,917,114</u>	<u>4,844,657</u>	<u>4,685,478</u>
<b>Liabilities</b>					
Current Liabilities	263,051	286,892	236,918	310,275	200,603
Long-Term Liabilities	<u>419,748</u>	<u>396,257</u>	<u>379,224</u>	<u>370,897</u>	<u>311,268</u>
	<u>682,799</u>	<u>683,149</u>	<u>616,142</u>	<u>681,172</u>	<u>511,871</u>
<b>Net position</b>					
Invested in Capital Assets, Net of Debt	2,807,796	2,906,003	3,000,401	2,710,302	2,485,907
Restricted	870,166	540,515	533,479	554,066	680,184
Unrestricted	<u>905,176</u>	<u>885,855</u>	<u>767,092</u>	<u>899,117</u>	<u>1,007,516</u>
	<u>\$ 4,520,138</u>	<u>\$ 4,332,373</u>	<u>\$ 4,300,972</u>	<u>\$ 4,163,485</u>	<u>\$ 4,173,607</u>

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

DECEMBER 31, 2013

*Table 2 provides a summary of the Department's statement of activities:*

	2013	2012	2011	2010	2009
<b>Program Revenues</b>					
Charges for Services	\$ 5,431,496	\$ 5,093,737	\$ 5,232,826	\$ 5,353,546	\$ 5,382,144
Operating Grants and Contributions	576,663	658,052	746,385	516,631	558,118
Capital Grants and Contributions	12,350	0	298,756	22,218	16,421
<b>General Revenues</b>					
Investment Earnings	<u>413</u>	<u>395</u>	<u>478</u>	<u>1,183</u>	<u>5,929</u>
<i>Total Revenues</i>	<u>6,020,922</u>	<u>5,752,184</u>	<u>6,278,445</u>	<u>5,893,578</u>	<u>5,962,612</u>
<b>Program Expenses</b>					
Public Safety – Police protection	5,685,435	5,576,022	5,933,060	5,677,174	5,372,116
Interest on debt	4,127	1,166	10,203	10,640	13,369
Unallocated depreciation	<u>143,595</u>	<u>143,595</u>	<u>197,695</u>	<u>215,886</u>	<u>215,886</u>
<i>Total Expenses</i>	<u>5,833,157</u>	<u>5,720,783</u>	<u>6,140,958</u>	<u>5,903,700</u>	<u>5,601,371</u>
<i>Increase in Net position</i>	<u>\$ 187,765</u>	<u>\$ 31,401</u>	<u>\$ 137,487</u>	<u>\$ ( 10,122)</u>	<u>\$ 361,241</u>

### ***Defining the classification of expenditures:***

Public Safety activities includes police protection services

*Table 3 shows the total cost of services and the net (cost) Revenue of services.*

	2013	2012	2011	2010	2009
Public Safety – Police protection	<u>\$ 187,765</u>	<u>\$ 31,006</u>	<u>\$ 137,009</u>	<u>\$ (11,305)</u>	<u>\$ 355,312</u>

## **BUDGETING**

The Department budget is prepared according to the laws of Pennsylvania and is based on accounting for certain transactions on a cash basis of accounting. Once adopted, the budget is generally not amended.

# **POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

DECEMBER 31, 2013

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### **REPORTING THE DEPARTMENT'S MOST SIGNIFICANT FUNDS**

#### *Fund Financial Statements*

Fund financial reports provide detailed information about the Department's major funds. The Department uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Department's most significant funds.

#### *Governmental Funds*

Most of the Department's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Department's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

#### *Fund activities*

Fund financial reports provide detailed information about the Department's major funds. The funds are accounted for on a modified accrual basis of accounting. Governmental funds have total revenues of \$6,020,922 and expenditures of \$5,711,459. Other financing sources (uses) totaled a net \$0.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

DECEMBER 31, 2013

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The following are the Department's funds:

### **General Fund (Major Fund)**

The general fund is the operating fund of the Department and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Department for any purpose provided it is expended or transferred according to the general laws of The Commonwealth.

### **Capital Projects Fund (Major Fund)**

The capital projects fund accounts to be used for the acquisition, construction, or improvement of capital facilities.

### **Special Revenue Fund (Non-major Fund)**

The Special Revenue Fund accounts for specific revenue sources which are legally restricted to expenditures for specified purposes. The Department accounts for asset forfeiture and other grants in this fund.

### **Debt Service Fund (Non-major Fund)**

The Debt Service Fund accounts for resources accumulated for the purpose of funding general long-term debt obligations.

**Internal Service Fund (Non-major Fund)** is used to accumulate resources to fund The Department's prescription drug benefit program.

**Trust Funds** are used to account for assets held by the Department in a trustee capacity. This includes the Pension Trust Fund. The Pension Trust Fund is used to account for the four retirement pension plans. The Pension Trust Fund is accounted for in essentially the same manner as the Proprietary Fund since capital maintenance is critical.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

DECEMBER 31, 2013

### CAPITAL ASSETS

Table 4 Capital Assets

	<b>Balance January 1</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31</b>
<b>CAPITAL ASSETS</b>				
Land	\$ 250,000	\$	\$	\$ 250,000
Building and Building Improvements	2,271,057			2,271,057
Vehicles	1,252,209			1,252,209
Equipment	322,693			322,693
Office equipment	313,832			313,832
	<u>\$ 4,409,791</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,409,791</u>
<b>ACCUMULATED DEPRECIATION</b>	<u>\$ 1,413,473</u>	<u>\$ 143,595</u>	<u>\$ 0</u>	<u>\$ 1,557,068</u>

### CAPITAL LEASES

The Department has several capital leases. The leases are for the purchase of police vehicles. Lease continue to be used to acquire vehicles each year.

### DEBT OF THE POLICE COMMISSION

In 2001, the Commission had a 21,862 sq. ft. building constructed to house the main operations of the Department. The Commission borrowed \$2,000,000 at a rate of 4.9% 20 year note for construction. The four member municipalities of the Commission are responsible for their pro-rata share of the outstanding debt and repayment. The Department is not responsible for the repayment of the debt. The outstanding balance as of December 31, 2013 and 2012, respectively is \$1,088,404 and \$1,189,014. Interest paid by the Commission for the year was \$56,456 and \$60,927.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

DECEMBER 31, 2013

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### CURRENT FINANCIAL ISSUES AND CONCERNS

In conclusion, the Pocono Mountain Regional Police Department has committed itself to being fiscally responsible over the years and appropriately addressing Department needs. In addition, the Department's system of financial planning, budgeting, and internal financial controls are well regarded, as official audits have demonstrated. The Department plans to continue its sound fiscal management to meet the challenges of the future.

#### *Contacting the Department's Financial Management*



This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Department's finances and to show the Department's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Department's financial office.

**POCONO MOUNTAIN REGIONAL POLICE  
2013 MONTHLY ACTIVITY**

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	2013 YTD	2012	2011
<b>TOTAL CALLS</b>	<b>1007</b>	<b>915</b>	<b>984</b>	<b>1053</b>	<b>1231</b>	<b>1181</b>	<b>1217</b>	<b>1244</b>	<b>1031</b>	<b>976</b>	<b>1114</b>	<b>895</b>	<b>12848</b>	<b>13802</b>	<b>13950</b>
<i>Complaints</i>	908	824	895	1002	1157	1099	1145	1151	957	906	1025	808	11877	12876	13029
<i>Accidents</i>	99	91	89	51	74	82	72	93	74	70	89	87	971	926	921
<b>CRIMINAL ARRESTS</b>	<b>87</b>	<b>58</b>	<b>85</b>	<b>88</b>	<b>101</b>	<b>132</b>	<b>177</b>	<b>123</b>	<b>125</b>	<b>96</b>	<b>93</b>	<b>76</b>	<b>1241</b>	<b>1505</b>	<b>1683</b>
<b>TRAFFIC ARRESTS</b>	<b>275</b>	<b>213</b>	<b>277</b>	<b>333</b>	<b>253</b>	<b>146</b>	<b>218</b>	<b>144</b>	<b>233</b>	<b>156</b>	<b>222</b>	<b>101</b>	<b>2571</b>	<b>2648</b>	<b>4648</b>
<b>TRAFFIC WARNINGS</b>	<b>166</b>	<b>108</b>	<b>172</b>	<b>235</b>	<b>161</b>	<b>118</b>	<b>153</b>	<b>94</b>	<b>113</b>	<b>94</b>	<b>114</b>	<b>77</b>	<b>1605</b>	<b>2250</b>	<b>3982</b>
<b>ORDINANCE ARRESTS</b>	<b>37</b>	<b>19</b>	<b>21</b>	<b>15</b>	<b>31</b>	<b>20</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>2</b>	<b>18</b>	<b>18</b>	<b>219</b>	<b>139</b>	<b>189</b>

<b>CALLS OUTSIDE OF OUR JURISDICTION</b>	1	2	3	1	5	1	5	3	0	0	0	3	24		
<b>ARRESTS OUTSIDE OF OUR JURISDICTION</b>							4	1					5		

Ambulance Assists	14	14	14	33	30	22	17	18	21	18	20	13			
Fire Assists	3	4	5	7	9	5	2	0	5	6	4	7			
Assist to other Agencies	19	14	14	28	31	11	11	10	6	7	4	12			
NY State Police															
Lehigh Twsp PD (outside)															
Pocono Twsp PD															
State Parole															
SARP															
Lakewood PD															
Rockledge Boro															
Pel Beach Sheriff															
PSP Swiftwater															
Monroe Cty Sheriff															

**POCONO MOUNTAIN REGIONAL POLICE  
2013 MONTHLY ACTIVITY BREAKDOWN**

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	2013 YTD	2012	2011
<b><u>TOBYHANNA</u></b>															
<b>Total Calls</b>	320	245	258	325	374	304	333	335	284	244	288	253	3,563	3,823	3,817
Complaints	288	223	234	315	359	285	314	306	267	227	265	226	3,309	3,580	3,572
Accidents	32	22	24	10	15	19	19	29	17	17	23	27	254	243	245
<b>Criminal Arrests</b>	20	15	15	29	33	28	74	25	43	24	23	24	353	307	403
<b>Traffic Arrests</b>	73	47	65	96	83	43	78	58	115	45	63	34	800	886	1,901
<b>Veh Code Warnings:</b>	68	23	52	80	50	43	64	45	41	43	52	21	582	1,145	1,737
<b>Ordinance Arrests</b>	6	0	0	0	5	7	1	4	2	1	1	1	28	37	36
<b><u>MT. POCONO</u></b>															
<b>Total Calls</b>	164	150	180	174	194	205	221	203	199	167	175	156	2,188	2,360	2,320
Complaints	140	134	155	152	166	187	196	185	178	146	155	132	1,926	2,109	2,049
Accidents	24	16	25	22	28	18	25	18	21	21	20	24	262	251	271
<b>Criminal Arrests</b>	33	21	24	19	26	42	39	34	38	31	23	18	348	365	381
<b>Traffic Arrests</b>	97	61	93	75	60	32	42	30	30	25	64	23	632	544	1,026
<b>Veh Code Warnings:</b>	51	41	53	54	40	30	28	9	26	17	19	16	384	409	860
<b>Ordinance Arrests</b>	26	17	18	5	17	6	7	4	6	1	8	15	130	43	90
<b><u>TUNKHANNOCK</u></b>															
<b>Total Calls</b>	115	148	128	138	164	182	169	166	136	147	136	120	1,749	1,918	1,819
Complaints	99	125	114	130	152	170	160	155	130	138	122	110	1,605	1,772	1,699
Accidents	16	23	14	8	12	12	9	11	6	9	14	10	144	146	120
<b>Criminal Arrests</b>	5	6	11	11	6	20	26	20	12	5	7	9	138	204	203
<b>Traffic Arrests</b>	35	45	39	68	46	24	20	15	43	32	26	6	399	340	507
<b>Veh Code Warnings:</b>	10	26	25	36	20	19	24	13	18	14	8	11	224	291	326
<b>Ordinance Arrests</b>	0	0	0	0	0	1	0	0	0	0	0	0	1	11	5
<b><u>COOLBAUGH</u></b>															
<b>Total Calls</b>	407	370	415	415	494	489	489	537	412	418	515	363	5,324	5,701	5,994
Complaints	380	340	389	404	475	456	470	502	382	395	483	337	5,013	5,415	5,709
Accidents	27	30	26	11	19	33	19	35	30	23	32	26	311	286	285
<b>Criminal Arrests</b>	29	16	35	29	36	42	34	43	32	36	40	25	397	629	696
<b>Traffic Arrests</b>	70	60	80	94	64	47	78	41	45	54	69	38	740	878	1,214
<b>Veh Code Warnings:</b>	37	18	42	65	51	26	37	27	28	20	35	29	415	405	1,059
<b>Ordinance Arrests</b>	5	2	3	10	9	6	4	5	5	0	9	2	60	48	58

**POCONO MOUNTAIN REGIONAL POLICE  
2013 MONTHLY HOURS BREAKDOWN**

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	YEAR TO DATE
<b>HOURS</b>	6111.00	5520.00	6111.00	5914.00	6110.00	5914.00	6110.00	6111.00	5914.00	6111.00	5914.00	6111.00	71951.00
<b><u>TOBYHANNA</u></b>													
Patrol	784.65	572.95	417.80	425.00	436.25	468.00	568.57	563.10	559.36	640.52	604.22	518.93	6559.35
Investigation	786.20	707.30	416.87	774.31	687.67	729.08	607.94	1415.33	834.80	574.50	634.13	321.85	8489.98
Vascar	9.75	13.75	14.00	13.75	16.75	8.75	17.75	15.00	19.42	12.00	13.58	5.75	160.25
Court	50.00	61.50	48.75	30.25	117.75	82.75	30.25	69.50	72.25	109.50	57.87	50.06	780.43
Assigned	599.23	478.96	624.91	554.90	554.54	600.67	644.93	363.97	685.50	709.50	679.73	963.76	7460.59
<b>TOTAL TIME</b>	<b>2229.83</b>	<b>1834.46</b>	<b>1522.33</b>	<b>1798.21</b>	<b>1812.96</b>	<b>1889.25</b>	<b>1869.44</b>	<b>2426.90</b>	<b>2171.33</b>	<b>2046.02</b>	<b>1989.53</b>	<b>1860.35</b>	<b>23450.60</b>
<b><u>MT. POCONO</u></b>													
Patrol	255.02	204.25	258.00	222.25	178.50	105.00	36.75	39.73	63.62	80.80	109.58	89.18	1642.68
Investigation	334.96	325.25	302.68	336.00	436.68	426.50	388.70	400.33	393.07	349.73	317.44	300.14	4311.48
Vascar	13.00	5.75	11.25	10.25	2.25	0.75	0.00	0.00	1.50	2.00	2.25	2.95	51.95
Court	66.50	35.75	67.50	77.00	39.25	22.75	47.25	53.75	47.25	72.75	35.97	71.78	637.50
Assigned	240.89	192.55	251.22	221.29	222.93	240.55	259.27	146.32	274.24	284.66	272.72	386.67	2993.31
<b>TOTAL TIME</b>	<b>910.37</b>	<b>763.55</b>	<b>890.65</b>	<b>866.79</b>	<b>879.61</b>	<b>795.55</b>	<b>731.97</b>	<b>640.13</b>	<b>779.68</b>	<b>789.94</b>	<b>737.96</b>	<b>850.72</b>	<b>9636.92</b>
<b><u>TUNKHANNOCK</u></b>													
Patrol	162.25	186.25	235.00	231.25	188.50	256.25	215.75	256.10	166.83	166.89	111.68	93.00	2269.75
Investigation	248.02	342.58	339.33	367.50	295.92	327.00	406.57	331.93	281.90	308.24	227.49	453.00	3929.48
Vascar	3.25	22.25	18.25	25.75	20.25	11.75	6.00	4.75	5.57	7.00	7.90	1.28	134.00
Court	25.75	43.50	42.00	28.50	36.25	44.25	14.25	47.75	12.75	34.25	11.00	16.75	357.00
Assigned	227.95	182.20	237.72	210.04	210.95	227.96	245.33	138.46	259.98	269.57	258.26	366.17	2834.57
<b>TOTAL TIME</b>	<b>667.22</b>	<b>776.78</b>	<b>872.30</b>	<b>863.04</b>	<b>751.87</b>	<b>867.21</b>	<b>887.90</b>	<b>778.99</b>	<b>727.03</b>	<b>785.95</b>	<b>616.33</b>	<b>930.20</b>	<b>9524.80</b>
<b><u>COOLBAUGH</u></b>													
Patrol	557.08	640.59	767.00	634.50	563.50	463.00	568.98	494.53	505.87	550.08	587.80	399.95	6732.88
Investigation	887.25	791.50	1167.83	953.35	1266.67	1060.00	1098.07	1197.48	813.21	853.96	1017.13	775.35	11881.80
Vascar	5.00	1.00	7.00	9.50	12.00	6.50	6.25	7.75	6.25	14.75	13.33	6.92	96.25
Court	98.75	108.25	96.00	94.50	124.25	78.00	134.25	106.32	50.50	177.50	96.58	74.73	1239.63
Assigned	755.51	603.88	787.89	694.10	699.16	754.50	813.13	458.90	860.13	892.81	855.34	1212.76	9388.11
<b>TOTAL TIME</b>	<b>2303.59</b>	<b>2145.22</b>	<b>2825.72</b>	<b>2385.95</b>	<b>2665.58</b>	<b>2362.00</b>	<b>2620.68</b>	<b>2264.98</b>	<b>2235.96</b>	<b>2489.10</b>	<b>2570.18</b>	<b>2469.71</b>	<b>29338.67</b>
<b><u>ASSIGNED</u></b>													
Training	483.25	156.75	431.50	362.25	379.75	192.25	126.50	291.60	319.00	445.25	187.75	537.25	3913.10
Time in Assists	21.80	7.75	50.25	2.75	26.75	4.50	9.67	17.66	20.00	9.25	8.15	14.72	193.25
Administration	1318.52	1293.08	1419.99	1315.34	1281.07	1626.92	1826.50	798.39	1740.85	1702.03	1870.14	2377.41	18570.24
<b>TOTAL TIME</b>	<b>1823.57</b>	<b>1457.58</b>	<b>1901.74</b>	<b>1680.34</b>	<b>1687.57</b>	<b>1823.67</b>	<b>1962.67</b>	<b>1107.65</b>	<b>2079.85</b>	<b>2156.53</b>	<b>2066.04</b>	<b>2929.38</b>	<b>22676.59</b>

**POCONO MOUNTAIN REGIONAL POLICE**  
**2013 TOTAL HOURS**

	<u>HOURS PAID YTD</u>	<u>HOURS ACTUAL YTD</u>	<u>OVER/UNDER YTD</u>	<u>MISC</u>	<u>OVER/UNDER BALANCE</u>
TOBYHANNA TWSP	23,643.10	23,450.60	(192.50)	-	139.82
MT POCONO BORO	9,504.73	9,636.92	132.19	-	115.41
TUNKHANNOCK TWSP	8,993.88	9,524.80	530.93	-	121.20
COOLBAUGH TWSP	29,809.30	29,338.67	(470.63)	-	(376.48)

**PERCENTAGE**

TOBYHANNA TWSP	32.86%	32.59%	-0.27%	N/A
MT POCONO BORO	13.21%	13.39%	0.18%	N/A
TUNKHANNOCK TWSP	12.50%	13.24%	0.74%	N/A
COOLBAUGH TWSP	41.43%	40.78%	-0.65%	N/A

**2013 BUDGET HOURS BREAKDOWN**

<u>MUNICIPALITY</u>	<u>WEEKLY HRS</u>	<u>%</u>	<u>MONTHLY HRS</u>			Total Hrs Available Per Day	197
			28 DAY	30 DAY	31 DAY		
Tobyhanna	453.47	32.86%	1814	1943	2008		
Mount Pocono	182.30	13.21%	729	781	807		
Tunkhannock	172.50	12.50%	690	739	764		
Coolbaugh	571.73	41.43%	2287	2450	2532		
<b>Total Hrs Available per week</b>	<b>1380</b>	<b>100.00%</b>	<b>5520</b>	<b>5914</b>	<b>6111</b>		

**POCONO MOUNTAIN REGIONAL POLICE  
2013 TOTAL HOURS BY MONTH**

HOURS	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	YEAR TO DATE
<b><u>TOBYHANNA</u></b>													
HOURS FORWARD													332.32
HOURS PURCHASED	2008.07	1813.87	2008.07	1943.34	2007.75	1943.34	2007.75	2008.07	1943.34	2008.07	1943.34	2008.07	23643.10
ACTUAL HOURS	2229.83	1834.46	1522.33	1798.21	1812.96	1889.25	1869.44	2426.90	2171.33	2046.02	1989.53	1860.35	23450.60
HOURS OVER / UNDER	221.75	20.59	(485.74)	(145.13)	(194.79)	(54.09)	(138.30)	418.83	227.99	37.94	46.19	(147.72)	139.82
<b><u>MT. POCONO</u></b>													
HOURS FORWARD													(16.78)
HOURS PURCHASED	807.26	729.19	807.26	781.24	807.13	781.24	807.13	807.26	781.24	807.26	781.24	807.26	9504.73
ACTUAL HOURS	910.37	763.55	890.65	866.79	879.61	795.55	731.97	640.13	779.68	789.94	737.96	850.72	9636.92
HOURS OVER / UNDER	103.11	34.35	83.39	85.55	72.48	14.31	(75.16)	(167.13)	(1.56)	(17.33)	(43.28)	43.46	115.41
<b><u>TUNKHANNOCK</u></b>													
HOURS FORWARD													(409.73)
HOURS PURCHASED	763.88	690.00	763.88	739.25	763.75	739.25	763.75	763.88	739.25	763.88	739.25	763.88	8993.88
ACTUAL HOURS	667.22	776.78	872.30	863.04	751.87	867.21	887.90	778.99	727.03	785.95	616.33	930.20	9524.80
HOURS OVER / UNDER	(96.66)	86.78	108.42	123.79	(11.88)	127.96	124.15	15.11	(12.22)	22.07	(122.93)	166.33	121.20
<b><u>COOLBAUGH</u></b>													
HOURS FORWARD													94.15
HOURS PURCHASED	2531.79	2286.94	2531.79	2450.17	2531.37	2450.17	2531.37	2531.79	2450.17	2531.79	2450.17	2531.79	29809.30
ACTUAL HOURS	2303.59	2145.22	2825.72	2385.95	2665.58	2362.00	2620.68	2264.98	2235.96	2489.10	2570.18	2469.71	29338.67
HOURS OVER / UNDER	(228.20)	(141.72)	293.93	(64.22)	134.21	(88.17)	89.31	(266.81)	(214.21)	(42.69)	120.01	(62.08)	(376.48)

**G O V E R N M E N T   W I D E   F I N A N C I A L   S T A T E M E N T S**



# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## STATEMENT OF NET POSITION

DECEMBER 31, 2013

	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
<i>ASSETS</i>		
<i>Current Assets</i>		
Cash and Cash Equivalents	\$ 1,586,138	\$ 1,071,957
Prepaid expenses	0	44,359
Purchase advances	0	10,600
Accounts Receivable	170,967	289,467
	<u>1,757,105</u>	<u>1,416,383</u>
<i>Non-current Assets</i>		
General Fixed Assets		
Land	250,000	250,000
Building & Building Improvements	2,271,057	2,271,057
Vehicles	1,252,209	1,252,209
Equipment	322,693	322,693
Office equipment	313,832	313,832
	<u>4,409,791</u>	<u>4,409,791</u>
Accumulated Depreciation	<u>(1,557,068)</u>	<u>(1,413,473)</u>
Net General Fixed Assets	2,852,723	2,996,318
Restricted Cash and Cash Equivalents	593,109	602,821
	<u>3,445,832</u>	<u>3,599,139</u>
	<u>5,202,937</u>	<u>5,015,522</u>
<i>LIABILITIES</i>		
<i>Current Liabilities</i>		
Accounts payable	37,171	32,762
Accrued payroll	75,150	55,476
Evidence Liability	97,955	103,266
Deferred Revenue	7,848	5,073
Current Portion of Long-Term Debt		
Capital Leases	44,927	90,315
	<u>263,051</u>	<u>286,892</u>
<i>Non-current Liabilities</i>		
Capital Leases	0	0
Compensated Absences Provision	419,748	396,257
	<u>682,799</u>	<u>683,149</u>
<i>NET POSITION</i>		
Investment in Capital Assets Net of Related Debt	2,807,796	2,906,003
Restricted for:		
Capital Projects	491,848	499,555
Specified use	315,318	40,960
Unrestricted	905,176	885,855
	<u>\$ 4,520,138</u>	<u>\$ 4,332,373</u>

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

**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2013**

Functions/Programs	2013				Net (Expense) Revenue and Changes in Net Assets	2012
	Expenses	Program Revenues		Governmental Activities		
		Charges for Services	Operating Grants and Contributions			
<b>Governmental activities:</b>						
Public safety	\$ 5,685,435	\$ 5,431,496	\$ 576,663	\$ 12,350	\$ 335,074	\$ 175,767
Interest on Long-Term debt	4,127				(4,127)	(1,166)
Unallocated Depreciation	143,595				(143,595)	(143,595)
	<u>\$ 5,833,157</u>	<u>\$ 5,431,496</u>	<u>\$ 576,663</u>	<u>\$ 12,350</u>	187,352	31,006
<b>General revenues:</b>						
Interest Income					413	395
					<u>413</u>	<u>395</u>
					187,765	31,401
					<u>4,332,373</u>	<u>4,300,972</u>
					<u>\$ 4,520,138</u>	<u>\$ 4,332,373</u>

**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
 DECEMBER 31, 2013

---

***Total Fund Balances - Governmental Funds*** \$ 2,132,090

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

Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in funds.

<i>Capital Assets</i>	4,409,791
<i>Accumulated Depreciation</i>	(1,557,068)

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.

<i>Compensated Absences</i>	(419,748)
<i>Capital Leases</i>	(44,927)

***Total Net Position - Governmental Activities*** \$ 4,520,138

**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
 RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF  
 REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED DECEMBER 31, 2013

---

*Total net change in fund balances - governmental funds* \$ 309,463

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

*Depreciation* (143,595)  
*Capital Outlay*

The current change in the provision for compensated absences is not recorded in the in the governmental funds, but is an expense and a change in the liability provision in the statement of net assets. (23,491)

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

*Capital Leases* 45,388

Proceeds from issuance of debt is a current resource as a financing source in the governmental funds, but an increase in a liability on the statement of net assets. 0

*Change in net position of governmental activities* \$ 187,765

**FUND FINANCIAL STATEMENTS**



**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
**COMBINED BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2013**

	<b>Major Funds</b>		<b>Non-Major Fund</b>		<b>2013 Total</b>	2012 Memorandum Total
	General	Capital Projects	Special Revenue	Internal Service		
<b>ASSETS</b>						
Cash - unrestricted	\$ 1,269,787	\$ 495,154	\$ 293,270	\$ 23,081	\$ 2,081,292	\$ 1,571,512
Cash - restricted	97,955				97,955	103,266
Accounts receivable	170,967				170,967	289,467
Purchase advances					0	10,600
Prepaid expenses					0	44,359
Due from other funds					0	2,206
	<u>\$ 1,538,709</u>	<u>\$ 495,154</u>	<u>\$ 293,270</u>	<u>\$ 23,081</u>	<u>\$ 2,350,214</u>	<u>\$ 2,021,410</u>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 32,832	\$ 3,306	\$	\$ 1,033	\$ 37,171	\$ 32,762
Accrued Payroll	75,150				75,150	55,476
Evidence Liability	97,955				97,955	103,266
Deferred revenue	7,848				7,848	5,073
Due to other funds					0	2,206
	<u>213,785</u>	<u>3,306</u>	<u>0</u>	<u>1,033</u>	<u>218,124</u>	<u>198,783</u>
<b>FUND BALANCE</b>						
Committed		475,791			475,791	479,151
Assigned	45,083	16,057			61,140	20,404
Unassigned	1,279,841		293,270	22,048	1,595,159	1,323,072
	<u>1,324,924</u>	<u>491,848</u>	<u>293,270</u>	<u>22,048</u>	<u>2,132,090</u>	<u>1,822,627</u>
	<u>\$ 1,538,709</u>	<u>\$ 495,154</u>	<u>\$ 293,270</u>	<u>\$ 23,081</u>	<u>\$ 2,350,214</u>	<u>\$ 2,021,410</u>

**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
**COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>Major Funds</u>		<u>Non-Major Funds</u>			<b>2013</b> <b>Total</b>	2012 Memorandum Total
	General	Capital Projects	Special Revenue	Internal Service	Debt Service		
<b>REVENUES</b>							
Interest income	\$ 249	\$ 113	\$ 47	\$ 4	\$ 413	\$ 395	
Intergovernmental revenue	589,013				589,013	658,052	
Charges for services	4,979,404				4,979,404	4,981,819	
Other	168,322		283,770		452,092	111,918	
	<u>5,736,988</u>	<u>113</u>	<u>283,817</u>	<u>4</u>	<u>6,020,922</u>	<u>5,752,184</u>	
<b>EXPENDITURES</b>							
Current							
Public safety	5,629,161	7,820	9,825	15,138	5,661,944	5,652,555	
Debt service							
Principal					45,388	50,072	
Interest					4,127	1,166	
	<u>5,629,161</u>	<u>7,820</u>	<u>9,825</u>	<u>15,138</u>	<u>49,515</u>	<u>5,703,793</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>107,827</u>	<u>(7,707)</u>	<u>273,992</u>	<u>(15,134)</u>	<u>(49,515)</u>	<u>309,463</u>	<u>48,391</u>
<b>OTHER FINANCING (USES) SOURCES</b>							
Proceeds from issuing debt					0	93,566	
Operating transfers in				15,500	49,515	66,738	
Operating transfers out	(65,015)				(65,015)	(66,738)	
	<u>(65,015)</u>	<u>0</u>	<u>0</u>	<u>15,500</u>	<u>49,515</u>	<u>93,566</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES) SOURCES</b>	<u>42,812</u>	<u>(7,707)</u>	<u>273,992</u>	<u>366</u>	<u>0</u>	<u>309,463</u>	<u>141,957</u>
<b>FUND BALANCES, JANUARY 1</b>	<u>1,282,112</u>	<u>499,555</u>	<u>19,278</u>	<u>21,682</u>	<u>0</u>	<u>1,822,627</u>	<u>1,680,670</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 1,324,924</u>	<u>\$ 491,848</u>	<u>\$ 293,270</u>	<u>\$ 22,048</u>	<u>\$ 0</u>	<u>\$ 2,132,090</u>	<u>\$ 1,822,627</u>

**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	Originally adopted budget	Final budget	Actual (budgetary cash basis)	Budgetary adjustments to GAAP	Actual GAAP Basis (modified accrual)	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Interest income	\$ 200	\$ 200	\$ 249	\$	\$ 249	\$ 49
Intergovernmental revenue	696,005	696,005	589,013		589,013	(106,992)
Charges for services	4,952,984	4,952,984	4,979,404		4,979,404	26,420
Other	0	0	168,322		168,322	168,322
	<u>5,649,189</u>	<u>5,649,189</u>	<u>5,736,988</u>	<u>0</u>	<u>5,736,988</u>	<u>87,799</u>
<b>EXPENDITURES</b>						
Public safety	<u>5,691,967</u>	<u>5,691,967</u>	<u>5,629,161</u>	<u>0</u>	<u>5,629,161</u>	<u>62,806</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(42,778)</u>	<u>(42,778)</u>	<u>107,827</u>	<u>0</u>	<u>107,827</u>	<u>150,605</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from issuing debt	0	0			0	0
Operating transfers in	0	0	0		0	0
Operating transfers out	<u>(65,015)</u>	<u>(65,015)</u>	<u>(65,015)</u>	<u></u>	<u>(65,015)</u>	<u>0</u>
	<u>(65,015)</u>	<u>(65,015)</u>	<u>(65,015)</u>	<u>0</u>	<u>(65,015)</u>	<u>0</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>\$ (107,793)</u>	<u>\$ (107,793)</u>	<u>\$ 42,812</u>	<u>\$ 0</u>	<u>\$ 42,812</u>	<u>\$ 150,605</u>

**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
**STATEMENTS OF FIDUCIARY NET ASSETS**  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2013

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	<u>Pension Trust</u>	
	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Investments - unrestricted	<u>\$ 13,093,492</u>	<u>\$ 11,346,799</u>
 <b>LIABILITIES</b>	 <u>\$ 0</u>	 <u>\$ 0</u>
 <b>NET ASSETS</b>		
Reserved for retirement benefits	<u>13,093,492</u>	<u>11,346,799</u>
	<u>\$ 13,093,492</u>	<u>\$ 11,346,799</u>

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

**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

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	Pension Trust	
	2013	2012
<b>ADDITIONS</b>		
Township contribution	\$ 337,984	\$ 680,400
Employee Contributions	155,389	158,073
Interest, dividends, and net unrealized gains/losses	1,708,754	974,432
	<u>2,202,127</u>	<u>1,812,905</u>
<b>DEDUCTIONS</b>		
Administrative fees	55,117	56,534
Pension benefits	400,317	324,913
	<u>455,434</u>	<u>381,447</u>
<b>CHANGE IN NET ASSETS</b>	1,746,693	1,431,458
<b>NET ASSETS, JANUARY 1</b>	<u>11,346,799</u>	<u>9,915,341</u>
<b>NET ASSETS, DECEMBER 31</b>	<u>\$ 13,093,492</u>	<u>\$ 11,346,799</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**



# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Pocono Mountain Regional Police Department is a police department governed by the Pocono Mountain Regional Police Commission formed in 1993 under the authority of the Act of July 1972, P.L. 180 with the purpose of providing police services to its present and future member municipalities. The Department commenced operations 1994. Member municipalities are billed quarterly for their proportionate share of the adopted budget as determined by hours of service.

The years allocation was:

Township of Coolbaugh .....	41%
Township of Tobyhanna.....	33%
Borough of Mt. Pocono.....	13%
Township of Tunkhannock...	13%

#### PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY

The accounting policies and accompanying general purpose financial statements of The Pocono Mountain Regional Police Department conform to U.S. generally accepted accounting principles as applicable to governmental units. The general purpose financial statements of the Department consist only of the funds and account groups of the Department.

#### *BASIS OF PRESENTATION*

The Department's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The statement of net position and the statement of activities display information about the Department as a whole. These statements include the financial activities of the Primary government, except for fiduciary funds. The statement of net position presents the financial condition of the governmental activities of the Department at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Department's governmental activities.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED):

Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

Revenues which are not classified as program revenues are presented as general revenues of the Department. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Department.

#### FUND FINANCIAL STATEMENTS:

During the year, the Department segregates transactions related to certain Department functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Department at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The fiduciary fund is reported by type.

#### BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

#### **Revenues - Exchange and Non-exchange Transactions:**

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

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Revenues - Exchange and Non-exchange Transactions (continued):**

For the Department, available means expected to be received within sixty days of fiscal year-end. Non-exchange transactions, in which the Department receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Department must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Department on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

#### **Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

#### **Expenses/Expenditures:**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of costs, such as depreciation and amortization are not recognized in governmental funds.

#### MEASUREMENT FOCUS:

#### **Government-wide Financial Statements:**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the Department are included on the Statement of Net position.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### MEASUREMENT FOCUS (CONTINUED):

##### **Fund Financial Statements:**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The private purpose trust fund is reported using the economic resources measurement focus.

##### **Reporting Entity**

In evaluating how to define the Department for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is governed by applying criteria as set forth in Generally Accepted Accounting Principles (GAAP). The basic, but not only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Department is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no other entities includable in Department's financial reporting as a component unit.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***GOVERNMENTAL FUND TYPES***

**General Fund (Major Fund)** is the general operating fund of the Department. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

**Capital Projects Funds (Major Fund)** account for financial resources to be used for the acquisition or construction of certain major capital facilities which are not financed by the General Funds and is used in meeting the Department's general capital outlay requirements.

**Special Revenue Funds (Non-Major Fund)** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Included in these funds are Asset Forfeiture and Grants.

#### **Internal Service (Non-major Fund)**

The internal service Fund accounts for resources accumulated for the purpose of funding the employee's prescription drug benefit.

**Debt Service Fund (Non-Major Fund)** is used to account for the accumulation of resources for, and the payment of, general long-term debt of the Department not accounted for in other funds.

#### ***FIDUCIARY FUND TYPES***

**Trust Funds** are used to account for assets held by the Department in a trustee capacity. This includes the Pension Trust Fund. The Pension Trust Fund is used to account for the four retirement pension plans. The Pension Trust Fund is accounted for in essentially the same manner as the Proprietary Fund since capital maintenance is critical.

#### **Budgets and Budgetary Accounting**

The Department adopts annual budgets for the General Fund. All budgets are adopted on a budgetary (cash basis), which is not consistent with generally accepted accounting principles. All budget amounts included in the accompanying general purpose financial statements and supplementary information are as originally adopted or as amended by the Board of Commissioners. Budget information is presented only for the general fund, as required by generally accepted accounting principles.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Cash and Cash Equivalents**

The Department considers the funds held in the Pennsylvania Local Government Investment Trust (PLGIT) as cash equivalents. The trust acts as a money market mutual fund investing in obligations of the United States of America, federal government agencies, and the Commonwealth of Pennsylvania.

#### **Restricted Assets**

Cash and investments have been restricted to the extent of pension reserves and specific uses.

#### **Investments**

The Department invests its funds in savings accounts and certificates of deposit or time deposits provided that these deposits are insured or collateralized by a pledge or assignment of assets of the depository. In addition, the Department may invest its funds in obligations of the United States of America or the Commonwealth of Pennsylvania, including their agencies or instrumentalities, and political subdivisions of the Commonwealth of Pennsylvania. Investment of monies in Pension Funds are restricted by the Fiduciaries Investment Act. The Act allows the trustee to invest in securities which a prudent person would purchase.

#### **Comparative Information**

Certain reclassifications have been made to conform to the current years financial statement presentation.

#### **Inter-fund Receivables, Payables, and Transfers**

Advances between funds are accounted for in the appropriate inter-fund receivable and payable accounts. These advances (reported in "due from" asset accounts) are considered "available expendable resources". Inter-fund activity between governmental funds is eliminated in the government wide financial statements.

#### **Capital Assets**

Capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction costs are reflected as expenditures in governmental funds. In the government wide financial statements, these assets are capitalized (those exceeding \$10,000) and depreciated using the straight-line method over the estimated useful life. Estimated useful lives are as follows:

Building and plant .....	40 years
Machinery and equipment .....	5-7 years
Vehicles .....	3-5 years

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Compensated Absences Provision**

Vested or accumulated sick and vacation leave that is expected to be liquidated with expendable available financial resources is reported as a expenditure and a fund liability of the fund that will pay it. Amounts of vested or accumulated sick and vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long term liabilities in the government wide financial statements.

#### **Fund Balance Reserves**

Specific fund balance reserves represent resources restricted for specific purposes. Standard fund balance reserve is used to segregate a portion of the fund balance to indicate that assets equal to the amount of the reserve are tied up in expenses and are, therefore, not available for appropriation.

#### **Pension Plans**

The Department has a defined benefit pension plans. Pension costs for the plans include current service costs, which are accrued and funded on a current basis, and prior costs which are amortized over 30 years.

#### **Transfers**

Legally authorized payments or authorizations to make payments from a fund receiving revenue to a fund through which the resources are to be expended are reported as operating transfers. Transfers to the pension funds are quasi-external transactions.

#### **Budgets and Financial Plans**

The Department uses traditional, program and performance budgeting methods to develop the operating budget, which includes proposed expenditures and the means to finance them. The budget is adopted by ordinance and subject to change only by ordinance. The Department utilizes substantially the cash basis of accounting for budgetary purposes.

#### **Capital lease obligations**

The Department has entered into contracts for the lease/purchase of equipment. The terms of the agreements provide for the purchase of the equipment at the end of the lease term. The leases meet the criteria of capital leases as defined by the Statement of Financial Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

#### **Long-Term Liabilities**

Long-term obligations are reported in the government wide statement of activities as a governmental activity. Long-term liabilities expected to be financed from operations of proprietary fund types are accounted for in those funds and as a business type activity.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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### **NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Use of Estimates**

The preparation of general purpose financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions**

GASB 54 is intended to improve the usefulness of the amounts reported in fund balance by providing more structured classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. It moves us from the current standard of reporting three main classifications of fund balance (reserved, designated, and unreserved/undesignated) to five new fund balance classifications (nonspendable, restricted, committed, assigned, and unassigned). It's going to take all of us a while to get used to these new definitions, and you can plan on us updating you more in the future as the implementation date gets closer. The statement also modifies the definition of existing governmental fund types. GASB 54 is required to be implemented for financial statements for periods beginning after June 15, 2011. Retroactive restatement are required for all periods presented, although there is an exception for the statistical section in a CAFR. At a minimum, governments will need to apply this change at the beginning of the year of implementation so that the MD&A disclosures are comparative.

### **NOTE 2 INVESTMENTS AND DEPOSITS WITH FINANCIAL INSTITUTIONS**

The Department, under the Pennsylvania First Class Department Code Act, as amended, is authorized to invest in direct obligations of the United States government, obligations guaranteed by the United States government, obligations of the Commonwealth of Pennsylvania, or any political subdivision of the Commonwealth of Pennsylvania, savings or time deposits and time certificates of deposit. The deposit and investment policy of the Department adheres to state statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the Department. To the extent the Department's deposits with financial institutions are not insured by the Federal Deposit Insurance Corporation, assets have been pledged by the financial institutions. The fair market value of pledged assets exceeded the carrying amount of deposits in the pools at year end.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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### NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

***Custodial credit risk*** – In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The remaining balances was collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. The total amount of investments not secured by federal depository insurance was collateralized by securities pledged by

***Credit risk*** The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The majority of the Department's investments are in U.S. Government Obligations and are therefore not exposed to this type of risk. Investments in PLGIT have received an AAAM rating from Standards & Poors. The Department maintains investments for its pension funds.

***Custodial credit risk investments*** For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Pennsylvania Local Government Investment Trust were established as common law trusts organized under laws of the Commonwealth of Pennsylvania. Shares of the funds are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools and municipalities.

The Department's deposits in these pooled funds are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. These investments are reflected as cash and cash equivalents on the balance sheet. The fair value of the Department's position in the external investment pools is the same as the value of the pool shares. All investments in an external investment pools that are not SEC registered are subject to oversight by the Commonwealth of Pennsylvania.

#### ***External Investment Pool - Pennsylvania Local Government Investment Trust***

The Trust (PLGIT) is authorized to invest in full faith and credit obligations of the Commonwealth of Pennsylvania and its agencies, instrumentalities and political subdivisions. The Trust is also authorized to invest in certificates of deposit which are insured by the Federal Deposit Insurance Corporation or which are collateralized as provided by law. For a more complete description of the Trust's operations and investments, please refer to its Annual Audit Report or Information Statement. Government Pool investments are not categorized in accordance with GASB No. 3, because they are not evidenced by securities that exist in physical or book entry form.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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### NOTE 3 CAPITAL ASSETS

The following is a summary of changes in the capital assets for  
*governmental Activities:*

	Balance January 1	Additions	Deletions	Balance December 31
<b>CAPITAL ASSETS</b>				
Land	\$ 250,000	\$	\$	\$ 250,000
Building and Building Improvements	2,271,057			2,271,057
Vehicles	1,252,209			1,252,209
Equipment	322,693			322,693
Office equipment	313,832			313,832
	<u>\$ 4,409,791</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,409,791</u>
<b>ACCUMULATED DEPRECIATION</b>	<u>\$ 1,413,473</u>	<u>\$ 143,595</u>	<u>\$ 0</u>	<u>\$ 1,557,068</u>

### NOTE 4 CAPITAL LEASES

The Department has several capital leases on vehicles. The economic substance of these leases is that the Department is financing the acquisition of vehicles through the lease and accordingly, the vehicles are recorded as assets and the leases as liabilities in the government wide financial statements.

### NOTE 5 COMPENSATED ABSENCES

The Department allows its employees to be paid for the accumulated vacation leave which is earned and unused. As employees are paid such benefits, the liability is reduced accordingly.

### NOTE 6 COMMITMENTS AND CONTINGENCIES

In 2001, the Commission had a 21,862 sq. ft. building constructed to house the main operations of the Department. The Commission borrowed \$2,000,000 at a rate of 4.9% 20 year note for construction. The four member municipalities of the Commission are responsible for their pro-rata share of the outstanding debt and repayment. The Department is not responsible for the repayment of the debt. The outstanding balance as of December 31, 2013 and 2012, respectively is \$1,088,404 and \$1,189,014. Interest paid by the Commission for the year was \$56,456 and \$60,927.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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### **NOTE 7 LITIGATION**

The Department is involved in various lawsuits in the normal course of operations. Management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Accordingly, no provision for any contingent liabilities that may result has been made in the financial statements. Management believes that losses resulting from these matters, if any, would be covered under the Department's liability insurance policy and would not have a material effect on the financial position of the Department.

### **NOTE 8 POST RETIREMENT BENEFITS OTHER THAN PENSION**

Employees who retire under normal circumstances are eligible for 50% reimbursement of single or family health insurance coverage from their retirement date to the date of Medicare eligibility. Any officer reaching age 46 having 12 years on the force is entitled to benefit. The Department elected to "pay as you go" for the purposes of GASB # 45 and is classified as a small program as there are less than 100 potential participants.

### **NOTE 9 DEFINED BENEFIT PENSION PLANS**

#### **Summary of Significant Accounting Policies and Plan Asset Matters**

#### **Funding Status and Progress of the Plans**

The pension benefit obligations were computed as part of an actuarial valuation performed as of January 1, 2013.

Because the standardized measure is used only for disclosure purposes by the Pocono Mountain Regional Police Department's plans, the measurement is independent of the actuarial computation made to determine contributions to the Plans. The actuarial funding method used to determine contributions to the Plan is explained later in this note.

A variety of significant actuarial assumptions are used to determine the standardized measure of the pension benefit obligation and these assumptions are summarized below:

- The present value of future pension payments was computed by using a discount rate of 7%. The discount rate is equal to the estimated long-term rate of return on current and future investments of the pension plan.
- Future pension payments reflect an assumption of a 5% (compounded annually) salary increase as a result of inflation and merit (seniority).
- Future pension payments reflect no post-retirement benefit increases, which is consistent with the terms of the pension agreement.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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### **NOTE 9    DEFINED BENEFIT PENSION PLANS (CONTINUED)**

#### **Plan Description – Non-uniform Plans**

The pension plans provide pension and death benefits. A member may retire after reaching the age of 65 and accumulating 10 years of service. Benefits vest after on a percentage basis based on years of service with 100% vesting after 12 years of service.

The plan is a defined contribution plan with contributions each December by the Department equal to 4% of each members pay. Each member's account earns a prorated share of the annual return on the trust fund credited each December.

The Department pays the full cost of the Plan. Member contributions are not required.

#### **Plan Description - Police Pension Plan**

The pension plan provides pension benefits and death and disability benefits. A member may retire after reaching the age of 50 and accumulating 25 years of service. Benefits vest after 12 or more years of service. Employees who retire at or after age 50 with 25 or more years of service are entitled to pension payments for the remainder of their lives equal to 65% of their final, three-year average monthly salary.

Pension provisions include death and disability benefits. A disabled employee is entitled to receive a monthly amount equal to the benefit based on the normal retirement formula. The surviving spouse or dependent children under the age of 18 receive 50% of the amount otherwise payable to the participant. The disabled employee is entitled to receive disability payments for life, while the surviving spouse may receive death benefits for life or as long as the spouse does not remarry. Employees of the Department are required to pay 5.0% of their gross earnings to the pension plan. The payments are deducted from the employee's wages or salary and remitted by the Department to the Pension Fund on a monthly basis. If an employee leaves the employment of the Department before 12 years of service, the accumulated contributions plus earned interest are refunded to the employee or the employee's designated beneficiary. The Department makes annual contributions to the pension plan equal to any minimum municipal obligation, as calculated. Those contributions are funded in part through amounts received from the Pennsylvania General Municipal Pension System as state aid.

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

### NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

#### Reporting Entity

The Department maintains four single-employer, defined benefit pension plans which cover all full-time classed employees. The Plans are part of the Pocono Mountain Regional Police Department financial reporting entity and are included in the Department's general purpose financial statements as a Pension Trust Fund.

#### Plan Valuation

The pension plan descriptions and actuarial valuations are available at the Department offices.

#### Trend Information

Analysis of the dollar amounts of net position available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net position available for benefits as a percentage of the pension benefit obligation provides one indication of the Department's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Public Employee Retirement System. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Department's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Public Employee Retirement System. Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

#### Schedule of Contributions from Employers and Other Contributing Entities

	Year	Annual Required Contribution	Contributions From Employer	Percentage Contributed
<u>Police Pension Plan</u>	2012	\$ 672,667	\$ 672,667	100.0 %
	2011	\$ 821,122	\$ 821,122	100.0 %
	2010	\$ 481,085	\$ 481,085	100.0 %

	Value of Assets	Entry Age Actuarial Liability (AAL)	AAL (UAAL)	Fund Ratio	Covered Payroll	UAAL as of Covered Payroll
<u>Police Pension Plan</u>						
2013	\$11,270,956	\$12,363,753	\$ 1,092,797	91.2%	\$ 2,827,186	38.7%
2011	\$ 8,986,308	\$10,546,009	\$ 1,559,701	85.2%	\$ 2,921,295	53.4%
2009	\$ 6,504,607	\$ 9,783,837	\$ 3,279,230	66.5%	\$ 2,417,546	135.6%

# POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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### **NOTE 8 NEWLY IMPLEMENTED ACCOUNTING STANDARDS (A CHANGE IN ACCOUNTING PRINCIPAL)**

#### **GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions**

GASB 54 is intended to improve the usefulness of the amounts reported in fund balance by providing more structured classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. It moves the Department from the current standard of reporting three main classifications of fund balance (*reserved, designated, and unreserved/undesignated*) to five new fund balance classifications (*nonspendable, restricted, committed, assigned, and unassigned*). The hierarchy of five possible classifications of fund balance is:

#### **Nonspendable Fund Balance**

- Amounts that cannot be spent due to form; for example, inventories and prepaid amounts. Also, long-term loan and notes receivables, and property held for resale would be reported here unless the proceeds are restricted, committed or assigned.
- Amounts that must be maintained intact legally or contractually.

#### **Restricted Fund Balance**

- Amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

#### **Committed Fund Balance**

- Amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources.
- Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period.

#### **Assigned Fund Balance**

- For all governmental funds other than the general fund, any remaining positive amounts not classified as nonspendable, restricted or committed.
- For the general fund, amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Amount reported as assigned should not result in a deficit in unassigned fund balance.

#### **Unassigned Fund Balance**

- For the general fund, amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance.

**COMBINING SCHEDULES**



**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
**COMBINING BALANCE SHEET**  
**ALL CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2013**

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	Capital Reserve	Capital Projects	Totals
<b>ASSETS</b>			
Cash - unrestricted	\$ 475,791	\$ 19,363	\$ 495,154
Due from other funds			0
Cash - restricted			0
	<u>\$ 475,791</u>	<u>\$ 19,363</u>	<u>\$ 495,154</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$	3,306	\$ 3,306
Due to other funds			0
	<u>0</u>	<u>3,306</u>	<u>3,306</u>
<b>FUND BALANCE</b>			
Committed	475,791		475,791
Assigned		16,057	16,057
	<u>\$ 475,791</u>	<u>\$ 19,363</u>	<u>\$ 495,154</u>

**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	Capital Reserve	Capital Projects	Totals
<b>REVENUES</b>			
Interest income	\$ 111	\$ 2	\$ 113
Intergovernmental revenue			0
	<u>111</u>	<u>2</u>	<u>113</u>
<b>EXPENDITURES</b>			
Current			
Public safety		7,820	7,820
	<u>0</u>	<u>7,820</u>	<u>7,820</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>111</u>	<u>2</u>	<u>(7,707)</u>
<b>OTHER FINANCING (USES) SOURCES</b>			
Operating transfers in		3,471	3,471
Operating transfers out	(3,471)		(3,471)
	<u>(3,471)</u>	<u>3,471</u>	<u>0</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES) SOURCES</b>	(3,360)	(4,347)	(7,707)
<b>FUND BALANCES, JANUARY 1</b>	<u>479,151</u>	<u>20,404</u>	<u>499,555</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 475,791</u>	<u>\$ 16,057</u>	<u>\$ 491,848</u>

**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
**COMBINING BALANCE SHEET**  
**ALL SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2013**

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	<u>Asset Forfeiture</u>	<u>Grants</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash - unrestricted	\$ 293,104	166	\$ 293,270
Due from other funds			0
Accounts receivable			0
	<u>\$ 293,104</u>	<u>\$ 166</u>	<u>\$ 293,270</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>	\$ _____	\$ _____	\$ _____
<b>FUND BALANCE</b>			
Unassigned	<u>293,104</u>	<u>166</u>	<u>293,270</u>
	<u>\$ 293,104</u>	<u>\$ 166</u>	<u>\$ 293,270</u>

**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

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	<u>Asset Forfeiture</u>	<u>Grants</u>	<u>Totals</u>
<b>REVENUES</b>			
Interest income	\$ 47	\$	\$ 47
Intergovernmental revenues			0
Other	<u>283,770</u>		<u>283,770</u>
	<u>283,817</u>	<u>0</u>	<u>283,817</u>
<b>EXPENDITURES</b>			
Current			
Public safety	<u>7,785</u>	<u>2,040</u>	<u>9,825</u>
	<u>7,785</u>	<u>2,040</u>	<u>9,825</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	276,032	(2,040)	273,992
<b>OTHER FINANCING USES</b>			
Operating transfers out			<u>0</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	276,032	(2,040)	273,992
<b>FUND BALANCES, JANUARY 1</b>	<u>17,072</u>	<u>2,206</u>	<u>19,278</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 293,104</u>	<u>\$ 166</u>	<u>\$ 293,270</u>

**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
**COMBINED STATEMENTS OF FIDUCIARY NET ASSETS**  
 FIDUCIARY FUNDS (PENSION TRUST)  
 DECEMBER 31, 2013

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	<u>Police</u>	<u>Non-Uniform</u>	<u>Totals</u>
<b>ASSETS</b>			
Investments - unrestricted	<u>\$ 12,996,111</u>	<u>\$ 97,381</u>	<u>\$ 13,093,492</u>
<b>LIABILITIES</b>			
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>NET ASSETS</b>			
Reserved for retirement benefits	<u>12,996,111</u>	<u>97,381</u>	<u>13,093,492</u>
	<u>\$ 12,996,111</u>	<u>\$ 97,381</u>	<u>\$ 13,093,492</u>

**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT**  
**COMBINED STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS (PENSION TRUST)**  
**YEAR ENDED DECEMBER 31, 2013**

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	Police	Non-Uniform	Totals
<b>ADDITIONS</b>			
Department contribution	\$ 330,170	\$ 7,814	\$ 337,984
Employee Contributions	155,389		155,389
Interest, dividends, and net unrealized gains/(losses), net	<u>1,695,030</u>	<u>13,724</u>	<u>1,708,754</u>
	<u>2,180,589</u>	<u>21,538</u>	<u>2,202,127</u>
<b>DEDUCTIONS</b>			
Administrative	55,117		55,117
Return of employee contributions			0
Pension benefits	<u>400,317</u>		<u>400,317</u>
	<u>455,434</u>	<u>0</u>	<u>455,434</u>
<b>CHANGE IN NET ASSETS</b>	1,725,155	21,538	1,746,693
<b>NET ASSETS, JANUARY 1</b>	<u>11,270,956</u>	<u>75,843</u>	<u>11,346,799</u>
<b>NET ASSETS, DECEMBER 31</b>	<u><u>\$ 12,996,111</u></u>	<u><u>\$ 97,381</u></u>	<u><u>\$ 13,093,492</u></u>

**DETAILED BUDGET AND ACTUAL**



**POCONO MOUNTAIN REGIONAL POLICE DEPARTMENT****SCHEDULE OF BUDGET AND ACTUAL**

GENERAL FUND (Budgetary Cash Basis)

YEAR ENDED DECEMBER 31, 2013

	Budget	Actual	Variance Favorable (Unfavorable)
<b>INTERGOVERNMENTAL REVENUE</b>			
Federal funds -			
Grants	\$ 0	\$ 0	\$ 0
State funds -			
Grants	12,000	8,889	(3,111)
State Aid - Pension	330,000	330,170	0
Local funds -			0
Pension contribution	354,005	249,954	(104,051)
	<u>696,005</u>	<u>589,013</u>	<u>(107,162)</u>
<b>INTEREST</b>	<u>200</u>	<u>249</u>	<u>49</u>
<b>CHARGES FOR SERVICES</b>			
Police services -			
Township of Coolbaugh	2,003,796	2,003,796	0
Township of Tobyhanna	1,589,218	1,589,218	0
Borough of Mt. Pocono	639,142	639,142	0
Township of Tunkannock	604,593	604,593	0
Task force	21,588	16,037	(5,551)
DUI Checkpoint	10,000	12,015	2,015
DEA Reimbursements	15,000	11,802	(3,198)
School resource officer	57,647	83,268	0
Police reports	12,000	13,874	1,874
Other local fees		5,659	0
Police testing fees			0
	<u>4,952,984</u>	<u>4,979,404</u>	<u>(4,860)</u>
<b>OTHER</b>			
Sale of property	0	17,448	17,448
Contributions	0	12,850	0
Insurance proceeds	87,787	132,099	132,099
Miscellaneous	0	5,925	0
	<u>87,787</u>	<u>168,322</u>	<u>80,535</u>
<b>TOTAL REVENUES</b>	<u>\$ 5,736,976</u>	<u>\$ 5,736,988</u>	<u>\$ 12</u>
<b>PUBLIC SAFETY</b>			
Police protection	\$ 5,053,820	\$ 5,001,885	\$ 51,935
Non-Uniformed	281,836	280,518	1,318
Operating	348,067	346,758	1,309
<b>TOTAL EXPENDITURES</b>	<u>\$ 5,683,723</u>	<u>\$ 5,629,161</u>	<u>\$ 54,562</u>

