

Cumberland Township December 31, 2017 Audit Presentation



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2017 Cumberland Township Audit Presentation

- Please refer to reports for complete details:
 - Cumberland Township Municipal Annual Audit and Financial Report
 - Including Independent Auditor's Report
 - Management Letter
 - Communications with Those Charged with Governance



2017 Cumberland Township Audit Presentation

- Summary
 - Unmodified Audit Opinion
 - General Fund had an increase in fund balance during the current year
 - No findings reported



2017 Cumberland Township Audit Presentation

- Independent Auditor's Report:
 - Unmodified audit opinion
 - What does this mean?
 - The DCED Municipal Annual Audit and Financial Report is fairly presented in all material respects.
 - What it isn't
 - This is not an opinion on internal controls
 - This is not an opinion on or results of a fraud investigation



Cash Balances

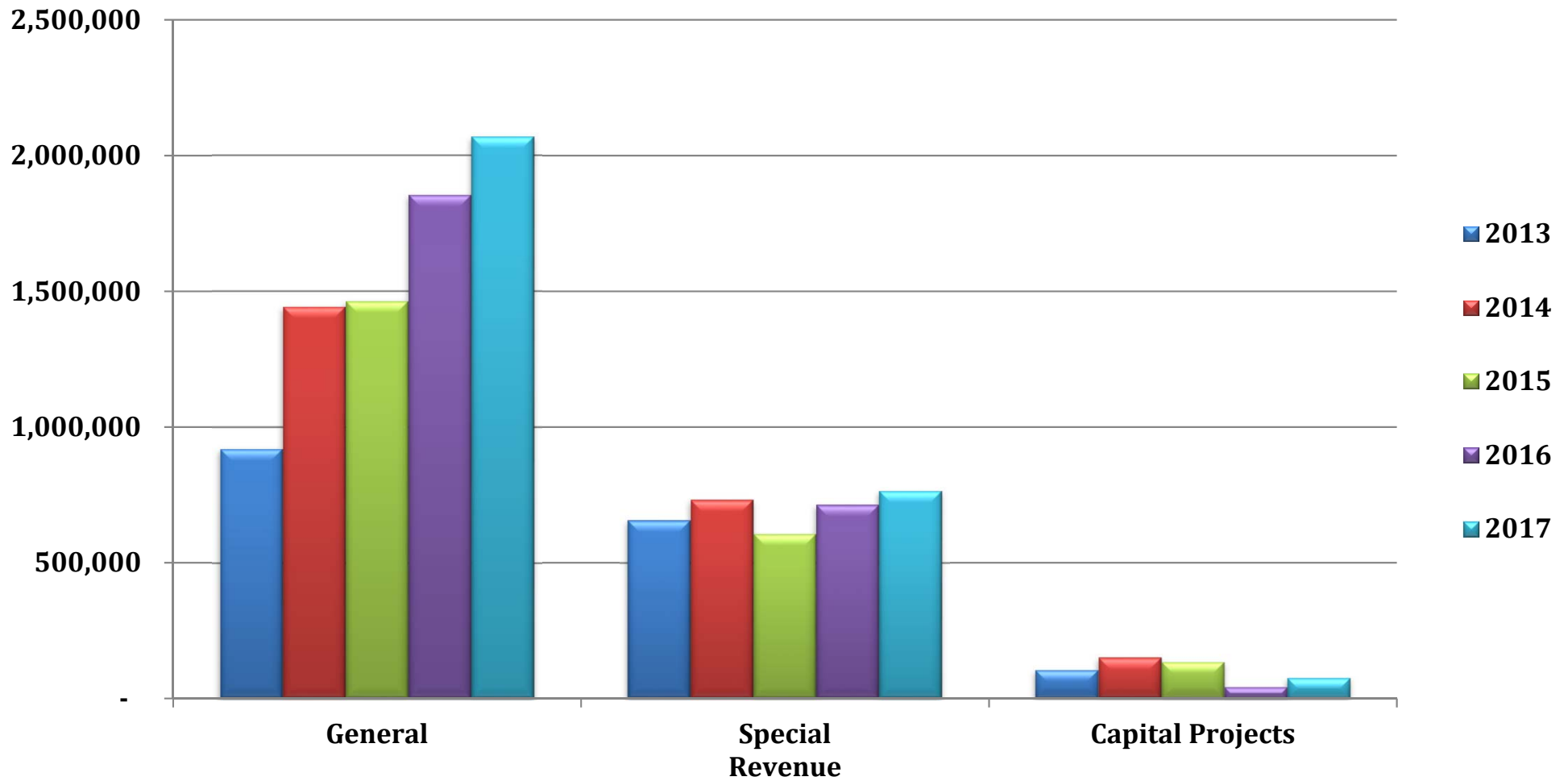
(Summary excerpt from financial statements)

	2017	2016
General Fund	\$ 1,827,962	\$ 1,744,092
Health Insurance and Escrow Funds (included in General Fund on the DCED Report, but are restricted)	241,481	111,352
Special Revenue (Traffic Improvement, Parks and Recreation, and State Highway Aid)	764,219	713,488
Capital Projects	75,587	43,088
Fiduciary Funds (Pensions)	4,203,436	3,634,891



Graphical Analysis

Cash Balances - Governmental Funds



Revenue Analysis

(Summary excerpt from financial statements)

	2017	2016	% Change
Taxes	\$ 2,723,057	\$ 2,643,422	3.01%
Licenses and Permits	129,977	114,825	13.20%
Fines	60,843	57,143	6.47%
Interest and Rents	36,673	38,764	(5.39%)
Intergovernmental	588,290	588,861	(.10%)
Charges for Services	264,627	410,350	(35.51%)
Unclassified	31,507	26,432	19.20%
Other Financing Sources (excludes transfers)	117,650	169,904	(30.76%)
Total Revenue	\$ 3,952,624	\$ 4,049,701	(2.40%)



Revenue Analysis

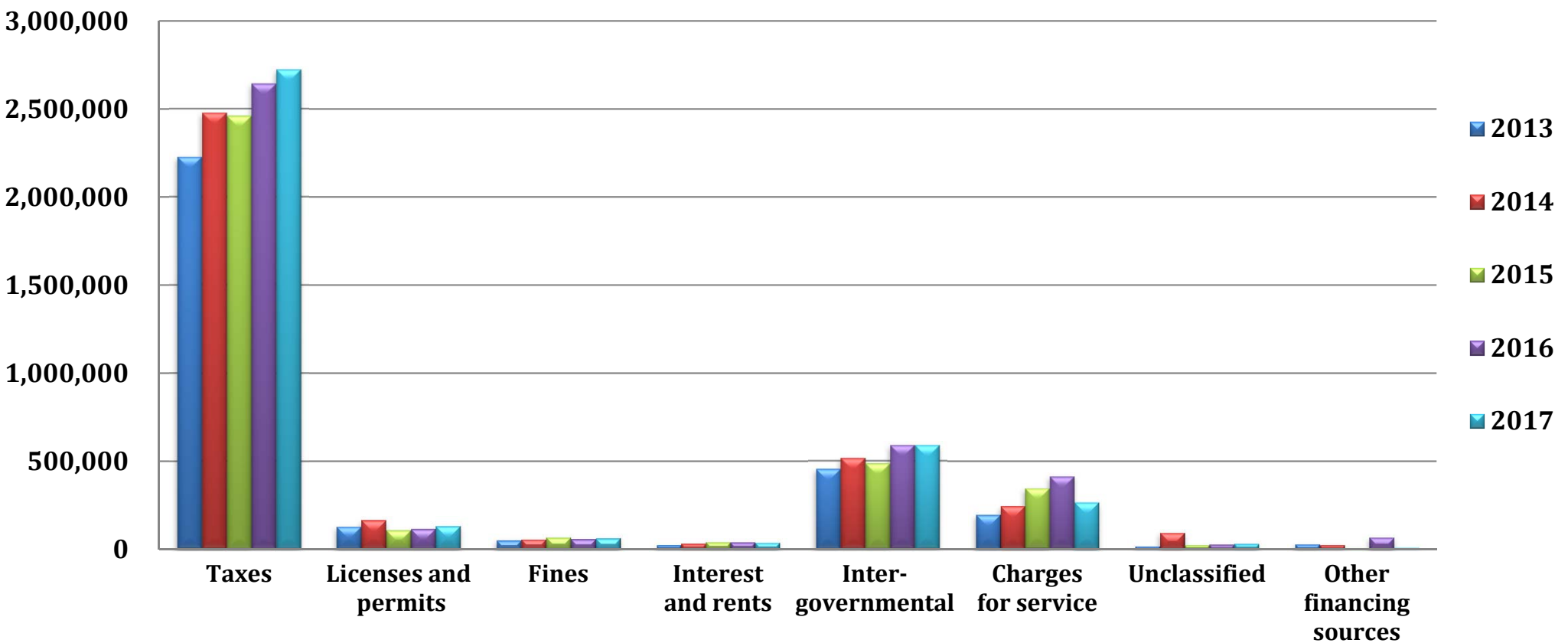
Revenues decreased \$ 97,077 or 2.4%:

- Traffic impact fees decreased \$51,714 due to a significant study done in the prior year.
- Received insurance proceeds in the prior year for a totaled 2016 Chevy Tahoe.
- Timing of engineering review fee receipts – several 2015 receipts were received in 2016.
- Received approximately \$ 25,000 for reimbursements related to Winter Storm Jonas in the prior year.
- Real estate transfer tax receipts decreased 15.85%



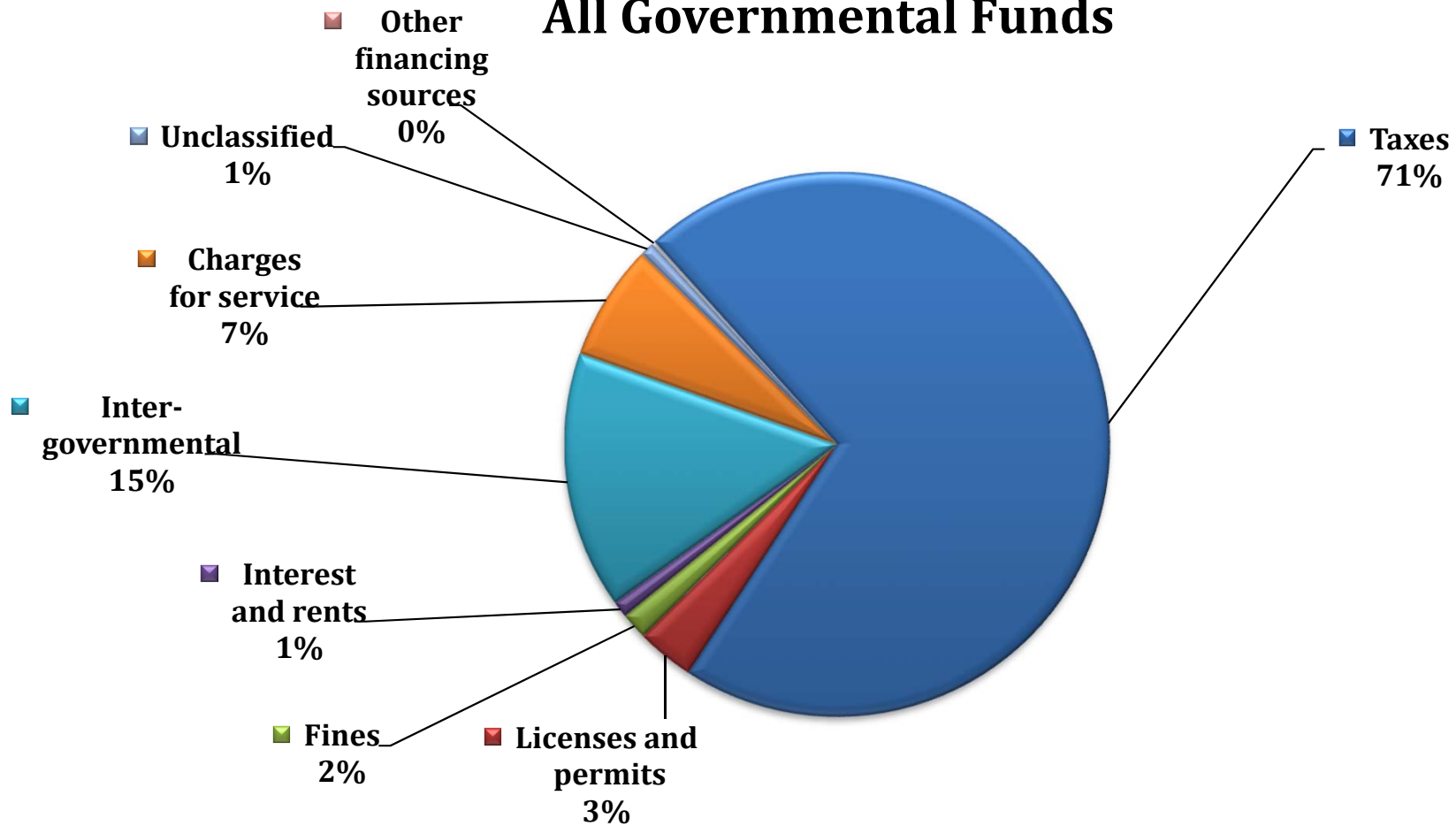
Graphical Analysis

Revenue Comparison - All Governmental Funds (excluding pension funds)



Graphical Analysis

Revenue Allocation - 2017 All Governmental Funds



Expenditure Analysis

(Summary excerpt from financial statements)

	2017	2016	% Change
General Government	\$ 612,168	\$ 506,031	20.97%
Public Safety	1,648,026	1,618,407	1.83%
Highways	1,038,139	1,039,233	(0.11%)
Recreation	86,574	84,477	2.48%
Debt Service	106,402	106,402	0.00%
Employee Benefits	250,194	228,434	9.53%
Insurance	77,593	76,034	2.05%
Other Financing Sources	2,678	269	895.54%
Total Expenditures	\$ 3,821,774	\$ 3,659,287	4.44%



Expenditure Analysis

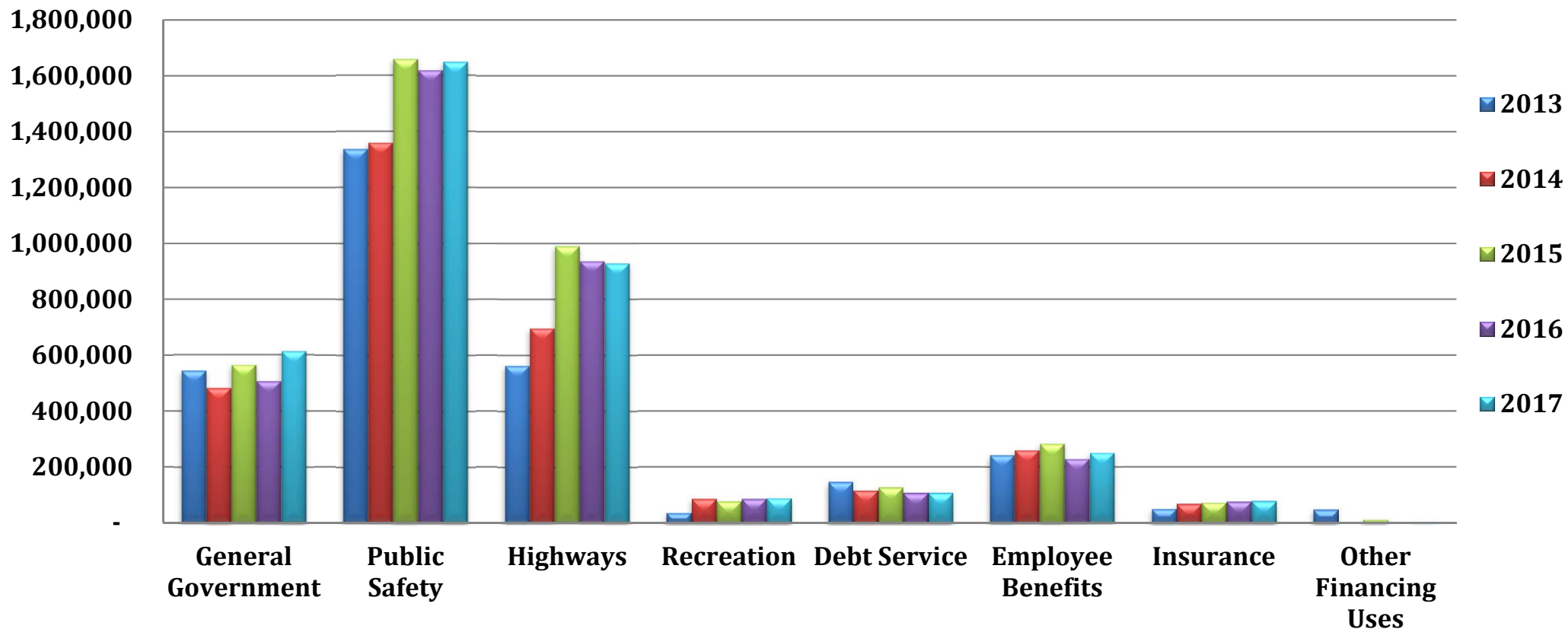
Expenditures increased \$ 162,487 or 4.44%:

- General Government increased due to costs associated with MS4 as well as legal expenses incurred due to union negotiations and other disputes.
- Highways expenditures include the purchase of a Mack dump truck.
- Employee benefits increased due to pension expense and worker's compensation.



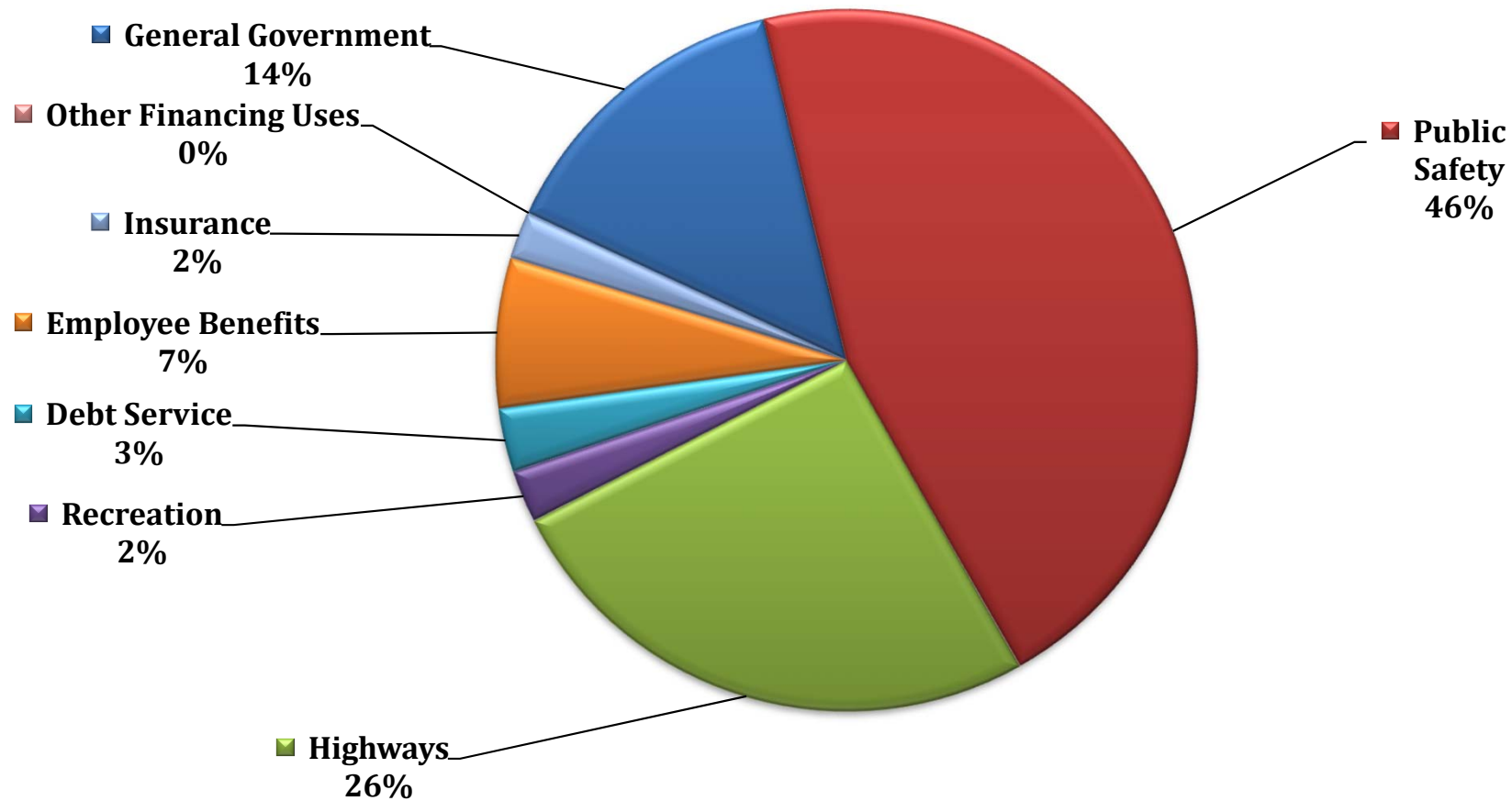
Graphical Analysis

Expenditure Comparison - All Governmental Funds



Graphical Analysis

Expenditure Allocation - 2017 All Governmental Funds



Excess of Revenues over Expenditures

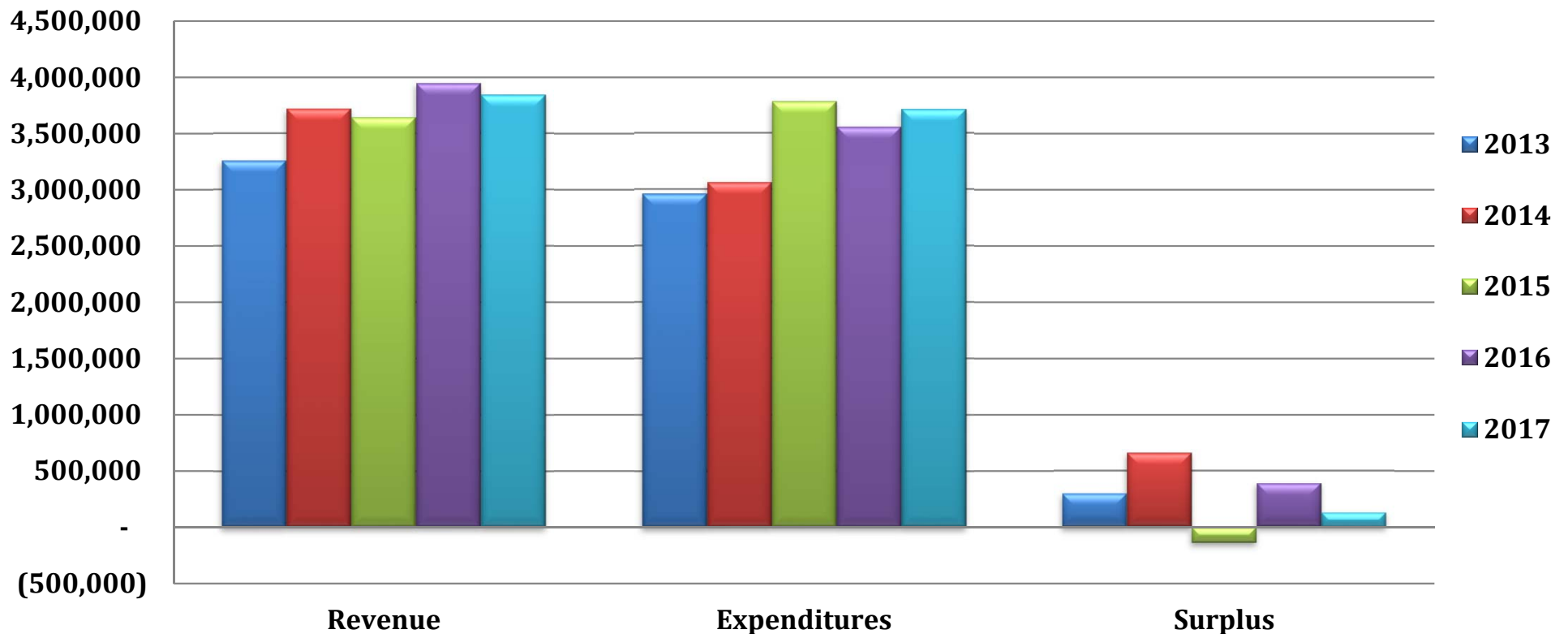
(Summary excerpt from financial statements)

	2017	2016
General Fund	\$ 47,612	\$ 371,204
Special Revenue (Traffic Improvement, Parks and Recreation, and State Highway Aid)	50,731	110,709
Capital Projects	32,507	(91,499)
Fiduciary Funds (Pensions)	568,545	231,200



Graphical Analysis

Revenues vs. Expenditures (excluding pension funds)



Debt Balances

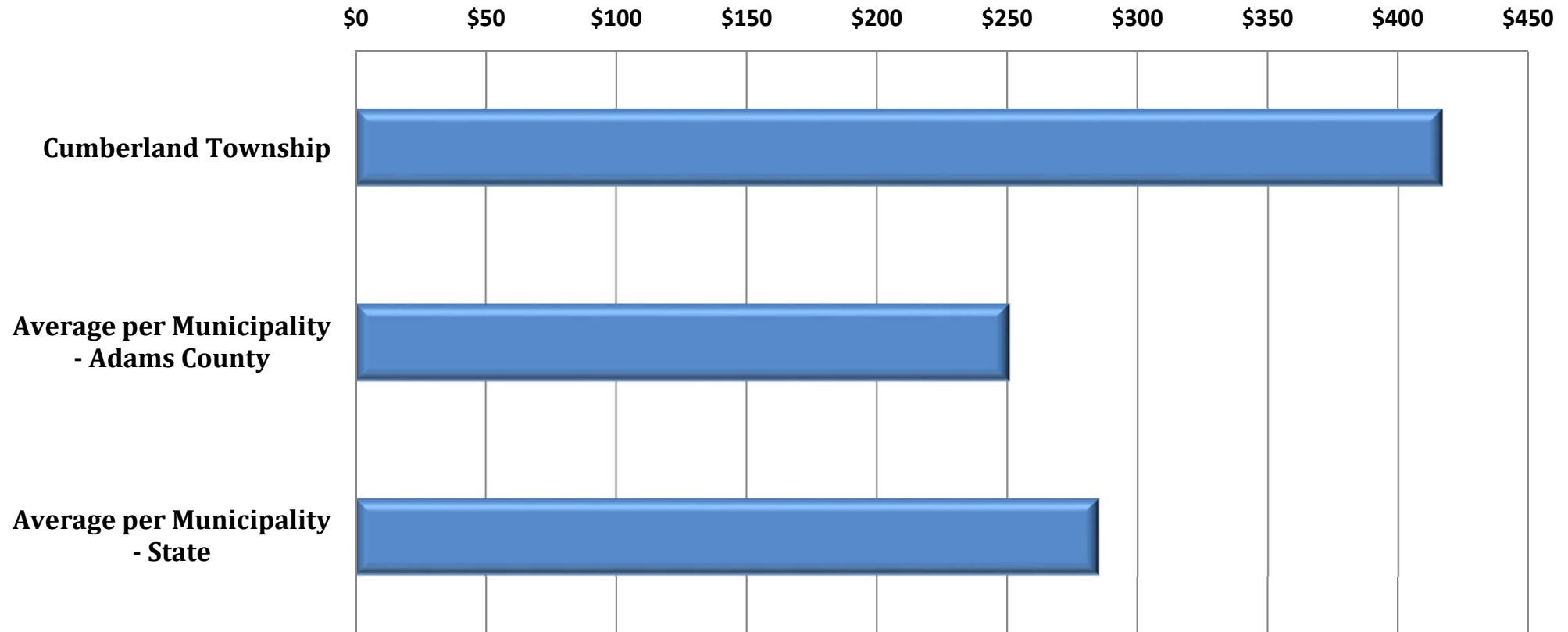
(Summary excerpt from financial statements)

	Beginning Balance	Principal Incurred This Year	Principal Paid This Year	Ending Balance
General Obligation Bond	\$ 1,215,863	\$ 0	\$ 53,460	\$ 1,162,403
Capital Lease (Backhoe)	85,306	0	14,504	70,802
Capital Lease (Mack)	0	110,000	0	110,000



Graphical Analysis

Taxes Per Individual

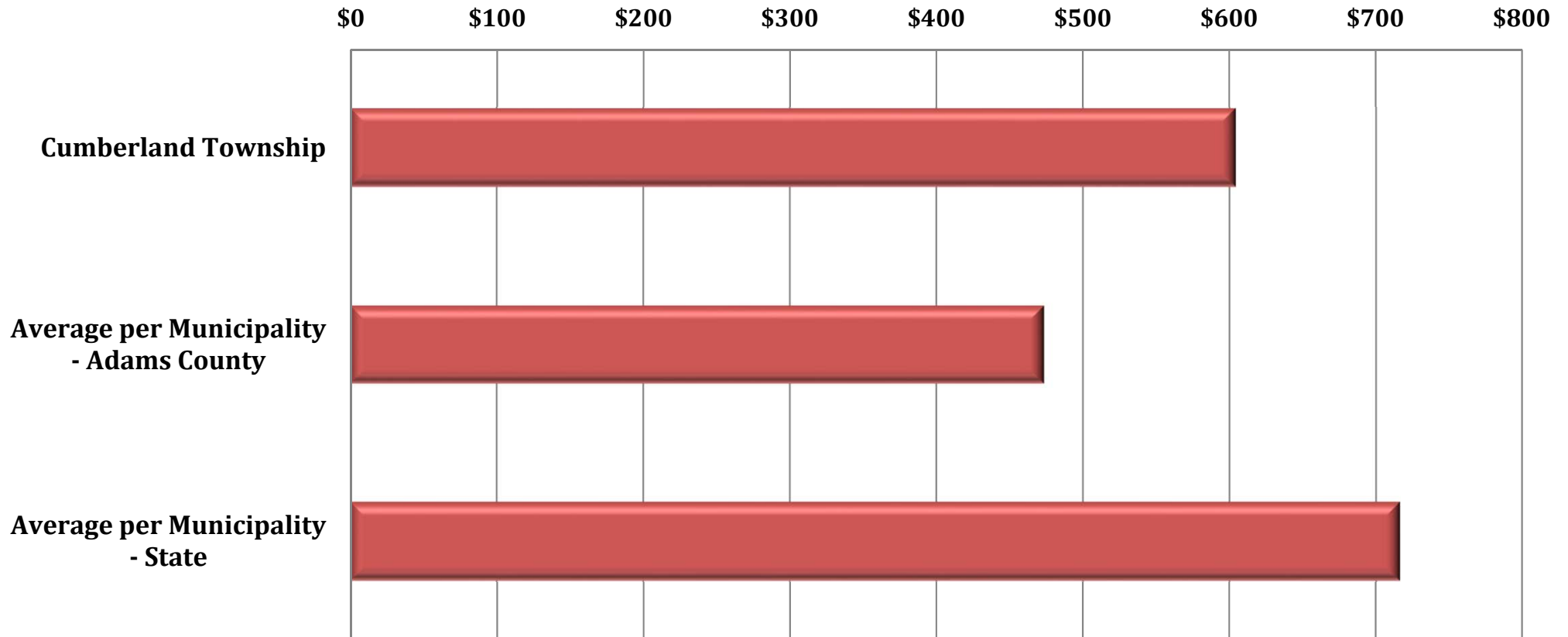


Note: Data as of 2015, which is the most recent available



Graphical Analysis

Total Revenue Per Individual

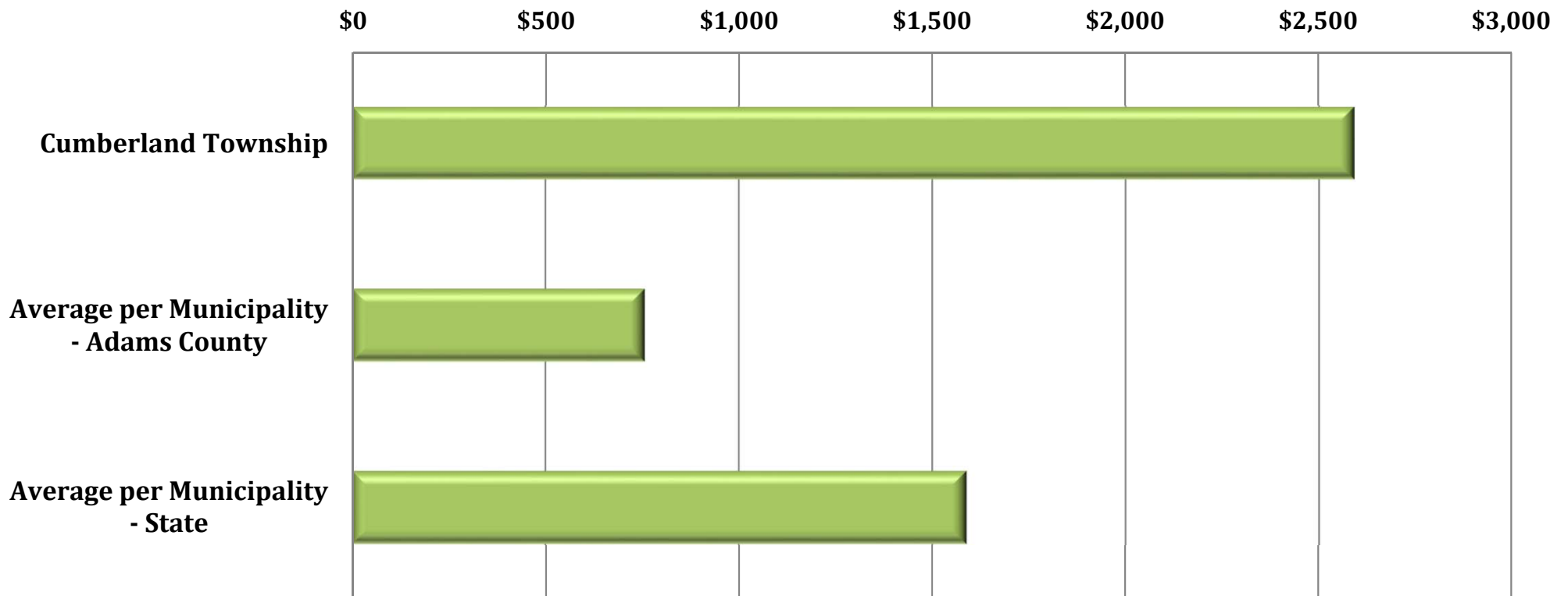


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Graphical Analysis

Total Taxes (\$1,000)

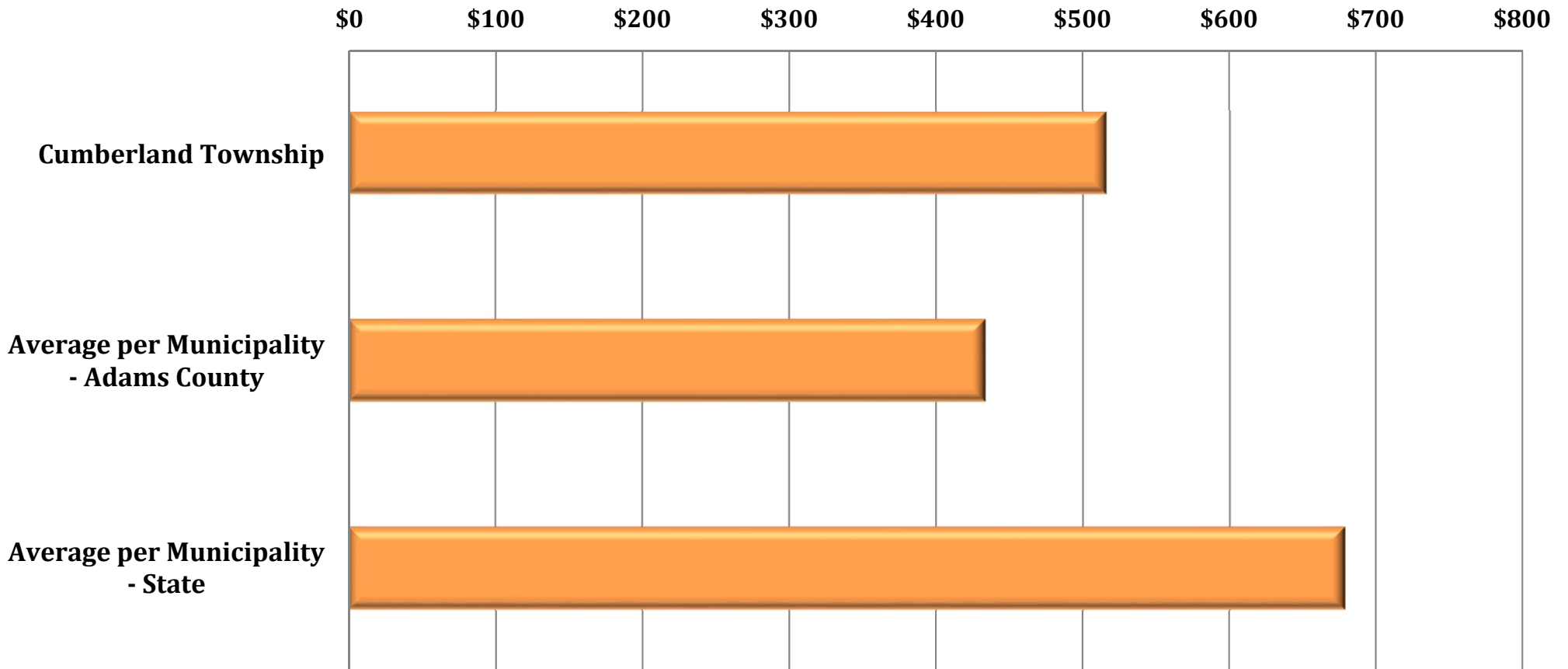


Note: Data as of 2015, which is the most recent available



Graphical Analysis

Total Expenditures Per Individual

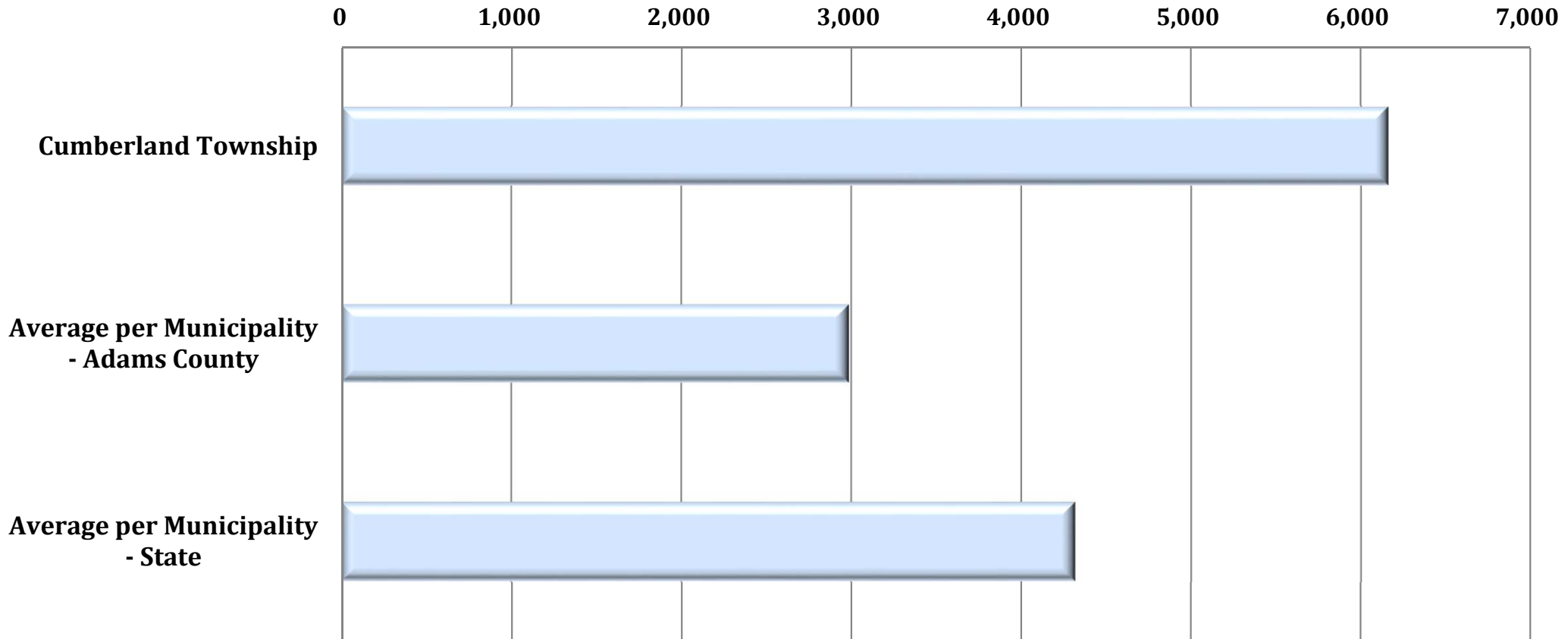


Note: Data as of 2015, which is the most recent available



Graphical Analysis

Census Population



Note: Data as of 2015, which is the most recent available



Management Letter

- Purpose of Letter
 - Communication of findings related to internal control
 - None noted during our current audit
 - Graphical Analysis

Communication with Those Charged with Governance

- Required communications related to the audit
 - Includes the qualitative aspects of accounting practices, a description of any difficulties encountered during the audit, and a description of any disagreements with management.
 - Attached to the letter are the adjustments made for the audit.
 - Also, address management representations, management consultations with other independent auditors, and other audit findings or issues.

Summary

- Summary
 - Unmodified Audit Opinion
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 - No findings reported
- Questions?

