

PLYMOUTH TOWNSHIP, PENNSYLVANIA

FINANCIAL STATEMENTS

Year Ended December 31, 2017

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MEMBER:
American Institute of Certified Public Accountants
Pennsylvania Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Council Members of Plymouth Township
Plymouth Meeting, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Plymouth Township, Pennsylvania, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Plymouth Township, Pennsylvania, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and the Capital Reserve Fund, Highway Aid Fund, and Health and Welfare Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13 and the supplemental pension schedules on pages 64 to 68 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 Plymouth Township, Pennsylvania's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information is the responsibility of management and was 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Dreslin and Company, Inc.

East Norriton, Pennsylvania
September 4, 2018

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis

Our discussion and analysis of Plymouth Township's financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the Township's financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

- The Township continues to report adequate *unrestricted net position balances* for both governmental activities and business-type activities.
- The Township is reporting a General Fund *budgetary fund balance* of \$8.9 million.
- The Township has no outstanding bonded debt.
- Total net position of governmental activities decreased by approximately \$1.76 million during fiscal 2017. This is primarily explained by: 1) depreciation expense recognized for accounting purposes exceeded capital expenditures by \$859,337; 2) an increase in the liability for promissory note, post-retirement health care and pensions in the amount of \$712,849; 3) a decrease in Governmental fund balances of \$238,327 reflecting that expenditures slightly exceeded revenues during 2017.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14 and 15) provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements start on page 16. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Township as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the Township as a whole begins on page 7. One of the most important questions asked about the Township's finances is, "Is the Township as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis

current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Township's net position and changes in net position. You can think of the Township's net position – the difference between assets and deferred outflows and resources, and liabilities and deferred inflows of resources – as one way to measure the Township's financial health, or financial position. Over time, increases or decreases in the Township's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Township's tax base and the condition of the Township's infrastructure, to assess the overall health of the Township.

In the Statement of Net Position and the Statement of Activities, we divide the Township into three kinds of activities:

- Governmental activities – Most of the Township's basic services are reported here, including general administration, public safety, public works, and parks and recreation. Property taxes, the earned income tax, and business taxes finance most of these activities.
- Business-type activities – The Township charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Township's sewer system and Community Center are reported here.
- Component units – The Township includes three separate legal entities in its report, Harmonville Fire Company, Plymouth Fire Company, and the Plymouth Township Parks Recreation and Facilities Fund (a 501(c)(3) nonprofit organization). Although legally separate, these component units are important because the Township is financially accountable for them.

Reporting the Township's Most Significant Funds

Fund Financial Statements

Our analysis of the Township's major funds begins on page 10. The fund financial statements begin on page 16 and provide detailed information about the most significant funds – not the Township as a whole. Plymouth Township Council establishes funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities. The Township's two kinds of funds – governmental and proprietary – use different accounting approaches.

- Governmental funds – Most of the Township's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. 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 Township'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 the Township's programs. We describe the differences between governmental activities (reported in the Statement of Net Position

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis

and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

- Proprietary funds – When the Township charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

The Township as Trustee

Reporting the Township's Fiduciary Responsibilities

The Township is the trustee, or fiduciary, for its employees' pension funds, post-retirement healthcare fund, and the deferred compensation fund. Because of trust agreements and legal restrictions, these funds can only be used for the designated beneficiaries. All of the Township's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 26 and 27. We exclude these activities from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE TOWNSHIP AS A WHOLE

Tables 1 and 2 that follow present a summarization of Plymouth Township's Net Position and Changes in Net Position for fiscal year 2017.

Table 1
Net Position (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$21.6	\$22.1	\$6.5	\$7.2	\$28.1	\$29.3
Noncurrent Assets	27.0	24.7	11.5	11.7	38.5	36.4
Total Assets	<u>48.6</u>	<u>46.8</u>	<u>18.0</u>	<u>18.9</u>	<u>66.6</u>	<u>65.7</u>
Deferred Outflows of Resources	0.8	3.1	0.0	0.0	0.8	3.1
Total Assets and Deferred Outflows	<u>49.4</u>	<u>49.9</u>	<u>18.0</u>	<u>18.9</u>	<u>67.4</u>	<u>68.8</u>
Current Liabilities	1.0	1.1	1.0	0.8	2.0	1.9
Noncurrent Liabilities	16.2	19.3	0.0	0.0	16.2	19.3
Total Liabilities	<u>17.2</u>	<u>20.4</u>	<u>1.0</u>	<u>0.8</u>	<u>18.2</u>	<u>21.2</u>
Deferred Inflows of Resources	5.3	0.7	0.0	0.0	5.3	0.7
Net Position:						
Invested in Capital Assets,						
Net of Debt	23.2	24.7	11.5	11.7	34.7	36.4
Restricted	0.0	0.0	3.0	3.8	3.0	3.8
Unrestricted	3.7	4.1	2.5	2.6	6.2	6.7
Total Net Position	<u>26.9</u>	<u>28.8</u>	<u>17.0</u>	<u>18.1</u>	<u>44.0</u>	<u>46.8</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$49.4</u>	<u>\$49.9</u>	<u>\$18.0</u>	<u>\$18.9</u>	<u>\$67.4</u>	<u>\$68.8</u>

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis

The Township has a significant investment in *capital assets* for both its governmental and business-type activities. Also, the Township is reporting a balance of *unrestricted net position* – the portion of resources that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. For its governmental and business-type activities, *unrestricted net position* represents 13.8% and 46.4% respectively of the annual operating expenses for those activities.

Table 2
Changes in Net Position
(actual dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program revenues:						
Charges for services	\$ 3,024,771	\$ 3,559,975	\$ 4,594,575	\$ 4,779,174	\$ 7,619,346	\$ 8,339,149
Operating grants	987,295	974,516	-	-	987,295	974,516
Capital grants	146,838	446,147	-	-	146,838	446,147
General revenues:						
Earned income tax	7,015,402	6,555,780	-	-	7,015,402	6,555,780
Real estate tax	3,552,925	3,478,406	-	-	3,552,925	3,478,406
Business taxes	6,555,376	6,529,113	-	-	6,555,376	6,529,113
Real estate transfer tax	657,489	757,224	-	-	657,489	757,224
Local services tax	1,168,845	1,101,084	-	-	1,168,845	1,101,084
Solid waste disposal tax	1,177,194	1,098,368	-	-	1,177,194	1,098,368
Other taxes	27,756	35,626	-	-	27,756	35,626
Unrestricted grants	-	-	-	-	-	-
Other general revenues	644,636	266,769	49,250	32,245	693,886	299,014
Total revenues	24,958,527	24,803,008	4,643,825	4,811,419	29,602,352	29,614,427
Program expenses						
General government	3,117,894	3,451,816	-	-	3,117,894	3,451,816
Public safety	10,669,840	9,230,184	-	-	10,669,840	9,230,184
Public works	4,301,888	5,043,425	-	-	4,301,888	5,043,425
Culture and recreation	1,321,284	744,026	-	-	1,321,284	744,026
Employee Benefits	7,614,924	9,854,873	-	-	7,614,924	9,854,873
Interest on debt	-	-	-	-	-	-
Sewer	-	-	2,760,124	2,323,741	2,760,124	2,323,741
Ply Community Center	-	-	2,630,356	2,731,246	2,630,356	2,731,246
Total expenses	27,025,830	28,324,324	5,390,480	5,054,987	32,416,310	33,379,311
Excess before transfers	(2,067,303)	(3,521,316)	(746,655)	(243,568)	(2,813,958)	(3,764,884)
Transfers	299,655	344,966	(299,655)	(344,966)	-	-
Increase (decrease) in net assets	(1,767,648)	(3,176,350)	(1,046,310)	(588,534)	(2,813,958)	(3,764,884)

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis

Governmental Activities

For governmental activities, there was a \$1.76 million decrease in net position during fiscal 2017. This is attributable to several factors. Depreciation expense recognized for governmental activities exceeded capital expenditures by \$859,337. Net assets were also decreased by a Governmental Funds increase in the liabilities for promissory notes, post-retirement health care and pension costs of \$712,849.

The cost of all governmental activities this year was \$27.0 million. However, as shown in the Statement of Activities on page 15, the amount our taxpayers ultimately financed for these activities with Township resources was \$22.9 million because some of the cost was paid by those who directly benefited from the programs (\$3.0 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$1.1 million). Overall, the Township's governmental program revenues, including intergovernmental aid and fees for services, amounted to \$4.1 million in fiscal 2017. The Township paid for the remaining 'public benefit' portion of governmental activities through various taxes and other revenue, such as interest and miscellaneous fees.

Table 3 presents the cost of each of the Township's largest programs as well as each program's *net cost* (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Township's taxpayers by each of these functions.

**Table 3
 Governmental Activities
 (actual dollars)**

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
General government	\$3,117,894	\$3,451,816	\$1,907,002	\$2,176,439
Public safety	10,669,840	9,230,184	9,513,009	7,966,821
Public works	4,301,888	5,043,425	3,490,787	3,545,881
Culture and recreation	1,321,284	744,026	1,061,560	495,241
Employee benefits	7,614,924	9,854,873	6,894,568	9,159,304
Totals	\$27,025,830	\$28,324,324	\$22,866,926	\$23,343,686

Business Activities

For business-type activities, net position decreased during fiscal 2017 by \$1.05 million. The aim of the business activities is that services are priced to cover costs. However, expenses for sewer activities were \$225,380 more than revenue. Expenses for Community Center activities were \$570,525 more than revenue. This is partially due to an annual operating deficit and partially due to setting rates that are not intended to recapture depreciation. Overall, business-type activities generated revenue of approximately \$4.6 million and expenses of approximately \$5.4 million. There were other miscellaneous amounts recorded for interest income and fund transfers which resulted in net additional cost of \$250,405.

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis

THE TOWNSHIP'S FUNDS

As the Township completed the fiscal year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$20.6 million which is a decrease of \$238,327 from last year's total of \$20.8 million. As noted on page 17, the General Fund and Health and Welfare Fund reported increases in fund balance of \$181,121 and \$248,500, respectively. The fund balances of the Capital Reserve Fund and the Highway Aid Fund decreased by \$622,780 and \$45,168, respectively.

General Fund Budgetary Highlights

The 2017 budget, as adopted, did not require any subsequent changes by Township Council. The General Fund Budgetary Comparison Statement on page 19 reflects that the Township ended fiscal 2017 with a budgetary fund balance of approximately \$8.9 million of which \$6.9 million was in the form of cash (page 16), the balance consisting mostly of taxes receivable.

There were some significant variations between budgeted and actual amounts for 2017. For the purpose of discussing budget variances, 'significant' variations will be considered those where the actual expenditure or revenue for a line item differs from the budget by \$100,000 or more.

Overall, revenue was better than projected in several areas resulting in a positive variance of \$427,045. 'Mercantile Tax' collections were \$151,943 less than budgeted because of slower than anticipated growth in the retail sector of the local Township economy. 'Real Estate Transfer Tax' was \$157,489 more than budgeted due to the sale of several large commercial properties in the Township. Actual 'Miscellaneous' revenue was \$213,411 more than budgeted primarily due to a payment received by the Township to satisfy a legal dispute. There were some other positive and negative revenue variances, none of which exceeded \$100,000.

Overall, actual expenditures in 2017 for the General Fund were \$66,266 more than the original budget. 'Transfers to Other Funds' were \$500,000 more than budgeted because of a year-end transfer to the Capital Fund which was not included in the original budget. Under 'General Government Administration', expenditures were \$170,646 more than budgeted because of legal expenses incurred during labor contract arbitration and higher than anticipated insurance claim deductibles. Under 'Police Protection', expenditures were \$185,742 less than budgeted due to temporarily unfilled positions and underspending in numerous other budget categories. Under 'Parks and Recreation', expenditures were \$273,860 less than budgeted because of 1) money budgeted for repairs and maintenance at Harriet Wetherill Park that was not utilized and 2) money budgeted for the acquisition and repair of a historical property was not needed because the acquisition was cancelled. There were some other positive and negative expenditure variances, none of which exceeded \$100,000.

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the Township had \$35.1 million invested in a broad range of capital assets including police and public works equipment, municipal buildings and land, park facilities, roads, bridges, sanitary sewers, and storm sewers. This 2017 net asset amount represents a net decrease of \$1.2 million, or 3.3%, compared to the previous year. The decrease was caused primarily by the accounting recognition of a full year of depreciation on Township assets.

Table 4
Capital Assets at Year-end
(Net of depreciation, in millions)

	Governmental		Business-type		Totals	
	Activities		Activities			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Construction in progress	0.0	0.0	0.0	0.0	0.0	0.0
Land	5.0	5.0	0.9	0.9	5.9	5.9
Buildings	1.1	1.2	6.7	6.9	7.8	8.1
Improvements	4.3	4.3	0.7	0.7	5.0	5.0
Machinery and equipment	2.4	2.2	0.2	0.2	2.6	2.4
Infrastructure	10.8	12.0	3.0	2.9	13.8	14.9
Totals	<u>\$23.6</u>	<u>\$24.7</u>	<u>\$11.5</u>	<u>\$11.6</u>	<u>\$35.1</u>	<u>\$36.3</u>

The Township expended \$1,617,972 to acquire and construct capital assets during 2017. Capital expenditures were made to purchase police and public works vehicles, to construct and improve recreational facilities, for intersection improvements and street paving, and for replacement of sanitary sewer infrastructure.

The Township's fiscal 2018 capital budget calls for \$6.22 million in capital expenditures. The bulk of the expenditures will be for intersection improvements, upgrades to Township buildings and mechanical systems, sanitary sewer projects, street paving, and storm water projects. The Township has no plans to issue debt to finance any capital projects. Projects will be financed from monies previously reserved in the Capital Fund. More detailed information about the Township's capital assets is presented in the Notes to the Basic Financial Statements.

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis

Debt and Postemployment Benefit Obligations

At December 31, 2017, the Township had no outstanding bonded debt. The last remaining bond issue was redeemed in full during fiscal year 2004.

The Township has a long-term liability for accrued employee leave time amounting to \$316,455.

The Township has also recorded a liability in the Statement of Net Position for other postemployment benefits in the amount of \$15,616,176. This is an actuarially calculated number representing the cost of postemployment health care benefits that should have been funded since the implementation of Governmental Accounting Standards Board Statement 45 but were not. As of December 31, 2016, the most recent actuarial valuation date, the total accrued liability for benefits was \$36,457,475, the market value of assets in the Post-Retirement Health Care Trust Fund was \$20,144,452 and the unfunded actuarial accrued liability was \$16,313,023. In 2017, the Township made a contribution of \$667,158 toward the cost of postretirement healthcare benefits for retirees.

More detailed information about the Township's long-term liabilities is presented in the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND THE 2018 BUDGETS AND RATES

The Township's elected and appointed officials considered many factors when setting the fiscal year 2018 budget. One of those factors was the economy. Because the national economy is continuing a period of moderate growth, business tax revenues for the Township were also expected to grow moderately. Inflation was expected to be in the 2.0% to 2.5% range and interest rates were expected to increase slightly during 2018 from historically low levels.

These indicators were taken into account when adopting the General Fund budget for 2018. Overall, General Fund revenue was estimated at \$24.1 million, which represents a \$349,188 increase from the amount budgeted for 2017. Revenue from the Real Estate Tax is expected to increase only slightly as receipts generated from new construction are being offset by a large volume of assessment appeals. Earned Income Tax collections should continue to grow and the amount budgeted was increased by \$100,000 for 2018. Business tax collections were anticipated to increase only slightly. The budget estimate for Mercantile and Business Privilege tax revenue for 2018 was increased by \$52,600 from the prior year budget. The Township expects to earn interest of 1.5% to 2.0% on its short-term and medium-term investments and the amount budgeted for Interest Earnings for 2018 reflects this. Revenue from all other revenue sources for 2018 is expected to be roughly the same as amounts budgeted in 2017.

Budgeted General Fund expenditures for 2018 increased by \$585,854 from the amount budgeted in the prior year. The increase is the result of 1) filling several previously vacant positions; 2) contractual salary increases for employees; and 3) rising health care and pension costs. The Township has added no major new programs or initiatives to the 2018 budget.

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis

As for the Township's business-type activities, we expect that the 2018 results will be consistent with the prior years. For the Sewer Fund, it is anticipated that there may be a moderate rate increase in 2018 to ensure the rate structure is sufficient to cover all operating and capital costs. For the Community Center Fund, the rate structure for member passes can be revised should revenue continue to fall short of expenditures. The Community Center also periodically revises its services and programs to generate additional revenue.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, Plymouth Township, 700 Belvoir Road, Plymouth Meeting, PA 19462.

PLYMOUTH TOWNSHIP
Statement of Net Position
December 31, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 54,616	\$ 1,952,789	\$ 2,007,405	\$ 1,212,861
Equity in Pooled Cash and Investments	18,676,304	3,721,315	22,397,619	17,254
Investments	-	-	-	2,161,780
Accrued Interest	96,376	19,122	115,498	-
Internal Balances	(75,501)	75,501	-	-
Taxes Receivable	2,685,190	-	2,685,190	-
Other Receivables	196,598	736,047	932,645	-
Total Current Assets	<u>21,633,583</u>	<u>6,504,774</u>	<u>28,138,357</u>	<u>3,391,895</u>
Noncurrent Assets:				
Capital Assets:				
Land and Improvements (Non Depreciable)	4,997,032	930,002	5,927,034	140,001
Deposit on Capital Assets	-	-	-	414,000
Other Capital Assets, Net of Depreciation	18,699,735	10,554,321	29,254,056	3,068,331
Total Capital Assets	<u>23,696,767</u>	<u>11,484,323</u>	<u>35,181,090</u>	<u>3,622,332</u>
Net Pension Asset	3,290,837	-	3,290,837	-
Total Noncurrent Assets	<u>26,987,604</u>	<u>11,484,323</u>	<u>38,471,927</u>	<u>3,622,332</u>
Total Assets	<u>48,621,187</u>	<u>17,989,097</u>	<u>66,610,284</u>	<u>7,014,227</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	859,009	-	859,009	-
Total Assets and Deferred Outflows of Resources	<u>\$ 49,480,196</u>	<u>\$ 17,989,097</u>	<u>\$ 67,469,293</u>	<u>\$ 7,014,227</u>
LIABILITIES				
Current Liabilities:				
Cash Overdraft	\$ 14,095	\$ -	\$ 14,095	\$ -
Deficit in Equity in Pooled Cash and Investments	-	269,136	269,136	-
Accounts Payable and Accrued Expenses	679,602	600,078	1,279,680	203
Payroll Taxes	-	-	-	9,007
Unearned Revenue	100,000	107,000	207,000	-
Promissory Note Payable	159,856	-	159,856	-
Total Current Liabilities	<u>953,553</u>	<u>976,214</u>	<u>1,929,767</u>	<u>9,210</u>
Noncurrent Liabilities:				
Promissory Note Payable	319,711	-	319,711	-
Liability for Compensated Absences	316,455	-	316,455	-
Net Other Post-Employment Benefits Obligation	15,616,176	-	15,616,176	-
Total Noncurrent Liabilities	<u>16,252,342</u>	<u>-</u>	<u>16,252,342</u>	<u>-</u>
Total Liabilities	<u>17,205,895</u>	<u>976,214</u>	<u>18,182,109</u>	<u>9,210</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions	5,332,597	-	5,332,597	-
NET POSITION				
Invested in Capital Assets, Net of Related Debt	23,217,200	11,484,323	34,701,523	3,622,332
Restricted	-	3,029,213	3,029,213	-
Unrestricted	3,724,504	2,499,347	6,223,851	3,382,685
Total Net Position	<u>26,941,704</u>	<u>17,012,883</u>	<u>43,954,587</u>	<u>7,005,017</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 49,480,196</u>	<u>\$ 17,989,097</u>	<u>\$ 67,469,293</u>	<u>\$ 7,014,227</u>

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

PLYMOUTH TOWNSHIP
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government	\$ 3,117,894	\$ 1,210,892	\$ -	\$ -	\$ (1,907,002)		\$ (1,907,002)	
Public Safety	10,669,840	997,468	159,363	-	(9,513,009)		(9,513,009)	
Public Works	4,301,888	556,687	107,576	146,838	(3,490,787)		(3,490,787)	
Culture and Recreation	1,292,478	259,724	-	-	(1,032,754)		(1,032,754)	
Conservation of Natural Resources	28,806	-	-	-	(28,806)		(28,806)	
Employee Benefits	7,614,924	-	720,356	-	(6,894,568)		(6,894,568)	
Total Governmental Activities	<u>27,025,830</u>	<u>3,024,771</u>	<u>987,295</u>	<u>146,838</u>	<u>(22,866,926)</u>		<u>(22,866,926)</u>	
Business-type Activities:								
Sewer	2,760,124	2,534,744	-	-		\$ (225,380)	(225,380)	
Greater Plymouth Community Center	2,630,356	2,059,831	-	-		(570,525)	(570,525)	
Total Business-type Activities	<u>5,390,480</u>	<u>4,594,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(795,905)</u>	<u>(795,905)</u>	
Total Primary Government	<u>\$ 32,416,310</u>	<u>\$ 7,619,346</u>	<u>\$ 987,295</u>	<u>\$ 146,838</u>	<u>(22,866,926)</u>	<u>(795,905)</u>	<u>(23,662,831)</u>	
COMPONENT UNITS:								
Fire Companies	\$ 1,178,113	\$ 22,652	\$ 1,224,909	\$ -				\$ 69,448
Non-profit Entities	1,449	-	1,792	-				343
Total Component Units	<u>\$ 1,179,562</u>	<u>\$ 22,652</u>	<u>\$ 1,226,701</u>	<u>\$ -</u>				<u>69,791</u>
General Revenues:								
Taxes:								
Earned Income Tax					7,015,402	-	7,015,402	-
Real Estate Taxes					2,730,019	-	2,730,019	-
Fire Services Fee					822,906	-	822,906	-
Business Privilege Taxes					4,039,919	-	4,039,919	-
Mercantile Taxes					2,515,457	-	2,515,457	-
Real Estate Transfer Taxes					657,489	-	657,489	-
Local Services Tax					1,168,845	-	1,168,845	-
Solid Waste Disposal Tax					1,177,194	-	1,177,194	-
Other Taxes					27,756	-	27,756	-
Unrestricted Investment Earnings					271,428	49,250	320,678	186,442
Miscellaneous					373,208	-	373,208	60,855
Transfers					299,655	(299,655)	-	-
Total General Revenues and Transfers					<u>21,099,278</u>	<u>(250,405)</u>	<u>20,848,873</u>	<u>247,297</u>
Change in Net Position					(1,767,648)	(1,046,310)	(2,813,958)	317,088
Net Position - Beginning of Year (As Restated)					<u>28,709,352</u>	<u>18,059,193</u>	<u>46,768,545</u>	<u>6,687,929</u>
Net Position - End of Year					<u>\$ 26,941,704</u>	<u>\$ 17,012,883</u>	<u>\$ 43,954,587</u>	<u>\$ 7,005,017</u>

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

PLYMOUTH TOWNSHIP
Balance Sheet
Governmental Funds
December 31, 2017

	<u>General</u>	<u>Capital Reserve</u>	<u>Highway Aid</u>	<u>Health and Welfare</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 24,196	\$ 8,005	\$ 2,082	\$ 20,333	\$ 54,616
Equity in Pooled Cash and Investments	6,852,860	10,600,533	220,445	1,002,466	18,676,304
Accrued Interest	30,630	33,263	841	-	64,734
Taxes Receivable	2,685,190	-	-	-	2,685,190
Other Receivables	196,598	-	-	-	196,598
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 9,789,474</u>	<u>\$ 10,641,801</u>	<u>\$ 223,368</u>	<u>\$ 1,022,799</u>	<u>\$ 21,677,442</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Cash Overdraft	\$ -	\$ -	\$ 14,095	\$ -	\$ 14,095
Accounts Payable and Accrued Expenses	566,869	72,397	35,177	5,159	679,602
Interfund Payables	75,501	-	-	-	75,501
Unearned Revenue	-	100,000	-	-	100,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>642,370</u>	<u>172,397</u>	<u>49,272</u>	<u>5,159</u>	<u>869,198</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Tax Revenues	247,063	-	-	-	247,063
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	<u>247,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,063</u>
FUND BALANCES					
Restricted	-	3,594,567	174,096	-	3,768,663
Assigned	-	6,874,837	-	1,017,640	7,892,477
Unassigned	8,900,041	-	-	-	8,900,041
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>8,900,041</u>	<u>10,469,404</u>	<u>174,096</u>	<u>1,017,640</u>	<u>20,561,181</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,789,474</u>	<u>\$ 10,641,801</u>	<u>\$ 223,368</u>	<u>\$ 1,022,799</u>	<u>\$ 21,677,442</u>

Reconciliation of the fund balances of governmental funds to net position of governmental activities:

Total Fund Balances - Total Governmental Funds	\$ 20,561,181
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$564,705,163	23,696,767
Accrued interest income that is not available to pay liabilities of the current period does not represent available spendable financial resources and is, therefore, not reported in the funds	31,642
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Promissory Note Payable	(479,567)
Compensated Absences	(316,455)
Net Other Post-employment Benefits	(15,616,176)
Net Pension Asset, Net of Related Deferred Outflows and Deferred Inflows	(1,182,751)
Earned income tax revenue collected beyond 90 days of year-end are included in net position of governmental activities, but are not accrued as income in the funds	247,063
	<hr/>
Net Position of Governmental Activities	<u>\$ 26,941,704</u>

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

PLYMOUTH TOWNSHIP
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	<u>General</u>	<u>Capital Reserve</u>	<u>Highway Aid</u>	<u>Health and Welfare</u>	<u>Total Governmental Funds</u>
REVENUES					
Earned Income Tax	\$ 6,944,617	\$ -	\$ -	\$ -	\$ 6,944,617
Real Estate Taxes	2,730,019	-	-	-	2,730,019
Fire Services Fee	822,906	-	-	-	822,906
Business Privilege Taxes	4,039,919	-	-	-	4,039,919
Mercantile Taxes	2,515,457	-	-	-	2,515,457
Real Estate Transfer Taxes	657,489	-	-	-	657,489
Local Services Tax	1,168,845	-	-	-	1,168,845
Solid Waste Disposal Tax	1,177,194	-	-	-	1,177,194
Other Taxes	27,756	-	-	-	27,756
Licenses and Permits	1,400,617	-	-	-	1,400,617
Fines and Forfeits	201,443	-	-	-	201,443
Interest Income and Investment Earnings	113,482	122,660	3,408	236	239,786
Rental Income	-	25,000	-	-	25,000
Intergovernmental	987,295	146,838	455,937	-	1,590,070
Charges for Services	847,973	-	-	-	847,973
Assessments and Fees	-	93,801	-	-	93,801
Miscellaneous	267,161	-	-	-	267,161
Total Revenues	23,902,173	388,299	459,345	236	24,750,053
EXPENDITURES					
General Government	2,826,620	476,641	-	-	3,303,261
Public Safety	9,519,000	1,099,278	-	-	10,618,278
Public Works	2,078,576	539,762	504,513	-	3,122,851
Culture and Recreation	1,235,416	183,395	-	-	1,418,811
Conservation of Natural Resources	-	28,806	-	-	28,806
Employee Benefits	3,058,406	-	-	4,323,236	7,381,642
Debt Service	-	213,664	-	-	213,664
Total Expenditures	18,718,018	2,541,546	504,513	4,323,236	26,087,313
Excess of Revenues Over (Under) Expenditures	5,184,155	(2,153,247)	(45,168)	(4,323,000)	(1,337,260)
OTHER FINANCING SOURCES (USES)					
Proceeds - Installment Purchase Contract	-	799,278	-	-	799,278
Transfers In	268,466	790,000	-	4,571,500	5,629,966
Transfers Out	(5,271,500)	(58,811)	-	-	(5,330,311)
Total Other Financing Sources and (Uses)	(5,003,034)	1,530,467	-	4,571,500	1,098,933
Net Change in Fund Balances	181,121	(622,780)	(45,168)	248,500	(238,327)
Fund Balances - Beginning of Year	8,718,920	11,092,184	219,264	769,140	20,799,508
Fund Balances - End of Year	<u>\$ 8,900,041</u>	<u>\$ 10,469,404</u>	<u>\$ 174,096</u>	<u>\$ 1,017,640</u>	<u>\$ 20,561,181</u>

(Continued)

PLYMOUTH TOWNSHIP
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds (Continued)
For the Year Ended December 31, 2017

**Reconciliation of the change in fund balances - total governmental funds
to the change in net position of governmental activities:**

Net Change in Fund Balances - Total Governmental Funds	\$ (238,327)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital Asset Purchases Capitalized	1,402,252
Depreciation Expense	(2,261,589)
The loss on disposal of equipment does not require the use of current financial resources and, therefore, is not reported in the governmental funds.	
	(114,297)
The following changes in long-term liabilities affect expenses in the Statement of Activities, but are not reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds:	
Promissory Note Payable	(479,567)
Liability for Compensated Absences	54,735
Net Other Post-employment Benefits Obligation	(1,115,961)
Net Pension Liability, Net of Related Deferred Outflows and Deferred Inflows	882,679
The change in accrued interest income that is not available to pay liabilities of the current period does not represent available spendable financial resources and is, therefore, not reported in the funds.	
	31,642
The change in deferred inflow of resources for earned income taxes collected beyond 90 days of year-end is reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, but does not affect revenues recognized in the Statement of Activities.	
	70,785
Change in Net Position of Governmental Activities	\$ (1,767,648)

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

PLYMOUTH TOWNSHIP
Budgetary Comparison Statement - General Fund
For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	Actual <u>Amounts</u>	Favorable (Unfavorable) <u>Variance</u>
Revenue and Other Financing Sources:			
Earned Income Tax	\$ 7,000,000	\$ 6,944,617	\$ (55,383)
Real Estate Taxes	2,663,000	2,730,019	67,019
Fire Services Fee	810,000	822,906	12,906
Business Privilege Taxes	4,040,000	4,039,919	(81)
Mercantile Taxes	2,667,400	2,515,457	(151,943)
Real Estate Transfer Taxes	500,000	657,489	157,489
Local Services Tax	1,125,000	1,168,845	43,845
Solid Waste Disposal Tax	1,140,000	1,177,194	37,194
Other Taxes	33,100	27,756	(5,344)
Licenses and Permits	1,371,702	1,400,617	28,915
Fines and Forfeits	180,900	201,443	20,543
Interest Income	30,000	113,482	83,482
Intergovernmental	965,671	987,295	21,624
Charges for Services	894,605	847,973	(46,632)
Miscellaneous	53,750	267,161	213,411
Transfers from Other Funds	268,466	268,466	-
	<u>23,743,594</u>	<u>24,170,639</u>	<u>427,045</u>
Expenditures and Other Financing Uses:			
General Government:			
Manager's Office	570,035	572,521	(2,486)
Administration	1,275,350	1,445,996	(170,646)
Tax Collection	206,325	198,515	7,810
Township Building	302,796	276,165	26,631
Reimbursable Costs	295,000	333,423	(38,423)
Public Safety:			
Police Protection	7,567,491	7,381,749	185,742
Fire Protection	1,197,134	1,141,417	55,717
Zoning	132,851	134,851	(2,000)
Building	640,975	729,630	(88,655)
Code Enforcement	157,096	131,353	25,743
Public Works:			
Sanitation	1,096,064	1,007,638	88,426
Administration	402,610	436,937	(34,327)
Street Maintenance	105,650	118,558	(12,908)
Highway Services	307,500	257,033	50,467
Equipment Maintenance and Purchases	327,750	258,410	69,340
Culture and Recreation:			
Buildings and Grounds	728,838	735,379	(6,541)
Parks and Recreation	773,897	500,037	273,860
Employee Benefits	3,064,390	3,058,406	5,984
Transfers to Other Funds	4,771,500	5,271,500	(500,000)
	<u>23,923,252</u>	<u>23,989,518</u>	<u>(66,266)</u>
Net Change in Fund Balance	(179,658)	181,121	360,779
Fund Balance - Beginning of Year	<u>8,509,613</u>	<u>8,718,920</u>	<u>209,307</u>
Fund Balance - End of Year	<u>\$ 8,329,955</u>	<u>\$ 8,900,041</u>	<u>\$ 570,086</u>

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

PLYMOUTH TOWNSHIP
Budgetary Comparison Statement - Capital Reserve Fund
For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	Actual <u>Amounts</u>	Favorable (Unfavorable) <u>Variance</u>
Revenue and Other Financing Sources:			
Interest Income	\$ 56,500	\$ 122,660	\$ 66,160
Rental Income	-	25,000	25,000
Intergovernmental	425,000	146,838	(278,162)
Assessments and Fees	20,000	93,801	73,801
Proceeds - Installment Purchase Contract	-	799,278	799,278
Transfers from Other Funds	90,000	790,000	700,000
	<u>591,500</u>	<u>1,977,577</u>	<u>1,386,077</u>
Expenditures and Other Financing Uses:			
General Government	1,235,308	476,641	758,667
Public Safety:			
Police Protection	93,676	799,278	(705,602)
Fire Protection	-	300,000	(300,000)
Public Works:			
Traffic Control Devices	2,685,000	214,273	2,470,727
Highways, Roads, and Streets	-	325,489	(325,489)
Culture and Recreation:			
Parks and Recreation	80,000	165,832	(85,832)
Other	-	17,563	(17,563)
Conservation of Natural Resources	-	28,806	(28,806)
Debt Service	-	213,664	(213,664)
Transfers to Other Funds	-	58,811	(58,811)
	<u>4,093,984</u>	<u>2,600,357</u>	<u>1,493,627</u>
Net Change in Fund Balance	(3,502,484)	(622,780)	2,879,704
Fund Balance - Beginning of Year	<u>7,019,732</u>	<u>11,092,184</u>	<u>4,072,452</u>
Fund Balance - End of Year	<u>\$ 3,517,248</u>	<u>\$ 10,469,404</u>	<u>\$ 6,952,156</u>

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

PLYMOUTH TOWNSHIP
Budgetary Comparison Statement - Highway Aid Fund
For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	Actual <u>Amounts</u>	Favorable (Unfavorable) <u>Variance</u>
Revenue:			
Interest Income	\$ 900	\$ 3,408	\$ 2,508
Intergovernmental	<u>447,780</u>	<u>455,937</u>	<u>8,157</u>
Total Revenue	<u>448,680</u>	<u>459,345</u>	<u>10,665</u>
Expenditures:			
Public Works - Highways, Roads, and Streets	<u>635,700</u>	<u>504,513</u>	<u>131,187</u>
Total Expenditures	<u>635,700</u>	<u>504,513</u>	<u>131,187</u>
Net Change in Fund Balance	(187,020)	(45,168)	141,852
Fund Balance - Beginning of Year	<u>109,241</u>	<u>219,264</u>	<u>110,023</u>
Fund Balance - End of Year	<u><u>\$ (77,779)</u></u>	<u><u>\$ 174,096</u></u>	<u><u>\$ 251,875</u></u>

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

PLYMOUTH TOWNSHIP
Budgetary Comparison Statement - Health and Welfare Fund
For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	Actual <u>Amounts</u>	Favorable (Unfavorable) <u>Variance</u>
Revenue and Other Financing Sources:			
Investment Earnings	\$ 50	\$ 236	\$ 186
Transfers from Other Funds	<u>4,571,500</u>	<u>4,571,500</u>	<u>-</u>
Total Revenue and Other Financing Sources	<u>4,571,550</u>	<u>4,571,736</u>	<u>186</u>
Expenditures:			
Employee Benefits	<u>4,571,550</u>	<u>4,323,236</u>	<u>248,314</u>
Total Expenditures	<u>4,571,550</u>	<u>4,323,236</u>	<u>248,314</u>
Net Change in Fund Balance	-	248,500	248,500
Fund Balance - Beginning of Year	<u>581,000</u>	<u>769,140</u>	<u>188,140</u>
Fund Balance - End of Year	<u><u>\$ 581,000</u></u>	<u><u>\$ 1,017,640</u></u>	<u><u>\$ 436,640</u></u>

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

PLYMOUTH TOWNSHIP
Statement of Net Position
Proprietary Funds
December 31, 2017

	Enterprise Funds		
	Sewer Revenue and Reserve	Greater Plymouth Community Center	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 698,394	\$ 1,254,395	\$ 1,952,789
Equity in Pooled Cash and Investments	3,721,315	-	3,721,315
Accrued Interest	18,314	808	19,122
Sewer Rents Receivable	736,047	-	736,047
Interfund Receivables	-	75,501	75,501
	<u>5,174,070</u>	<u>1,330,704</u>	<u>6,504,774</u>
Noncurrent Assets:			
Capital Assets:			
Land	2	930,000	930,002
Construction and Extensions - Sewer System	6,973,805	-	6,973,805
Building and Equipment	908,250	11,449,239	12,357,489
Less Accumulated Depreciation	(4,308,687)	(4,468,286)	(8,776,973)
	<u>3,573,370</u>	<u>7,910,953</u>	<u>11,484,323</u>
Total Noncurrent Assets	<u>3,573,370</u>	<u>7,910,953</u>	<u>11,484,323</u>
Total Assets	<u>\$ 8,747,440</u>	<u>\$ 9,241,657</u>	<u>\$ 17,989,097</u>
LIABILITIES AND NET POSITION			
LIABILITIES			
Current Liabilities:			
Deficit in Equity in Pooled Cash and Investments	\$ -	\$ 269,136	\$ 269,136
Accounts Payable and Accrued Expenses	476,246	123,832	600,078
Unearned Revenue	-	107,000	107,000
	<u>476,246</u>	<u>499,968</u>	<u>976,214</u>
Total (Current) Liabilities	<u>476,246</u>	<u>499,968</u>	<u>976,214</u>
NET POSITION			
Invested in Capital Assets	3,573,370	7,910,953	11,484,323
Restricted	3,029,213	-	3,029,213
Unrestricted	1,668,611	830,736	2,499,347
	<u>8,271,194</u>	<u>8,741,689</u>	<u>17,012,883</u>
Total Net Position	<u>8,271,194</u>	<u>8,741,689</u>	<u>17,012,883</u>
Total Liabilities and Net Position	<u>\$ 8,747,440</u>	<u>\$ 9,241,657</u>	<u>\$ 17,989,097</u>

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

PLYMOUTH TOWNSHIP
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Enterprise Funds		
	Sewer Revenue and Reserve	Greater Plymouth Community Center	Totals
OPERATING REVENUES			
Charges for Services	\$ 2,520,794	\$ 2,059,831	\$ 4,580,625
Special Assessments	13,950	-	13,950
Total Operating Revenues	<u>2,534,744</u>	<u>2,059,831</u>	<u>4,594,575</u>
OPERATING EXPENSES			
Sewage Collection and Treatment	2,647,123	-	2,647,123
Culture and Recreation	-	2,339,801	2,339,801
Depreciation	113,001	290,555	403,556
Total Operating Expenses	<u>2,760,124</u>	<u>2,630,356</u>	<u>5,390,480</u>
Operating Income (Loss)	<u>(225,380)</u>	<u>(570,525)</u>	<u>(795,905)</u>
NON-OPERATING REVENUES			
Interest Income	44,196	5,054	49,250
Total Non-operating Revenue	<u>44,196</u>	<u>5,054</u>	<u>49,250</u>
Income (Loss) Before Transfers	(181,184)	(565,471)	(746,655)
TRANSFERS IN	-	58,811	58,811
TRANSFERS OUT	<u>(268,466)</u>	<u>(90,000)</u>	<u>(358,466)</u>
Change in Net Position	(449,650)	(596,660)	(1,046,310)
Total Net Position - Beginning of Year	<u>8,720,844</u>	<u>9,338,349</u>	<u>18,059,193</u>
Total Net Position - End of Year	<u><u>\$ 8,271,194</u></u>	<u><u>\$ 8,741,689</u></u>	<u><u>\$ 17,012,883</u></u>

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

PLYMOUTH TOWNSHIP
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Enterprise Funds		
	Sewer Revenue and Reserve	Greater Plymouth Community Center	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 2,522,953	\$ 2,033,831	\$ 4,556,784
Payments to Suppliers	(2,274,663)	(612,303)	(2,886,966)
Payments to Employees	(41,826)	(1,723,377)	(1,765,203)
	<u>206,464</u>	<u>(301,849)</u>	<u>(95,385)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Contributions from Governmental Funds	-	58,811	58,811
Operating Transfers Out	(268,466)	(90,000)	(358,466)
	<u>(268,466)</u>	<u>(31,189)</u>	<u>(299,655)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(156,909)	(58,811)	(215,720)
	<u>(156,909)</u>	<u>(58,811)</u>	<u>(215,720)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	47,017	4,246	51,263
	<u>47,017</u>	<u>4,246</u>	<u>51,263</u>
Net (Decrease) in Cash, Cash Equivalents, and Equity in Pooled Cash and Investments	(171,894)	(387,603)	(559,497)
Cash, Cash Equivalents, and Equity in Pooled Cash and Investments:			
Beginning of Year	<u>4,591,603</u>	<u>1,372,862</u>	<u>5,964,465</u>
End of Year	<u>\$ 4,419,709</u>	<u>\$ 985,259</u>	<u>\$ 5,404,968</u>
Cash and Cash Equivalents	\$ 698,394	\$ 1,254,395	\$ 1,952,789
Equity in Pooled Cash and Investments	3,721,315	-	3,721,315
Deficit in Equity in Pooled Cash and Investments	-	(269,136)	(269,136)
	<u>\$ 4,419,709</u>	<u>\$ 985,259</u>	<u>\$ 5,404,968</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating (Loss)	\$ (225,380)	\$ (570,525)	\$ (795,905)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	113,001	290,555	403,556
Change in Assets and Liabilities:			
Sewer Rents Receivable	(11,791)	-	(11,791)
Interfund Receivables and Payables	-	10,494	10,494
Accounts Payable and Accrued Expenses	330,634	(6,373)	324,261
Unearned Revenue	-	(26,000)	(26,000)
	<u>\$ 206,464</u>	<u>\$ (301,849)</u>	<u>\$ (95,385)</u>

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

PLYMOUTH TOWNSHIP
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2017

	Police Pension Trust <u>Fund</u>	Deferred Retirement Option Plan (DROP) Trust Fund	Non-Uniformed Employees' Pension Trust <u>Fund</u>	Post- Retirement Healthcare <u>Fund</u>	Deferred Compensation <u>Fund</u>	Agency <u>Fund</u>
ASSETS						
Cash and Cash Equivalents	\$ 644,126	\$ 1,291,457	\$ 413,614	\$ 333,912	\$ 1,433,426	\$ 272,081
Equity in Pooled Cash and Investments	-	-	-	-	-	450,000
Accrued Interest Receivable	586		380	307		-
Investments, at Fair Value:						
Mutual Funds	<u>40,171,880</u>	<u>552,634</u>	<u>25,135,747</u>	<u>22,919,298</u>	<u>6,963,989</u>	<u>-</u>
Total Assets	<u>\$ 40,816,592</u>	<u>\$ 1,844,091</u>	<u>\$ 25,549,741</u>	<u>\$ 23,253,517</u>	<u>\$ 8,397,415</u>	<u>\$ 722,081</u>
LIABILITIES						
Returnable Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 669,295
Payroll Withholdings	-	-	-	-	-	41,904
Due to Other Governments	-	-	-	-	-	6,562
Taxes Held in Protest	-	-	-	-	-	4,320
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 722,081</u>
NET POSITION						
Restricted for Pension Benefits	40,816,592	1,844,091	25,549,741	-	-	
Restricted for Deferred Compensation Benefits	-	-	-	-	8,397,415	
Held in Trust for Post-retirement Benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,253,517</u>	<u>-</u>	
Held in Trust for Employees	<u>\$ 40,816,592</u>	<u>\$ 1,844,091</u>	<u>\$ 25,549,741</u>	<u>\$ 23,253,517</u>	<u>\$ 8,397,415</u>	

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

PLYMOUTH TOWNSHIP
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2017

	Police Pension Trust <u>Fund</u>	Deferred Retirement Option Plan (DROP) Trust Fund	Non-Uniformed Employees' Pension Trust <u>Fund</u>	Post- Retirement Healthcare <u>Fund</u>	Deferred Compensation <u>Fund</u>
ADDITIONS					
Contributions:					
State	\$ 367,060	\$ -	\$ 353,296	\$ -	\$ -
Township	1,108,953	-	340,081	-	-
Plan Members	154,237	395,972	-	-	398,011
	<u>1,630,250</u>	<u>395,972</u>	<u>693,377</u>	<u>\$ -</u>	<u>398,011</u>
Investment Earnings:					
Net Increase in Fair Value of Investments, including Realized Gains and Losses	4,620,051	64,210	2,911,315	2,679,115	1,004,715
Interest and Dividends	844,007	-	530,590	486,330	-
	<u>5,464,058</u>	<u>64,210</u>	<u>3,441,905</u>	<u>3,165,445</u>	<u>1,004,715</u>
Total Investment Earnings	<u>5,464,058</u>	<u>64,210</u>	<u>3,441,905</u>	<u>3,165,445</u>	<u>1,004,715</u>
Total Additions	<u>7,094,308</u>	<u>460,182</u>	<u>4,135,282</u>	<u>3,165,445</u>	<u>1,402,726</u>
DEDUCTIONS					
Benefits	1,377,973	-	668,421	-	61,819
Administrative Expenses	125,178	-	74,929	56,380	10
	<u>1,503,151</u>	<u>-</u>	<u>743,350</u>	<u>56,380</u>	<u>61,829</u>
Total Deductions	<u>1,503,151</u>	<u>-</u>	<u>743,350</u>	<u>56,380</u>	<u>61,829</u>
Change in Net Position	5,591,157	460,182	3,391,932	3,109,065	1,340,897
Net Position - Beginning of Year	<u>35,225,435</u>	<u>1,383,909</u>	<u>22,157,809</u>	<u>20,144,452</u>	<u>7,056,518</u>
Net Position - End of Year	<u>\$40,816,592</u>	<u>\$ 1,844,091</u>	<u>\$25,549,741</u>	<u>\$23,253,517</u>	<u>\$ 8,397,415</u>

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

PLYMOUTH TOWNSHIP, PENNSYLVANIA
Notes to the Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

A. Financial Reporting Entity

As required by GAAP, these financial statements present the Township (the primary government) and its discretely presented component units.

A component unit is a legal entity that is either a separate government organization that is not a primary government, a not-for-profit corporation, or a for-profit corporation, that meets any one of the following four conditions:

- a. The primary government appoints a voting majority of the entity's governing body; and the primary government can impose its will on the entity, and/or a financial benefit/burden relationship exists between the primary government and the entity;
- b. The entity is fiscally dependent on the primary government and has a financial benefit/burden relationship with the primary government;
- c. The primary government holds a majority equity interest in the entity for the purpose of facilitating government services; or
- d. The primary government's financial statements would be misleading if the entity was excluded.

A component unit's financial statements are blended with the financial statements of the primary government when one of the following four circumstances is met:

- a. There is substantively the same governing body for both the primary government and the component unit; and there is a financial benefit or burden relationship between the primary government and the component unit, or the operational responsibility for the component unit rests with the management of the primary government.
- b. A component unit provides services entirely (or almost entirely) to the primary government or benefits the primary government exclusively (or almost exclusively).
- c. A component unit's debt, including leases, is expected to be repaid entirely or almost entirely with the primary government's resources.
- d. A component unit is incorporated as a not-for-profit corporation and the primary government is the sole corporate member.

A discretely-presented component unit is a separate legal entity that meets the component unit criteria described above, but does not meet the criteria for blending. Those component units' financial statements are presented discretely in the primary government's government-wide financial statements.

The Township's financial reporting entity is comprised of the following:

Primary Government:	Plymouth Township
Discretely Presented Component Units:	Plymouth Township Parks, Recreation and Facilities Fund (Nonprofit Entity) Harmonville Fire Company Plymouth Fire Company

Plymouth Township Parks, Recreation and Facilities Fund is a nonprofit entity that was established to solicit and receive contributions from persons, corporations, foundations, and other entities to be remitted to the Township for the sole purpose of applying such contributions to the payment of the cost of acquisition of open space, park land, and recreation facilities and to the payment of the cost of the improvement, maintenance, and operation of the parks and recreational facilities, including the Greater Plymouth Community Center. Complete financial statements of Plymouth Township Parks, Recreation and Facilities Fund can be obtained from the Township. Harmonville Fire Company and Plymouth Fire Company both serve Township residents. The Township contributes monies to and secures loans for both fire companies. Complete financial statements of the fire companies can be obtained from their administrative offices.

The East Norriton-Plymouth-Whitpain Joint Sewer Authority (the "Sewer Authority") is not a component unit of the Township, but rather a Joint Venture in accordance with GASB Statement No. 14. The Sewer Authority owns and operates the sewer plants and lines in the three consenting localities. As it is an operating authority, Property, Plant, and Equipment are recorded in the financial statements of the Sewer Authority. Since the Township does not have an equity interest in the net resources of the Sewer Authority, but instead has only a residual interest upon dissolution, the Township does not reflect any equity in the Sewer Authority in these financial statements.

Selected financial information for the Sewer Authority for their fiscal year ended December 31, 2017 is as follows:

Total Assets	\$ 27,500,590
Total Net Position	7,422,323
Total Operating Revenues	3,157,698

Complete financial statements for the Sewer Authority can be obtained from their administrative offices.

The financial statements of the Plymouth Community Ambulance Association are excluded from the financial statements of Plymouth Township since the Township's contribution to the total revenues of the Association each year is relatively insignificant and, therefore, a financial interdependence is not evident. Hence, the Plymouth Community Ambulance Association does not qualify as a component unit.

B. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

In addition, any other fund that government officials feel has importance to financial statement users may be reported as a major fund.

The funds of the financial reporting entity are described below:

Governmental Funds (All classified as major funds)

- General Fund – The General Fund is the primary operating fund of the Township and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.
- Capital Reserve Fund – The Capital Reserve Fund is used to account for resources designated for the acquisition or construction of specific capital projects or items.
- Highway Aid Fund – The Highway Aid Fund is used to account for the proceeds of state grants earmarked for highways and streets.
- Health and Welfare Fund – The Health and Welfare Fund is used to account for the payment of health and disability insurance premiums for Township employees and retirees.

Proprietary Funds (All classified as major funds)

- Sewer Revenue and Reserve Fund – The Sewer Revenue and Reserve Fund accounts for the proceeds of sewer rentals and payments for sewage treatment.
- Greater Plymouth Community Center – This fund accounts for the operations of the Greater Plymouth Community Center, which is a recreational facility that benefits people residing or working in and around Plymouth Township.

Fiduciary Funds (Not included in government-wide statements)

The Township's fiduciary funds are comprised of funds held in trust for employees and agency funds used to account for assets held by the Township in a purely custodial capacity.

The following funds are held in trust for employees:

- Police Pension Trust Fund – The Police Pension Trust Fund accounts for annual contributions, investment earnings, and benefit payments to retired police officers.
- Deferred Retirement Option Plan (DROP) Trust Fund – the Deferred Retirement Option Plan (DROP) Trust Fund accounts for annual contributions and related investment earnings for the benefit of certain Township employees who have elected to defer their retirement.
- Non-Uniformed Employees' Pension Trust Fund – The Non-Uniformed Employees' Pension Trust Fund accounts for annual contributions, investment earnings, and benefit payments to retired non-uniformed employees.
- Post-Retirement Healthcare Fund – The Post-Retirement Healthcare Fund was established in 2003 to fund future health insurance premiums for retired employees.
- Deferred Compensation Fund – The Deferred Compensation Fund accounts for Township employees' salary deferrals. These funds are not available to the employees until termination, death, retirement, or an unexpected emergency.

Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The Township's agency fund consists of the following funds:

- Escrow Fund – The Escrow Fund accounts for money received and reserved for potential future costs to be incurred by the Township resulting from engineering or other costs involved in development. These funds are recorded as returnable deposits on the Statement of Fiduciary Net Position. This fund also accounts for real estate taxes paid in protest.
- Real Estate Tax Collector's Fund – The Real Estate Tax Collector's Fund accounts for collections and remittances of real estate taxes to Montgomery County and Plymouth Township.
- Payroll Fund – The Payroll Fund accounts for various payroll related withholding amounts for Township employees. The payroll fund handles the disbursing of such amounts withheld from the employees to other agencies on their behalf (taxes, retirement contributions, etc.).

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In addition, the component units are presented using the economic resources measurement focus.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds and the fiduciary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. The fiduciary funds utilize an “economic resources” measurement focus. The accounting objectives are the determination of changes in net position. All assets and liabilities (except for certain liabilities of defined benefit pension plans and certain postemployment health care plans) are reported. Fiduciary fund equity is classified as net position.
- d. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.
- e. The component units are not presented in the fund financial statements, since the component units’ funds are not blended into those of the Township’s.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. The Harmonville Fire Company and the Plymouth Fire Company, included in the presentation of the component units, utilize the modified cash basis of accounting, which is a comprehensive basis of accounting that is not in conformity with generally accepted

accounting principles. Under this method, revenues are recorded when received and expenditures are recorded when paid. However, the effects of utilizing the modified cash basis of accounting instead of the modified accrual basis are deemed immaterial to the financial statements.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers real estate tax revenues to be available if collected within sixty days of the end of the fiscal year, and earned income and local services tax revenues to be available if collected within ninety days of the end of the fiscal year. Expenditures (including capital outlays) are recorded when the related fund liability is incurred.

All proprietary funds and fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

D. Assets, Liabilities, and Equity

Cash and Investments

Cash and cash equivalents of the primary government and the discretely presented component units include amounts in demand deposits, money market funds, and amounts deposited with the Pennsylvania Local Government Investment Trust. Investments are stated at fair market value.

Pooled Cash and Investments

The Township maintains an internal cash and investment pool to facilitate efficient cash management and accounting. Monies that can be legally or practically combined are included in the pool. Receipts from member funds increase their equity in the pool and disbursements made on behalf of member funds reduce their equity. Interest earned on investments is distributed to funds for which there is a legal requirement to do so, based on their share of equity in the pool.

Interfund Receivables and Payables

During the course of operations, loans may occur between individual funds for working capital purposes. In the government-wide financial statements, these receivables and payables are classified as “Internal Balances” or “Other Current Assets” in the current assets section of the Statement of Net Position. In the fund financial statements, these receivables and payables are classified as “Interfund Receivables” or “Interfund Payables.”

Capital Assets

The accounting treatment for capital assets (land, buildings and improvements, machinery and equipment, and infrastructure) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements

In the government-wide financial statements, capital assets are reported as noncurrent assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Prior to 2003, the Township's governmental fund infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	45 years
Machinery and Equipment	5-15 years
Infrastructure	15-50 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental funds upon acquisition. Capital assets used in proprietary fund operations are reported as noncurrent assets.

Long-term Debt

The accounting treatment of long-term debt depends on whether the debt relates to governmental fund operations or proprietary fund operations.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide financial statements. As of December 31, 2017, the long-term debt consists of a promissory note payable, accrued compensated absences, and net other post-employment benefits.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. Any debt proceeds are reported as other financing sources and any payment of principle and interest is reported as expenditures. The accounting for the proprietary funds is the same in the fund financial statements as it is in the government-wide financial statements.

Compensated Absences

Vacation Days

Up to ten unused vacation days are allowed to be carried forward to the following year for non-union employees. The liability for unused vacation days for these employees is included in accrued expenses in the government-wide financial statements. Since it is estimated that no expendable available financial resources will be used to pay for unused vacation days, no accrued liability is recorded in the fund financial statements.

Sick Days

Sick leave is granted as appropriate. Non-unionized employees and unionized sworn police officers may not carry unused sick leave days from year to year. However, employees who are members of the American Federation of State, County, and Municipal Employees (“AFSCME”) are entitled to 80 hours of sick leave per year, and may carry over unused sick leave days from year to year. Accumulated sick time for these employees shall be paid upon retirement to a maximum of 480 hours.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. Since it is estimated that no expendable available financial resources will be used to pay for unused sick days, no accrued liability is recorded in the fund financial statements.

Equity Classifications

Government-wide Financial Statements

Equity is classified as net position and can be displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Financial Statements

The Township classifies governmental fund balances as follows:

- a. Non-spendable – includes fund balance amounts that cannot be spent either because the amounts are not in spendable form or are legally or contractually required to be maintained intact.
- b. Restricted – includes fund balance amounts that are restricted to specific purposes by external parties or by law through constitutional provisions or enabling legislation.
- c. Committed – includes fund balance amounts that can only be used for specific purposes due to formal action of the Township’s highest level of decision-making authority, which is the Plymouth Township Council. Committed fund balance may also include resources that have been specifically committed for use in satisfying contractual requirements.

- d. Assigned – includes fund balance amounts that are constrained by the Township’s intent to be used for specific purposes, but are not restricted or committed.
- e. Unassigned – includes the residual classification of fund balance of the General Fund, whether the amount is positive or negative. Other governmental funds may report negative unassigned fund balance if their expenditures exceed the amounts restricted, committed, or assigned to their fund purposes.

When both restricted and unrestricted resources are available for use, it is the Township’s policy to use restricted resources first and then unrestricted resources as they are needed. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds and, finally, unassigned funds, as needed. The Township does not have a minimum fund balance policy for its general fund.

E. Revenues, Expenditures, and Expenses

Government-wide Financial Statements

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. Expenses for employee benefits are not allocated by function, but instead are shown as a separate function. Revenues are categorized as program revenues by function, or as general revenues.

Program Revenues

Program revenues reported in the Statement of Activities are classified into the following categories: (a) Charges for Services, (b) Operating Grants and Contributions, and (c) Capital Grants and Contributions.

Charges for services for governmental activities include licenses and permits and such services as inspection services and special duty police. Charges for services for business-type activities include sewer fees and special assessments for the sewer operations, and membership and program fees for the Greater Plymouth Community Center.

General Revenues

General revenues include all revenues and gains that do not meet the definition of program revenues, and include primarily taxes, grants and contributions not restricted to specific programs, and unrestricted investment earnings.

Fund Financial Statements

In the fund financial statements, expenses are categorized by function. All revenues are listed together in arriving at total revenues for each fund.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Real Estate Taxes

The tax on real estate in Plymouth Township for 2017 was 1.6 mills (\$1.60 per \$1,000 of assessed valuation) as levied by Council. Assessed valuations of property are determined by Montgomery County, and the tax collector is responsible for collection. The schedule for real estate taxes levied for 2017 was as follows:

February 15, 2017	- Levy Date
February 15 - April 15, 2017	- 2% Discount Period
April 16 - June 15, 2017	- Face Payment Period
June 16 - January 14, 2018	- 10% Penalty Period
January 15, 2018	- Lien Date

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

F. Subsequent Events

Management has evaluated subsequent events through September 4, 2018, which is the date the financial statements were available to be issued.

2. DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. As of December 31, 2017, the bank balances and the carrying amounts of deposits of the primary government in these financial statements are as follows:

	Carrying Amount	Bank Balance		
		Total	Covered by FDIC	Secured
Checking, Savings, and Money Market Accounts	\$ 6,633,502	\$ 7,077,440	\$ 500,000	\$ 6,577,440
Pennsylvania Local Government Investment Trust (PLGIT)	2,589,457	2,663,303	-	2,663,303
Petty Cash	450	-	-	-
Total	<u>\$ 9,223,409</u>	<u>\$ 9,740,743</u>	<u>\$ 500,000</u>	<u>\$ 9,240,743</u>

Bank deposits not covered by federal depository insurance (“FDIC”) are uninsured but secured by U.S. Government-backed investments or secured on a pooled basis.

The carrying amount of discretely presented component unit deposits is \$1,230,115 and the bank balance is \$1,241,217. Bank deposits totaling \$815,241 are covered by federal depository insurance, and deposits totaling \$425,976 are uninsured.

Credit Risk

The PLGIT portfolios may contain a combination of obligations of the U.S. government or its agencies, obligations of the Commonwealth of Pennsylvania or its agencies, Federal securities subject to repurchase obligations (collateralized by U.S. Treasury or Federal Agency or instrumentality obligations held by the Trust’s Custodian), FDIC insured certificates of deposit (CDs), CDs secured by U.S. Government-backed investments or secured on a pooled basis, or shares of Registered Money Market Funds which invest solely in the securities described above and which are rated in the highest capacity by a nationally recognized rating agency. The Township’s PLGIT portfolios are currently rated AAAM by Standard & Poor’s.

Investments

Pennsylvania municipalities are required to invest funds consistent with sound business practice. Regarding the investments of the Township’s governmental funds, state statutes authorize the Township to invest in United States (U.S.) Treasury bills; short-term obligations of the U.S. government or its agencies or instrumentalities; deposit accounts, which include savings accounts and certificates of deposit as well as other time deposit type accounts available at banks, savings and loan associations, or credit unions; obligations of the U.S. government (other than Treasury bills) or its agencies or instrumentalities backed by full faith and credit; obligations of the Commonwealth of Pennsylvania or its agencies or instrumentalities backed by the full faith and credit of the Commonwealth or its political subdivisions; shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of that company are in the authorized investments for municipal funds; and certain commercial paper, bankers’ acceptances, and negotiable certificates of deposit. In addition, the Intergovernmental Cooperation Act 11 permits cooperative investment pools, such as the Pennsylvania Local Government Investment Trust and the State Treasurer’s Invest Program. In addition to these investments, the investments of fiduciary funds may include corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township may not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township’s investments are categorized as either (1) insured or registered with the securities held by the Township or its agent in the Township's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the Township's name, or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Township's name. The investments of the primary government and its component units are summarized below.

	Categories			Carrying Amount	Market Value
	<u>1</u>	<u>2</u>	<u>3</u>		
Primary Government:					
PLGIT CD Program	\$ -	\$ -	\$ 737,000	\$ 737,000	\$ 737,000
PLGIT Term	-	-	19,000,000	19,000,000	19,000,000
Mutual Funds	-	-	95,743,548	95,743,548	95,743,548
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,480,548</u>	<u>\$ 115,480,548</u>	<u>\$ 115,480,548</u>
Harmonville Fire Company (Component Unit):					
Mutual Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,161,780</u>	<u>\$ 2,161,780</u>	<u>\$ 2,161,780</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,161,780</u>	<u>\$ 2,161,780</u>	<u>\$ 2,161,780</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The credit quality ratings as described by a nationally-recognized statistical rating organization is disclosed for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. Unless contrary information exists, investments in obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

The fixed income investments of the Police Pension Trust Fund, totaling \$13,879,715 as of December 31, 2017, had the following credit quality ratings:

	Market Value 12/31/17	Credit Quality Distribution - Standard & Poor's / Moody's				
		AAA/ Aaa	AA/ Aa	A/ A	BBB/ Baa	Other
		Baird Core Plus Bond Fund	\$ 4,603,238	41.6%	4.0%	18.5%
Vanguard Intermediate Term Investment Grade Fund Admiral Shares	4,584,839	23.2%	12.2%	41.0%	21.2%	2.4%
Doubleline Core Fixed Income Fund	2,079,667	45.7%	2.8%	14.4%	16.1%	21.0%
PGIM Total Return Bond Fund	1,397,079	43.3%	6.6%	15.3%	19.2%	15.6%
Vanguard High Yield Corporate Fund	<u>1,214,892</u>	4.4%	4.7%	44.2%	36.0%	10.7%
Total Fixed Income Investments - Police Pension Fund	<u>\$ 13,879,715</u>					

The fixed income investments of the Non-Uniformed Employees' Pension Trust Fund, totaling \$8,146,607 as of December 31, 2017, had the following credit quality ratings:

	Market Value 12/31/17	Credit Quality Distribution - Standard & Poor's / Moody's				
		AAA/ Aaa	AA/ Aa	A/ A	BBB/ Baa	Other
		Baird Core Plus Bond Fund	\$ 2,860,233	41.6%	4.0%	18.5%
Vanguard Intermediate Term Investment Grade Fund Admiral Shares	2,847,959	23.2%	12.2%	41.0%	21.2%	2.4%
Doubleline Core Fixed Income Fund	1,304,064	45.7%	2.8%	14.4%	16.1%	21.0%
PGIM Total Return Bond Fund	879,414	43.3%	6.6%	15.3%	19.2%	15.6%
Vanguard High Yield Corporate Fund	<u>757,711</u>	4.4%	4.7%	44.2%	36.0%	10.7%
Total Fixed Income Investments - Non- Uniform Employees' Pension Trust Fund	<u>\$ 8,649,381</u>					

The investments of the Deferred Retirement Option Plan (DROP) Trust Fund and the Deferred Compensation Fund are self-directed by the plans' participants, and therefore no disclosures regarding credit risk are provided in these financial statements.

Concentration of Credit Risk

The following investments comprised at least 5% of the total plan assets of the Police Pension Trust Fund as of December 31, 2017.

	Market Value <u>12/31/17</u>
Vanguard Total Stock Market Index Fund	\$ 15,718,503
Baird Core Plus Bond Fund	4,603,238
Vanguard Intermediate Term Investment Grade Fund	4,584,840
Vanguard Total International Stock Index Fund Admiral Shares	3,221,083
JOHCM International Select Fund	2,638,670
Vanguard International Value Fund	2,155,840
Doubleline Core Fixed Income Fund	2,079,667

The investment portfolio of the Deferred Retirement Option Plan (DROP) Trust Fund consists of three mutual funds, the largest being VT Vantagepoint Milestone 2020 Fund, valued at \$549,560 as of December 31, 2017.

The following investments comprised at least 5% of the total plan assets of the Non-Uniform Employees' Pension Plan as of December 31, 2017.

	Market Value <u>12/31/17</u>
Vanguard Total Stock Market Index Fund	\$ 9,768,675
Baird Core Plus Bond Fund	2,860,233
Vanguard Intermediate Term Investment Grade Fund	2,847,959
Vanguard Total International Stock Index Admiral Shares	1,883,059
JOHCM International Select Fund	1,663,371
Vanguard International Value Fund	1,449,792
Doubleline Core Fixed Income Fund	1,304,064

The following investments comprised at least 5% of Deferred Compensation Plan assets as of December 31, 2017.

	Market Value <u>12/31/17</u>
VT Vantagepoint Milestone 2020	\$ 839,680
VT Vantagepoint Broad Market Index Fund	737,623
VT Vantagepoint Growth Fund	674,808
VT Vantagepoint MP Long-Term Growth Fund	668,598
VT Vantagepoint Equity Income Fund	468,717
VT Vantagepoint Milestone 2025	431,069

Summary

Cash, cash equivalents, and investments of the Township and its component units were reported as follows as of December 31, 2017:

	Governmental Activities and Funds	Business- type Activities and Funds	Fiduciary Funds	Total Primary Government	Component Units
Cash and Cash Equivalents	\$ 40,521	\$ 1,952,789	\$ 4,388,616	\$ 6,381,926	\$ 1,212,861
Investments	-	-	95,743,548	95,743,548	2,161,780
Equity in Pooled Cash and Investments	<u>18,676,304</u>	<u>3,452,179</u>	<u>450,000</u>	<u>22,578,483</u>	<u>17,254</u>
Total	<u>\$ 18,716,825</u>	<u>\$ 5,404,968</u>	<u>\$ 100,582,164</u>	<u>\$ 124,703,957</u>	<u>\$ 3,391,895</u>
Total Cash and Cash Equivalents				\$ 9,223,409	\$ 1,230,115
Total Investments				<u>115,480,548</u>	<u>2,161,780</u>
Total				<u>\$ 124,703,957</u>	<u>\$ 3,391,895</u>

The Township has not formally adopted deposit and investment policies that limit the government's allowable deposits or investments and addresses the specific types of risk to which the government is exposed. However, the Township complies with the First Class Township Act of Pennsylvania.

3. TAXES RECEIVABLE

Taxes receivable on the Statement of Net Position and the Balance Sheet – Governmental Funds at December 31, 2017 consists of the following:

Earned Income Tax	\$ 2,000,000
Local Services Tax	283,738
Solid Waste Tax	281,746
Real Estate Transfer Taxes	72,291
Real Estate Taxes	<u>47,415</u>
Total	<u>\$ 2,685,190</u>

Presentation in District-wide Financial Statements

Since all taxes receivable as of December 31, 2017 are deemed collectible, the entire balance of \$2,685,190 is reported as Taxes Receivable on the Statement of Net Position.

Presentation in Fund Financial Statements

Since earned income and local services taxes collected beyond ninety days of year-end do not represent current financial resources, the related receivables are offset by an amount reported as deferred inflows of resources on the Balance Sheet – Governmental Funds. Accordingly, included in deferred inflows of resources is earned income and local services taxes receivable expected to be collected beyond ninety days of year-end, totaling \$247,063.

4. OTHER RECEIVABLES

Governmental Activities and Funds

Other receivables totaling \$196,598 include the following:

Professional Services	\$ 111,315
CATV Franchise Fees	<u>85,283</u>
Total	<u><u>\$ 196,598</u></u>

Other receivables have been classified in the government-wide Statement of Net Position and the Balance Sheet – Governmental Funds as current assets.

Sewer Revenue and Reserve Fund

Other receivables totaling \$736,047 represent sewer rents receivable.

5. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2017 was as follows:

	<u>Balance -</u> <u>1/1/2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance -</u> <u>12/31/2017</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 4,997,032	\$ -	\$ -	\$ 4,997,032
Total Capital Assets Not Being Depreciated	<u>4,997,032</u>	<u>-</u>	<u>-</u>	<u>4,997,032</u>
Capital Assets Being Depreciated:				
Buildings	2,575,610	-	-	2,575,610
Improvements	4,904,338	254,171	(100,475)	5,058,034
Machinery and Equipment	8,380,890	756,246	(29,295)	9,107,841
Infrastructure	<u>566,271,578</u>	<u>391,835</u>	<u>-</u>	<u>566,663,413</u>
Totals at Estimated Historical Cost	<u>582,132,416</u>	<u>1,402,252</u>	<u>(129,770)</u>	<u>583,404,898</u>
Less Accumulated Depreciation:				
Buildings	(1,406,341)	(42,011)	-	(1,448,352)
Improvements	(589,346)	(128,276)	419	(717,203)
Machinery and Equipment	(6,204,256)	(514,798)	15,054	(6,704,000)
Infrastructure	<u>(554,259,104)</u>	<u>(1,576,504)</u>	<u>-</u>	<u>(555,835,608)</u>
Total Accumulated Depreciation	<u>(562,459,047)</u>	<u>(2,261,589)</u>	<u>15,473</u>	<u>(564,705,163)</u>
Capital Assets Being Depreciated, Net	<u>19,673,369</u>	<u>(859,337)</u>	<u>(114,297)</u>	<u>18,699,735</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 24,670,401</u></u>	<u><u>\$ (859,337)</u></u>	<u><u>\$ (114,297)</u></u>	<u><u>\$ 23,696,767</u></u>

	Balance - 1/1/2017	Additions	Disposals	Balance - 12/31/2017
<u>Business-type Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 930,002	\$ -	\$ -	\$ 930,002
Total Capital Assets Not Being Depreciated	<u>930,002</u>	<u>-</u>	<u>-</u>	<u>930,002</u>
Capital Assets Being Depreciated:				
Buildings	10,959,904	-	-	10,959,904
Improvements	873,259	58,812	-	932,071
Machinery and Equipment	465,515	-	-	465,515
Infrastructure	<u>6,816,896</u>	<u>156,908</u>	<u>-</u>	<u>6,973,804</u>
Totals at Estimated Historical Cost	<u>19,115,574</u>	<u>215,720</u>	<u>-</u>	<u>19,331,294</u>
Less Accumulated Depreciation:				
Buildings	(4,038,608)	(243,553)	-	(4,282,161)
Improvements	(157,362)	(50,176)	-	(207,538)
Machinery and Equipment	(222,920)	(23,958)	-	(246,878)
Infrastructure	<u>(3,954,527)</u>	<u>(85,869)</u>	<u>-</u>	<u>(4,040,396)</u>
Total Accumulated Depreciation	<u>(8,373,417)</u>	<u>(403,556)</u>	<u>-</u>	<u>(8,776,973)</u>
Capital Assets Being Depreciated, Net	<u>10,742,157</u>	<u>(187,836)</u>	<u>-</u>	<u>10,554,321</u>
Business-type Activities Capital Assets, Net	<u>\$ 11,672,159</u>	<u>\$ (187,836)</u>	<u>\$ -</u>	<u>\$ 11,484,323</u>

Depreciation was charged to government activities as follows:

General Government	\$ 119,525
Public Safety	158,659
Public Works	1,811,621
Culture and Recreation	<u>171,784</u>
Total Depreciation Expense	<u>\$ 2,261,589</u>

Capital asset activity for the discretely presented component units for the year ended December 31, 2017 was as follows:

	Balance - 1/1/2017	Additions	Disposals	Balance - 12/31/2017
<u>Harmonville Fire Company and Plymouth Fire Company:</u>				
Land	\$ 140,001	\$ -	\$ -	\$ 140,001
Buildings and Improvements	2,261,748	7,130	-	2,268,878
Machinery and Equipment	<u>6,606,443</u>	<u>136,642</u>	<u>(33,380)</u>	<u>6,709,705</u>
Totals at Historical Cost	<u>9,008,192</u>	<u>143,772</u>	<u>(33,380)</u>	<u>9,118,584</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,168,055)	(64,092)	-	(1,232,147)
Machinery and Equipment	<u>(4,276,302)</u>	<u>(435,182)</u>	<u>33,380</u>	<u>(4,678,104)</u>
Total Accumulated Depreciation	<u>(5,444,357)</u>	<u>(499,274)</u>	<u>33,380</u>	<u>(5,910,251)</u>
Component Unit Capital Assets, Net	<u>\$ 3,563,835</u>	<u>\$ (355,502)</u>	<u>\$ -</u>	<u>\$ 3,208,333</u>

6. UNEARNED REVENUE

Governmental Activities and Funds

Unearned revenue of \$100,000 represents rental income collected in advance (see Note 16).

Business-type Activities and Proprietary Funds

Unearned revenue of \$107,000 represents membership fees collected by the Greater Plymouth Community Center for membership periods that extend beyond December 31, 2017.

7. DEFERRED OUTFLOWS OF RESOURCES

Government-wide Financial Statements

As described in Note 13, as of December 31, 2017, the Township reported deferred outflows of resources totaling \$859,009 for the net difference between expected and actual experience and changes in assumptions related to the pension plans.

8. DEFERRED INFLOWS OF RESOURCES

Government-wide Financial Statements

As described in Note 13, as of December 31, 2017, the Township reported deferred inflows of resources totaling \$5,332,597 for the net difference between projected and actual investment earnings, the net difference between expected and actual experience, and changes in assumptions related to the pension plans.

Fund Financial Statements

Deferred inflows of resources on the Balance Sheet – Governmental Funds, totaling \$247,063 as of December 31, 2017, represent earned income taxes receivable that do not represent available spendable financial resources as of December 31, 2017.

9. LONG-TERM DEBT

The reporting entity’s long-term debt is segregated between the amounts to be repaid from governmental activities, amounts to be repaid from business-type activities, and amounts to be repaid by the discretely presented component units.

Governmental Activities

Long-term debt consists of a promissory note payable, accrued compensated absences, and the Townships net other post-employment benefits obligation and net pension liability.

Promissory Note Payable

On November 9, 2015, the Township Council enacted Ordinance Number 1612, thereby approving the issuance of a \$799,278 promissory note payable to the County of Montgomery for the financing of emergency radio equipment. The radio equipment was acquired by the County as part

of a bulk purchasing agreement with Motorola. The County has made available interest-free (0%) financing to the participating municipalities through the Delaware Valley Regional Finance Authority (DVRFA). The promissory note is being serviced by Wells Fargo Bank and is being repaid by the Township over a period of five years. Required future payments are scheduled as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 159,856
2019	159,856
2020	<u>159,855</u>
Total	<u>\$ 479,567</u>

The following is a summary of radio equipment purchased under the agreement with the County:

	<u>Cost of Equipment</u>	<u>Allocation of Costs</u>
Plymouth Township	\$ 268,381	\$ 468,381
Harmonville Fire Company	178,756	78,756
Plymouth Fire Company	173,861	73,861
Plymouth Community Ambulance Association	<u>178,280</u>	<u>178,280</u>
Total	<u>\$ 799,278</u>	<u>\$ 799,278</u>

Harmonville Fire Company, Plymouth Fire Company, and Plymouth Community Ambulance Association have agreed to reimburse the Township \$330,897 for their shares of the total costs over a five-year period.

Business-type Activities

As of December 31, 2017, there is no long-term debt attributable to business-type activities.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2017:

	<u>Balance - 1/1/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance - 12/31/2017</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>					
Promissory Note Payable	\$ -	\$ 799,278	\$ 319,711	\$ 479,567	\$ 159,856
Compensated Absences	371,190	-	54,735	316,455	-
Net Other Post-employment Benefits	14,500,215	1,115,961	-	15,616,176	-
Net Pension Liability	<u>4,457,853</u>	<u>-</u>	<u>4,457,853</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 19,329,258</u>	<u>\$ 1,915,239</u>	<u>\$ 4,832,299</u>	<u>\$ 16,412,198</u>	<u>\$ 159,856</u>

Included in noncurrent assets on the government-wide Statement of Net Assets as of December 31, 2017 is a net pension asset totaling \$3,290,837.

10. INTERFUND BALANCES AND TRANSFERS

Transfer from the Sewer Fund to the General Fund

During the year ended December 31, 2017, the Township transferred \$268,466 from the Sewer Fund to the General Fund to reimburse the General Fund for costs incurred such as salaries, benefits, and other operating costs.

Presentation in Government-wide Financial Statements

The transfer is included in the Statement of Activities as a transfer between governmental activities and business-type activities.

Presentation in Fund Financial Statements

The transfer is included in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds as Other Financing Sources, and is included in the Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds as a Transfer Out.

Transfer from the Greater Plymouth Community Center to the Capital Reserve Fund

During the year ended December 31, 2017, the Township transferred \$90,000 from the Greater Plymouth Community Center to the Capital Reserve Fund for capital projects.

Presentation in Government-wide Financial Statements

This transfer is included in the Statement of Activities as transfers between governmental activities and business-type activities.

Presentation in Fund Financial Statements

The transfer is reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds as Other Financing Sources, and is included in the Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds as Transfers Out.

Transfer from the Capital Reserve Fund to the Greater Plymouth Community Center

During the year ended December 31, 2017, the Township transferred \$58,811 from the Capital Reserve Fund to the Greater Plymouth Community Center for capital asset additions.

Presentation in Government-wide Financial Statements

This transfer is included in the Statement of Activities as transfers between governmental activities and business-type activities.

Presentation in Fund Financial Statements

The transfer is reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds as Other Financing Uses, and is included in the Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds as Transfers In.

Other Transfers

In addition, the following interfund transfers between governmental funds are reflected on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds, but have been eliminated in the presentation of the government-wide Statement of Activities:

<u>Transferred From</u>	<u>Transferred To</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Capital Reserve Fund	Future capital needs of the Township	\$ 500,000
General Fund	Capital Reserve Fund	Future capital needs of Harmonville and Plymouth fire companies	200,000
General Fund	Health and Welfare Fund	Life insurance, hospitalization, and related benefits	4,571,500

Interfund Balances

Credit card receipts belonging to the Greater Plymouth Community Center are deposited into a general fund checking account before being transferred to the Community Center, resulting in temporary interfund balances.

Interfund balances at December 31, 2017 were as follows:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
General Fund	Greater Plymouth Community Center	\$ 75,501

Presentation in Government-wide Financial Statements

The interfund balances between governmental and business-type activities are reflected in the Statement of Net Position as internal balances within the current assets section.

Presentation in Fund Financial Statements

All interfund balances are reflected as interfund receivables or payables on the appropriate fund balance sheets.

11. CONTRIBUTIONS TO COMPONENT UNITS

During the year ended December 31, 2017, the Township made cash donations totaling \$372,080 to Harmonville Fire Company and \$626,322 to Plymouth Fire Company.

Presentation in Government-wide Financial Statements

In the Statement of Activities, the contributions to the fire companies are included in Public Safety expenses of the Governmental Activities of the primary government, and are included in Operating Grants and Contributions of the fire companies.

Presentation in Fund Financial Statements

In the Statement of Revenues, Expenditures, and Changes of Fund Balances – Governmental Funds, the contributions to the fire companies are included in Public Safety expenditures of the General Fund.

12. EMPLOYEE BENEFITS

Expenses for employee benefits are not allocated by function, but instead are included under the caption “Employee Benefits.” The following is a summary of these expenditures/expenses for 2017:

General Fund:	
Social Security Tax	\$ 889,016
Police Pension Contribution	1,476,013
Non-Uniformed Employee Pension Contribution	<u>693,377</u>
	3,058,406
Health and Welfare Fund:	
Medical, Life, and Disability Insurance	<u>4,323,236</u>
Total Expenditures Presented in Fund Financial Statements	7,381,642
Net Other Post-employment Benefits (Note 15)	1,115,961
Additional (Reduction in) Pension Expense Recognized in Accordance with GASB Statement No. 68 (Note 14):	
Police Pension Plan	(1,179,576)
Non-uniform Employees' Pension Plan	<u>296,897</u>
Total Expenses Presented in Government-wide Financial Statements	<u>\$ 7,614,924</u>

13. EMPLOYEE PENSIONS

Plan Descriptions

The Township administers two single-employer defined benefit pension plans: The Police Pension Plan and the Non-Uniformed Employees' Pension Plan. These plans cover all full-time employees and provide retirement benefits to members. Plan provisions are established by Township ordinance with the authority for contributions required by Act 205 of the Commonwealth of Pennsylvania (the “Commonwealth”).

As of December 31, 2017, the number of participants in each plan was as follows:

	<u>Police</u>	<u>Non-Uniformed Employees</u>
Participants:		
Active Participants	42	76
Non-active Participants	<u>39</u>	<u>57</u>
Totals	<u><u>81</u></u>	<u><u>133</u></u>

Eligibility Requirements

Police Pension Plan

Each member of the police force of the Township is covered by the Police Pension Plan. The Normal Retirement Date is the last day of the month in which the member attains age 52 and completes 25 years of service. A member may elect to retire early if he or she completes 20 years of service, but before his or her Normal Retirement Date (other than for death or permanent disability). Each member, who leaves the service of the Township for any reason after 12 years of continuous service but before he or she is entitled to either Early or Normal Retirement, will receive a vested Accrued Monthly Pension based on service and Average Monthly Earnings at date of termination, payable at his or her Normal Retirement Date.

Non-uniformed Employees' Pension Plan

All full-time employees of the Township, except for participants of the police force, are covered by the Non-Uniformed Employees' Pension Plan. The Normal Retirement Date is the last day of the month in which the member attains age 62 and completes 5 years of service. A member may elect to retire early if he or she attains age 50 and completes 10 years of service. Each member who leaves the service of the Township for any reason before he or she is entitled to either Early or Normal Retirement will receive a vested Accrued Monthly Pension based on service and Average Monthly Earnings at date of termination, payable at age 62 if he or she has completed at least 5 years of service with the Township.

Retirement Benefits

Police Pension Plan

The Police Pension Plan provides normal retirement benefits, early retirement benefits, job-related disability benefits, and survivor benefits. In addition, the Police Pension Plan provides for Deferred Retirement Option Plan (DROP) benefits, whereby any police officer who has completed 25 years of Credited Service and attained age 52 may enter into a DROP arrangement. Such an arrangement may run no less than 12 months and no more than 60 months.

If a member's employment with the Township is terminated before Normal Retirement Date (other than by disability or vested termination), the member shall receive a lump sum amount equal to the member's aggregate contributions plus interest at a rate of 4% per year.

Non-Uniformed Employees' Pension Plan

The Non-Uniformed Employees' Pension Plan provides normal retirement benefits, early retirement benefits, job-related disability benefits, and survivor benefits.

Summary of Significant Accounting Policies

Fiduciary Fund

The pension plans utilize the accrual basis of accounting. The pension plans are reflected as fiduciary funds in these financial statements; however, separate financial statements for the pension plans are not issued. Employer contributions are recognized when due as required by Act 205 of the Commonwealth. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Governmental Fund Financial Statements

Governmental funds utilize the modified accrual basis of accounting. Employer contributions are recognized when due as required by Act 205 of the Commonwealth.

Government-wide Financial Statements

The Township complies with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. In accordance with GASB Statement No. 68, the Township reports its net pension liability in the Statement of Net Position.

Investments

Investments are reported at fair market value. Securities traded on national exchanges are valued at the last reported sales price. Investments of the pension funds are represented by specific identifiable investment securities classified as to credit risk by the three categories described below:

Category 1 – Insured or registered, or securities held by the Pension Fund or its agent in the Pension Fund's name.

Category 2 – Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Pension Fund's name.

Category 3 – Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the Pension Fund's name.

The investments of the pension funds consist of mutual funds, representing "category 3" investments.

Plan Investments

Summary by Type

Investments held as of December 31, 2017 are summarized as follows:

	Police Pension <u>Trust Fund</u>	Deferred Retirement <u>Option Plan</u>	Non-uniformed Employees' Pension <u>Trust Fund</u>
Mutual Funds - Fixed Income	\$ 13,879,716	\$ -	\$ 8,649,381
Mutual Funds - Balanced/Asset Allocation	-	552,634	-
Mutual Funds - Equity	<u>26,292,164</u>	<u>-</u>	<u>16,486,366</u>
Total	<u>\$ 40,171,880</u>	<u>\$ 552,634</u>	<u>\$ 25,135,747</u>

Current yields on the fixed income mutual funds range from 2.14% to 5.39%.

Concentrations – Police Pension Plan

The following investments comprised at least 5% of the total plan assets of the Police Pension Trust Fund as of December 31, 2017.

	Market Value <u>12/31/17</u>
Vanguard Total Stock Market Index Fund	\$ 15,718,503
Baird Core Plus Bond Fund	4,603,238
Vanguard Intermediate Term Investment Grade Fund	4,584,840
Vanguard Total International Stock Index Fund Admiral Shares	3,221,083
JOHCM International Select Fund	2,638,670
Vanguard International Value Fund	2,155,840
Doubleline Core Fixed Income Fund	2,079,667

The investment portfolio of the Deferred Retirement Option Plan (DROP) Trust Fund consists of three mutual funds, the largest being VT Vantagepoint Milestone 2020 Fund, valued at \$549,560 as of December 31, 2017.

Concentrations – Non-uniform Employees' Pension Plan

The following investments comprised at least 5% of the total plan assets of the Non-Uniform Employees' Pension Plan as of December 31, 2017.

	Market Value <u>12/31/17</u>
Vanguard Total Stock Market Index Fund	\$ 9,768,675
Baird Core Plus Bond Fund	2,860,233
Vanguard Intermediate Term Investment Grade Fund	2,847,959
Vanguard Total International Stock Index Admiral Shares	1,883,059
JOHCM International Select Fund	1,663,371
Vanguard International Value Fund	1,449,792
Doubleline Core Fixed Income Fund	1,304,064

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on the Police Pension Plan investments was 15.69%. For the year ended December 31, 2017, the annual money-weighted rate of return on the Non-Uniform Employee's Pension Plan was also 15.71%. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

Administrative costs, including investment services, custodial, trustee, and actuarial services are charged to the appropriate plan and funded from investment earnings.

Contributions and Funding Policy

Act 205 of the Commonwealth requires that annual contributions be based upon the Minimum Municipal Obligation (MMO). The MMO is based upon the plan's biennial actuarial valuation. The State provides an allocation of funds that must be used for pension funding. Any financial requirement established by the MMO which exceeds the State and employee contributions must be funded by the employer in accordance with Act 205.

Contributions to the Police Pension Trust Fund for 2017 totaled \$1,108,953 from the Township and \$367,060 from the Commonwealth (together totaling \$1,476,013), as well as \$154,237 from employees. Contributions to the Deferred Retirement Option Plan (DROP) Trust Fund for 2017 totaled \$395,972 from employees. Contributions to the Non-Uniformed Employees' Pension Plan for 2017 totaled \$340,081 from the Township and \$353,296 from the Commonwealth (together totaling \$693,377). The components of the MMO for 2017 are as follows:

	<u>Police Pension Plan</u>	<u>Non-uniformed Employees' Pension Plan</u>
Normal Cost	\$ 1,086,198	\$ 632,164
Administrative Expenses	107,000	81,000
Amortization Requirement	416,255	-
Funding Adjustment	-	(19,787)
<u>Less: Estimated Employee Contributions</u>	<u>(133,440)</u>	<u>-</u>
2017 Minimum Municipal Obligation	<u><u>\$ 1,476,013</u></u>	<u><u>\$ 693,377</u></u>

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liabilities were measured as of December 31, 2017, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2017. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The components of the changes in the total pension liability, plan fiduciary net position, and net pension liability of the Police Pension Plan for the year ended December 31, 2017 are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Service Cost	\$ 1,197,382	\$ -	\$ 1,197,382
Interest on Total Pension Liability	2,433,759	-	2,433,759
Changes in Assumptions	(929,245)	-	(929,245)
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(1,913,571)	-	(1,913,571)
Contributions - Township and State Aid	-	1,476,013	(1,476,013)
Contributions - Employees	-	154,237	(154,237)
Net Investment Income	-	5,464,058	(5,464,058)
Benefit Payments	(1,377,973)	(1,377,973)	-
Administrative Expenses	-	(125,178)	125,178
	<hr/>	<hr/>	<hr/>
Net Changes	(589,648)	5,591,157	(6,180,805)
Balances as of December 31, 2016	<hr/> 38,299,795	<hr/> 35,225,435	<hr/> 3,074,360
Balances as of December 31, 2017	37,710,147	40,816,592	(3,106,445)
DROP Balance as of December 31, 2017	<hr/> 1,844,091	<hr/> 1,844,091	<hr/> -
Totals as of December 31, 2017	<hr/> <u>\$39,554,238</u>	<hr/> <u>\$42,660,683</u>	<hr/> <u>\$ (3,106,445)</u>

The components of the changes in the total pension liability, plan fiduciary net position, and net pension liability of the Non-Uniformed Employees' Pension Plan for the year ended December 31, 2017 are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Service Cost	\$ 743,359	\$ -	\$ 743,359
Interest on Total Pension Liability	1,632,649	-	1,632,649
Changes in Assumptions	92,220	-	92,220
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	24,240	-	24,240
Contributions - Township and State Aid	-	693,377	(693,377)
Contributions - Employees	-	-	-
Net Investment Income	-	3,441,905	(3,441,905)
Benefit Payments	(668,421)	(668,421)	-
Administrative Expenses	-	(74,929)	74,929
	<hr/>	<hr/>	<hr/>
Net Changes	1,824,047	3,391,932	(1,567,885)
Balances as of December 31, 2016	<hr/> 23,541,302	<hr/> 22,157,809	<hr/> 1,383,493
Balances as of December 31, 2017	<hr/> <u>\$25,365,349</u>	<hr/> <u>\$25,549,741</u>	<hr/> <u>\$ (184,392)</u>

In the government-wide financial statements for the year ended December 31, 2017, the Township recognized pension expense totaling \$296,437 for the Police Pension Plan and \$990,274 for the Non-Uniformed Employees' Pension Plan. As of December 31, 2017, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference between Projected and Actual Investment Earnings	\$ -	\$ 2,553,053
Net Difference between Expected and Actual Experience	55,702	2,042,292
Changes of Assumptions	<u>803,307</u>	<u>737,252</u>
Totals	<u>\$ 859,009</u>	<u>\$ 5,332,597</u>

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

<u>Year Ended December 31</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2017	\$ 328,828	\$ 1,119,502
2018	328,828	1,119,501
2019	173,453	1,614,149
2020	22,140	1,479,445
2021	<u>5,760</u>	<u>-</u>
	<u>\$ 859,009</u>	<u>\$ 5,332,597</u>

Actuarial Assumptions

In accordance with regulations under Act 205 of 1984, all actuarial assumptions are selected jointly by the actuary and the governing body of the pension plan. Significant actuarial assumptions are presented below.

	<u>Police Pension</u>	<u>Non-Uniformed Employees Pension</u>
Actuarial Valuation Date	1/1/17	1/1/17
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar - Closed	Level Dollar - Closed
Remaining Amortization Period	5 Years	11 Years
Asset Valuation Method	Adjusted Market Basis	Adjusted Market Basis
Investment Rate of Return	7.00%	7.00%
Projected Salary Increase	5.00%	4.00%
Inflation	3.00%	3.00%
Cost-of-living Adjustment	3.00%	3.00%
Retirement Age	Normal retirement age or at attained age plus 1 year, if later	Normal retirement age or at attained age plus 1 year, if later
Mortality Rates	RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment with Scale AA Projected to 2017	RP-2000 Combined Healthy Mortality Table with Scale AA Projected to 2017

Actuarial assumptions are based on experience with pension plans statewide and standard nationwide mortality tables. Due to the size of the plan, actuarial experience studies are not considered credible and are not performed for the plan.

The long-term expected rate of return on pension plan investments was determined using historical investment returns.

Discount Rate

The discount rate used to measure the total pension liability was 7% for the Police Pension Plan and 7% for the Non-Uniformed Employees' Pension Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the pension plans, calculated using the discount rate of 7%, as well as what the net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

	1% Decrease <u>(6%)</u>	Current Discount <u>Rate (7%)</u>	1% Increase <u>(8%)</u>
Net Pension Liability (Surplus):			
Police Pension	\$ 1,807,554	\$ (3,106,445)	\$ (7,209,020)
Non-uniformed Employees Pension	2,978,379	(184,392)	(2,855,717)

14. DEFERRED COMPENSATION FUND

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

The Township has a fiduciary responsibility, and must exercise due care as required of any other ordinary prudent investor.

15. POST-RETIREMENT BENEFIT PLAN

The Township provides post-retirement health care insurance to employees who retire from the Township who meet certain minimum age and service requirements. During 2003, the Township established the Post-Retirement Healthcare Fund (a fiduciary fund) to help fund future health insurance premiums for retired employees. The Township implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, prospectively, effective January 1, 2008.

Plan Description

The Plan is a single-employer defined benefit plan for which the provisions are established by Township ordinance. The Plan does not issue a stand-alone financial report. The following is a summary of plan benefits:

Eligibility

Police: Age 52 with 25 or more years of service

Non-uniformed union employees: Age 60 with 10 or more years of service, or age plus service equals 80

Non-uniformed non-union employees: Age 60 with 10 or more years of service, or age plus service equals 80 for employees hired prior to July 1, 2011; age 60 with 25 years of service for employees hired after June 30, 2011

Medical Benefits – Police and Non-Uniformed Employees

Pre-Medicare eligibility: The Township pays the full cost of the same medical benefits as are offered to active employees.

Post-Medicare eligibility: The Township provides a group HMO plan which is supplemental to Medicare.

Duration of Medical Benefits

Police: Coverage will continue for the life of the retiree and spouse. Eligible dependent children are covered until age 26.

Non-uniformed employees: For unionized retirees, coverage will continue for the life of the retiree, and spouse coverage continues to Medicare eligibility. Dependents are covered as long as they are eligible. For nonunionized retirees, coverage continues for the life of the retiree, and spouse coverage is limited to the lesser of 2.5 months for every year of service or five years.

Benefits upon Disability

Police: Any police officer who becomes permanently disabled due to a work-related accident or illness is eligible for benefits for both himself (herself) and their spouse.

Non-uniformed employees: Employees must be eligible for retirement benefits to receive coverage upon disability.

Employee Contributions for Healthcare Coverage

Police: Police officers contribute 1% of their salary each year for post-retirement health care.

Non-uniformed employees: None, except three Medicare eligible individuals are required to contribute towards the cost (75% of the premium).

Life Insurance Benefits

Police: The Township provides life insurance of \$50,000 for death before age 65, and \$15,000 for death after age 65.

Non-uniformed employees: None

Funding Policy

Although the Township established the Post-Retirement Healthcare Fund (a fiduciary fund) to help fund future health insurance premiums for retired employees, the Plan is effectively financed on a pay-as-you-go basis. Health care insurance premiums are paid from the Township's Health and Welfare Fund (a governmental fund).

In the fund financial statements, expenditures for post-retirement health care benefits are recognized as the insurance premiums are incurred. In the government-wide financial statements, expenses for post-retirement health care benefits are recognized in the amount of the estimated increase in the net OPEB obligation. In the government-wide financial statements and the fund financial statements, the expenses/expenditures are included under the caption "Employee Benefits."

Annual OPEB Cost and Net OPEB Obligation

The Township's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined

in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the estimated annual OPEB cost for the year, the amount paid during the year towards the OPEB cost, and changes in the net OPEB obligation.

Annual Required Contribution (ARC)	\$ 2,275,560
Interest on ARC	159,289
Interest on Net OPEB Obligation	1,015,015
Adjustment to ARC	(1,218,635)
Annual OPEB Cost	<u>2,231,229</u>
Employer Contributions	<u>(1,115,268)</u>
Estimated Increase in Net OPEB Obligation	1,115,961
Net OPEB Obligation - Beginning of Year	<u>14,500,215</u>
Net OPEB Obligation - End of Year	<u><u>\$ 15,616,176</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation for 2017 and the prior two years are as follows:

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
12/31/2017	\$ 2,231,229	50.0%	\$ 15,616,176
12/31/2016	2,192,263	23.8%	14,500,215
12/31/2015	2,746,350	40.4%	12,828,801

Funded Status and Funding Progress

As of January 1, 2017, the most recent actuarial valuation date, the plan was 55.25% funded. The actuarial accrued liability for benefits was \$36,457,475, and the actuarial value of assets was \$20,144,452, resulting in an unfunded actuarial accrued liability (UAAL) of \$16,313,023. The participants valued as of January 1, 2017 included 123 active employees and 59 retirees and spouses. Annual covered payroll totals approximately \$9.6 million, and the ratio of the unfunded actuarial liability to annual covered payroll as of January 1, 2017 was approximately 164%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations

on the pattern of cost sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2017 actuarial valuation, the actuarial cost method used was the Individual Entry Age Normal method with a level percentage of payroll. The actuarial assumptions included a 7% investment rate of return, which is a blended rate of the expected long-term investment returns on plan assets and on the employer’s own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7.5% for 2017, reduced by decrements to an ultimate rate of 5.0% beginning in 2022. The actuarial value of assets represents the total market value of cash and investments of the Post-Retirement Healthcare Fund as of December 31, 2017. The UAAL is being amortized over 30 years on a straight-line (level dollar) basis. The remaining amortization periods at January 1, 2017 ranged from 21 to 30 years.

16. LEASE AGREEMENT – EAST NORRITON-PLYMOUTH-WHITPAIN JOINT SEWER AUTHORITY

Under an agreement dated October 5, 1959, the East Norriton-Plymouth-Whitpain Joint Sewer Authority (the Authority) agreed to make its sewage treatment plant available to Plymouth Township. Each township will collect a sewage treatment charge from the users, which shall be at rates high enough to cover operating expenses, etc., plus certain specified safety margins. Payments to the Authority in 2017 totaled \$1,149,380 and are included in Sewage Collection and Treatment expenses of the Sewer Revenue and Reserve Fund.

17. LEASE OF BASEBALL FIELD

The Township is the owner of certain real estate, which is referred to as the “Community Center Park.” The Township has constructed an expansion of the Community Center Park consisting of a new baseball field, new softball field, bandshell, parking lot, and other amenities. Effective January 14, 2002, the Township entered into a lease with Villanova University, whereby Villanova University will lease the new baseball field on a nonexclusive basis for a term of 20 years. Rental payments are due as follows: \$500,000 during the first year of the lease, and an additional \$100 per year over the term of the lease. Rental income is being recognized over the term of the lease on a straight-line basis, as follows:

Total First-Year Rental (Exclusive of Annual Rent of \$100)	\$ 500,000
Portion of Rental Recognized through 2017	<u>(400,000)</u>
Unearned Revenue as of December 31, 2017	<u>\$ 100,000</u>
Recognition of Unearned Revenue:	
<u>Year</u>	
2018	\$ 25,000
2019	25,000
2020	25,000
2021	<u>25,000</u>
Total	<u>\$ 100,000</u>

18. COMMITMENTS AND CONTINGENCIES

Grant Programs

The Township participates in state and federally assisted grant programs including State Highway Aid. These programs are subject to program compliance audits by the grantors or their representatives. The Township is potentially liable for any expenditures that may be disallowed pursuant to the terms of these grant programs.

Moyer Landfill Claim

The Township, among others, had been named as a defendant in a class action lawsuit alleging personal injury and loss of property values due to the disposal of hazardous waste at the Moyer landfill site.

At its public meeting on June 10, 1996, Council adopted a resolution approving a Consent Decree to authorize participation in a settlement trust agreement and a contribution of up to \$200,000 of Township funds. As of December 31, 1996, Plymouth Township had contributed the full payment of \$200,000 toward their share of the Consent Decree. However, part of the settlement agreement required the construction of a Leachate Plant to handle the waste remediation, for which the Township would be responsible for contributing 13.73% of any additional cost of construction and operation of this plant if total cost exceeded the original contribution.

As stated in the Consent Decree, the United States and the Commonwealth of Pennsylvania agreed that by entering into and carrying out its terms, each settler resolved its liability to the United States and the Commonwealth for matters addressed therein and is entitled to protection from claims for contributions. However, the United States and the Commonwealth of Pennsylvania have no obligation to defend any of the settlers in any suit or claim for contribution.

The settlement agreement was amended because the Department of Environmental Protection (“DEP”) and the Environmental Protection Agency (“EPA”) decided that construction of the Leachate Plant was not necessary, and that they would accept instead a monetary settlement of \$600,000. The amendment to the trust included a mutual release of all participating parties. The Consent Decree has been approved by the EPA and the DEP. The Township approved the Amended Consent Decree on August 5, 2002.

During 2002, the Township received \$89,635 from the trust fund, representing the Township’s share of the balance of the trust fund after the \$600,000 settlement payment. In January 2003, the Township received a “final refund” of \$3,448, representing its share of the remaining balance of the Moyer Landfill Settlement Trust Fund.

In March 2004, an Amendment to the Agreement inserting a \$55,000,000 cost re-opener was accepted by the parties. Accordingly, the Settlement Agreement could be re-opened if future costs exceed that amount. The EPA and the Court have approved the Amendment, and the matter has been settled pursuant to the Amended Consent Decree.

The Amended Consent Decree does not relieve the Township’s liability for information not known by the EPA or the DEP. In addition, the United States and the Commonwealth of Pennsylvania reserve certain rights to bring future actions against the Township and others mentioned in the Decree. Council has advised management that the cost overrun re-opener

provision is not expected to be triggered, if at all, until approximately twenty years from now; and that if and when it is triggered, the share of additional costs allocated to the group of Settlers which includes the Township could be as low as 10% of the total cost overrun. Management believes that, even if the re-opener provision is triggered, given the number of parties involved, it will not have a material impact on the Township.

Property Tax Appeals

The Township is also involved in various property tax appeals that are being vigorously defended. At this time, the liability to return taxes under appeal, if any, cannot be reasonably estimated.

Public Entity Risk Pools

The Township is a member of The Delaware Valley Workers' Compensation Trust (the "Trust") which is a regional intergovernmental risk sharing pool formed on January 1, 1992. Authority for the Trust is granted by the Pennsylvania Intergovernmental Cooperation Law and Pennsylvania Workers' Compensation Act as amended. The Trust offers a method of funding and paying medical and indemnity obligations due municipal employees under the Pennsylvania Workers' Compensation Act. The Trust is a regional pool whose members are located in Southeastern Pennsylvania. The purpose and intent of the Trust is to provide an efficient and more cost-effective alternative to commercial insurance and reduce both the frequency and severity of work-related injury and occupational disease claims. The Trust is a recognized entity regulated by the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation and is governed by a Board of Trustees comprised of a representative from each member municipality. The Board of Trustees also elects Trustees to serve on an Executive Committee.

The Trust is funded by its member municipalities, and utilizes in-house claims adjustment. Members' contributions are assessed at the beginning of each year based on an independent actuarial study and are recognized as revenue in the year for which insurance protection is provided. Rates charged by the Trust are approved by the Pennsylvania Department of Labor and Industry, Bureau of Worker's Compensation on an annual basis.

Claims liabilities are based on losses reported, estimates of losses incurred but not yet reported, and claim service fees. Management has provided for estimated losses it believes are reasonable and reflective of anticipated ultimate experience. The Trust has limited historical claim experience data upon which to base an estimate of the ultimate liabilities. Additionally, as a result of the length of time required of the ultimate liabilities for losses to be determined, the amounts that will ultimately be paid to settle the liabilities may vary significantly from the estimated amounts provided for in the accompanying financial statements. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. Adjustments to claims liabilities resulting from such revisions are charged or credited to expense in periods in which they are made.

The Trust retains responsibility for the payment of claims under the self-insured loss retention limits of \$150,000 per occurrence prior to the application of coverage provided by its excess insurance contract.

The Trust is party to various claims and other matters arising in the normal course of business. In the opinion of the Trust's management, the outcome of these matters will not have a material adverse effect on the Trust's financial position or results of operations.

In addition, the Township is also a member of the Delaware Valley Insurance Trust (the "Trust"), formed in 1989. This is an association of several municipalities in Southeastern Pennsylvania, which form an intergovernmental risk-sharing pool under the authority granted by the Pennsylvania Intergovernmental Cooperation Act and the Pennsylvania Political Subdivision Tort Claims Governmental Immunity Act. The purpose of the Trust is to provide an efficient and more cost-effective alternative to commercial insurance. The Trust is also intended to prevent and reduce both the frequency and severity of casualty and property losses to member municipalities and injuries to persons or employees that might result in claims being made against such municipalities. In addition to insurance protection, the Trust provides risk management services, with an emphasis on loss control and claims administration. The Trust is governed by a Board of Trustees comprised of a representative from each member municipality. The Board of Trustees elects 5 Trustees to serve on an Executive Committee.

The Trust is funded by its member municipalities, and utilizes in-house claims adjustment. Each municipality is covered by the pool for the following risks: comprehensive general liability, business automobile liability, public officials' errors and omissions liability, police professional liability, real and personal property, and first party automobile physical damage only. Plymouth Township is covered for all the aforementioned risks. The Trust also purchases public employees blanket bond and crime coverage for the members with each new member required to make an initial contribution to the Trust upon admission. Thereafter, based on formulas set forth in the Trust Agreement, member contributions are assessed at the beginning of each year based on an actuarial study and are recognized as revenue in the year for which insurance protection is provided.

Claims liabilities are based on losses reported, estimates of losses incurred but not yet reported, and claim service fees. Management has provided for estimated losses it believes are reasonable and reflective of anticipated ultimate experience, but because of length of time required for the ultimate liabilities for losses to be determined the amounts that will ultimately be paid to settle the liabilities may vary significantly from the estimated amounts provided for in the Trust's financial statements. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. Adjustments to claims liabilities resulting from such revision are charged or credited to expense in periods in which they are made.

The Trust retains responsibility for the payment of property, automobile liability, public officials' liability, general liability and law enforcement liability claims between the insured loss retention limits which range from \$100,000 to \$250,000, prior to the amount of excess insurance contracts from third party insurance carriers. Such contracts as property claims in excess of \$100,000 up to \$265,000,000 per occurrence, automobile liability claims in excess of \$250,000 up to \$10,000,000 per occurrence and public officials' liability claims in excess of \$250,000 up to \$2,000,000 annual aggregate per member.

The Trust is party to various claims and other matters arising in the normal course of business. In the opinion of management, the outcome of these matters will not have a material adverse effect on the Trust's financial position or results of operations.

Other Claims

On May 16, 2005, the Pennsylvania Supreme Court rendered an opinion holding that municipalities cannot assess its legal fees to developers under the Pennsylvania Municipalities Planning Code (“MPC”). Effective January 31, 2005, the MPC was amended to provide that municipalities may assess its legal fees and receive reimbursement from developers. As a result, claims may be made for the refund of legal fees incurred in the review of subdivision and land development plans prior to January 31, 2005, and for the period of any applicable statute of limitations. No claims have yet been made.

Significant losses for possible claims and judgments are covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior fiscal year, and settlement amounts have not exceeded insurance coverage for the current fiscal year or the three prior fiscal years.

19. EXCESS OF EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Actual expenditures and other financing uses of the General Fund, totaling \$23,989,518, exceeded the fund’s total budgeted expenditures and other financing uses of \$23,923,252. This excess occurred primarily because of a \$500,000 year-end transfer to the Capital Reserve Fund.

PLYMOUTH TOWNSHIP
Schedule of Changes in the Township's Net Pension Liability and Related Ratios -
Police Pension Plan
For the Last Four Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service Cost	\$ 1,197,382	\$ 1,256,076	\$ 1,218,836	\$ 1,160,796
Interest on Total Pension Liability	2,433,759	2,464,586	2,328,216	2,172,780
Changes in Benefit Terms	-	54,010	-	-
Differences between Expected and Actual Experience	(1,913,571)	-	(1,198,877)	-
Changes in Assumptions	(929,245)	-	744,490	-
Benefit Payments	<u>(1,377,973)</u>	<u>(1,258,480)</u>	<u>(1,138,580)</u>	<u>(1,087,555)</u>
 Net Change in Total Pension Liability	 (589,648)	 2,516,192	 1,954,085	 2,246,021
 Total Pension Liability - Beginning	 <u>38,299,795</u>	 <u>35,783,603</u>	 <u>33,829,518</u>	 <u>31,583,497</u>
 Total Pension Liability - Ending	 <u>\$37,710,147</u>	 <u>\$38,299,795</u>	 <u>\$35,783,603</u>	 <u>\$33,829,518</u>
 Plan Fiduciary Net Position				
Contributions - Employer (State and Township)	\$ 1,476,013	\$ 1,495,738	1,537,470	\$ 1,501,525
Contributions - Member	154,237	138,932	141,296	141,773
Net Investment Income	5,464,058	2,171,116	268,360	1,625,147
Benefit Payments	(1,377,973)	(1,258,480)	(1,138,580)	(1,087,555)
Administrative Expense	<u>(125,178)</u>	<u>(112,818)</u>	<u>(120,911)</u>	<u>(106,524)</u>
 Net Change in Plan Fiduciary Net Position	 5,591,157	 2,434,488	 687,635	 2,074,366
 Plan Fiduciary Net Position - Beginning	 <u>35,225,435</u>	 <u>32,790,947</u>	 <u>32,103,312</u>	 <u>30,028,946</u>
 Plan Fiduciary Net Position - Ending	 <u>\$40,816,592</u>	 <u>\$35,225,435</u>	 <u>\$32,790,947</u>	 <u>\$32,103,312</u>
 Township's Net Pension Liability	 <u>\$ (3,106,445)</u>	 <u>\$ 3,074,360</u>	 <u>\$ 2,992,656</u>	 <u>\$ 1,726,206</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 108.2%	 92.0%	 91.6%	 94.9%
 Covered-employee Payroll	 \$ 5,055,532	 \$ 4,588,320	 \$ 4,752,704	 \$ 4,539,487
 Township's Net Pension Liability as a Percentage of Covered Employee Payroll	 -61.4%	 67.0%	 63.0%	 38.0%

PLYMOUTH TOWNSHIP
Schedule of Changes in the Township's Net Pension Liability and Related Ratios -
Non-uniformed Employees' Pension Plan
For the Last Four Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service Cost	\$ 743,359	\$ 707,281	\$ 625,990	\$ 601,914
Interest on Total Pension Liability	1,632,649	1,515,186	1,356,066	1,269,369
Changes in Benefit Terms	-	-	-	-
Differences between Expected and Actual Experience	24,240	-	77,212	-
Changes in Assumptions	92,220	-	863,051	-
Benefit Payments	<u>(668,421)</u>	<u>(653,356)</u>	<u>(644,992)</u>	<u>(620,541)</u>
Net Change in Total Pension Liability	1,824,047	1,569,111	2,277,327	1,250,742
Total Pension Liability - Beginning	<u>23,541,302</u>	<u>21,972,191</u>	<u>19,694,864</u>	<u>18,444,122</u>
Total Pension Liability - Ending	<u>\$25,365,349</u>	<u>\$23,541,302</u>	<u>\$21,972,191</u>	<u>\$19,694,864</u>
Plan Fiduciary Net Position				
Contributions - Employer (State and Township)	\$ 693,377	\$ 662,176	567,669	\$ 555,386
Contributions - Member	-	-	-	-
Net Investment Income	3,441,905	1,375,957	173,048	1,071,536
Benefit Payments	(668,421)	(653,356)	(644,992)	(620,542)
Administrative Expense	<u>(74,929)</u>	<u>(75,220)</u>	<u>(83,176)</u>	<u>(80,838)</u>
Net Change in Plan Fiduciary Net Position	3,391,932	1,309,557	12,549	925,542
Plan Fiduciary Net Position - Beginning	<u>22,157,809</u>	<u>20,848,252</u>	<u>20,835,703</u>	<u>19,910,161</u>
Plan Fiduciary Net Position - Ending	<u>\$25,549,741</u>	<u>\$22,157,809</u>	<u>\$20,848,252</u>	<u>\$20,835,703</u>
Township's Net Pension Liability (Surplus)	<u>\$ (184,392)</u>	<u>\$ 1,383,493</u>	<u>\$ 1,123,939</u>	<u>\$ (1,140,839)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.7%	94.1%	94.9%	105.8%
Covered-employee Payroll	\$ 4,891,368	\$ 5,029,053	\$ 4,825,757	\$ 4,417,118
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	-3.8%	27.5%	23.3%	-25.8%

PLYMOUTH TOWNSHIP
Schedule of Township Contributions - Police Pension Fund
For the Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially Determined Contribution	\$ 1,476,013	\$ 1,495,738	\$ 1,537,470	\$ 1,501,525	\$ 1,431,875	\$ 1,437,447	\$ 1,302,411	\$ 1,346,058	\$ 1,121,523	\$ 1,021,848
Contributions in Relation to the Actuarial Determined Contribution	<u>1,476,013</u>	<u>1,495,738</u>	<u>1,537,470</u>	<u>1,501,525</u>	<u>1,431,875</u>	<u>1,437,447</u>	<u>1,302,411</u>	<u>1,346,058</u>	<u>1,121,523</u>	<u>1,021,848</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee Payroll	\$ 5,055,532	\$ 4,588,320	\$ 4,752,704	\$ 4,539,487	\$ 4,508,159	\$ 4,117,234	\$ 4,325,365	\$ 4,164,977	\$ 4,058,385	\$ 3,859,422
Contributions as a Percentage of Covered-employee Payroll	29.2%	32.6%	32.3%	33.1%	31.8%	34.9%	30.1%	32.3%	27.6%	26.5%

Notes to Schedule

Actuarially-determined contributions are determined in accordance with Pennsylvania Act 205.
Covered payroll includes pay for anyone working at least six months in the year.

Methods and assumptions used to determine contribution rates for the year ended December 31, 2017:

Valuation Date	1/1/2007
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar - Closed
Remaining Amortization Period	5 Years
Asset Valuation Method	Adjusted Market Value
Investment Rate of Return	7.0%
Projected Salary Increases	5.0%
Inflation	3.0%
Cost of Living Adjustment	3.0%

PLYMOUTH TOWNSHIP
Schedule of Township Contributions - Non-uniformed Employees' Pension Fund
For the Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially Determined Contribution	\$ 693,377	\$ 662,176	\$ 567,669	\$ 555,386	\$ 604,052	\$ 594,080	\$ 920,846	\$ 909,604	\$ 643,689	\$ 621,300
Contributions in Relation to the Actuarial Determined Contribution	<u>693,377</u>	<u>662,176</u>	<u>567,669</u>	<u>555,386</u>	<u>604,052</u>	<u>594,080</u>	<u>920,846</u>	<u>909,604</u>	<u>643,689</u>	<u>621,300</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee Payroll	\$ 4,891,368	\$ 5,029,053	\$ 4,825,757	\$ 4,417,118	\$ 4,391,845	\$ 4,172,910	\$ 4,085,105	\$ 4,372,448	\$ 4,498,535	\$ 4,184,936
Contributions as a Percentage of Covered-employee Payroll	14.2%	13.2%	11.8%	12.6%	13.8%	14.2%	22.5%	20.8%	14.3%	14.8%

Notes to Schedule

Actuarially-determined contributions are determined in accordance with Pennsylvania Act 205.
Covered payroll includes pay for anyone working at least six months in the year.

Methods and assumptions used to determine contribution rates for the year ended December 31, 2017:

Valuation Date	1/1/2007
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar - Closed
Remaining Amortization Period	11 Years
Asset Valuation Method	Adjusted Market Value
Investment Rate of Return	7.0%
Projected Salary Increases	4.0%
Inflation	3.0%
Cost of Living Adjustment	3.0%

PLYMOUTH TOWNSHIP
Schedule of Investment Returns -
Police Pension Fund and Non-uniformed Employees' Pension Fund
For the Last Five Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Police Pension Plan					
Annual Money-weighted Rate of Return, Net of Investment Expense	15.69%	6.67%	0.84%	5.37%	15.01%
Non-uniformed Employees' Pension Plan					
Annual Money-weighted Rate of Return, Net of Investment Expense	15.71%	6.65%	0.84%	5.40%	15.09%

PLYMOUTH TOWNSHIP
Schedule of Revenues
General Fund
For the Year Ended December 31, 2017

Taxes:

Earned Income Tax		\$ 6,944,617
Real Estate Taxes:		
Current Real Estate Taxes	\$ 2,633,298	
Prior Year Real Estate Taxes	2,531	
Liened Real Estate Taxes	68,114	
Interim Real Estate Taxes	26,076	2,730,019
Fire Services Fee		822,906
Business Privilege Taxes		4,039,919
Mercantile Taxes		2,515,457
Real Estate Transfer Taxes		657,489
Local Services Tax		1,168,845
Solid Waste Disposal Tax		1,177,194
Other Taxes:		
Amusement Tax	8,758	
Mechanical Devices Taxes	18,998	27,756
Total Taxes		<u>20,084,202</u>

Licenses and Permits:

Commonwealth of Penna. Liquor Licenses	8,400	
Building and Plumbing Permits	929,354	
CATV Franchise Fees	348,365	
Streets Permits	11,438	
Zoning Permits	47,821	
Mercantile Licenses	7,050	
Business Privileges Licenses	29,325	
Other Licenses and Permits	18,864	1,400,617

Fines and Forfeits

201,443

Intergovernmental:

Municipal Pension Grant	720,356	
Firemen's Relief Association Allocation	159,363	
Recycling	87,319	
Public Utility Taxes	20,257	987,295

Charges for Services:

Inspection Services	128,755	
Special Duty Police	8,855	
Engineering and Other Cost Reimbursements	398,275	
Recreation Fees	234,724	
Recycling	6,949	
Miscellaneous Service Revenue	70,415	847,973

Investment Earnings

113,482

Miscellaneous

267,161

Total Revenues		<u><u>\$ 23,902,173</u></u>
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PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
GENERAL GOVERNMENT:			
Manager's Office:			
Salaries and Wages	\$ 536,235	\$ 539,950	\$ (3,715)
Telephone	3,000	2,571	429
Civic Organizations - Contributions	30,800	30,000	800
	<hr/>	<hr/>	<hr/>
Totals - Manager's Office	570,035	572,521	(2,486)
	<hr/>	<hr/>	<hr/>
Administration:			
Salaries and Wages	220,100	218,489	1,611
Office Supplies	14,500	14,530	(30)
Miscellaneous Supplies	-	6	(6)
Office Equipment	5,000	-	5,000
Furniture and Fixtures	1,000	-	1,000
Computer Hardware	79,000	99,944	(20,944)
Computer Software	58,000	58,928	(928)
Audit / Accounting Services	31,000	28,500	2,500
Engineering Services	-	2,734	(2,734)
Legal Services	110,000	198,906	(88,906)
Maintenance and Support - Computer	85,000	111,739	(26,739)
Other Professional Consultants	19,000	20,898	(1,898)
Telephone	11,500	7,836	3,664
Postage, Mailing, and Delivery	3,100	2,411	689
Internet Services	12,500	8,111	4,389
Automobile	2,700	4,371	(1,671)
Printing and Advertising	20,000	16,645	3,355
Casualty Insurance	149,000	142,522	6,478
Surety and Fidelity Bonds	12,000	11,877	123
Worker's Compensation Insurance	297,000	291,033	5,967
Unemployment Compensation Insurance	58,000	57,819	181
Insurance Claim Deductible	10,000	80,405	(70,405)
Maintenance and Repairs - Equipment	1,000	262	738
Rental of Equipment	850	660	190
Miscellaneous Services	62,000	62,338	(338)
Dues, Subscriptions, and Memberships	1,600	2,451	(851)
Training and Seminars	10,000	1,611	8,389
Miscellaneous Charges	1,500	970	530
	<hr/>	<hr/>	<hr/>
Totals - Administration	1,275,350	1,445,996	(170,646)
	<hr/>	<hr/>	<hr/>

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
Tax Collection:			
Salaries and Wages	\$ 67,275	\$ 67,285	\$ (10)
Computer Software	2,350	2,538	(188)
Audit / Accounting Services	22,000	12,702	9,298
Tax Collection Services	91,000	87,606	3,394
Postage, Mailing, and Delivery	7,000	8,348	(1,348)
Printing and Advertising	1,700	340	1,360
Refunds of Taxes	15,000	19,696	(4,696)
	<hr/>	<hr/>	<hr/>
Totals - Tax Collection	206,325	198,515	7,810
Municipal Buildings:			
Salaries and Wages	154,896	159,030	(4,134)
Building Maintenance Supplies	8,500	202	8,298
Janitorial Supplies	7,000	12,191	(5,191)
Clothing and Uniforms	500	-	500
Small Tools and Equipment	1,000	79	921
Telephone	400	414	(14)
Electricity	85,000	65,688	19,312
Water	9,000	7,069	1,931
Maintenance and Repairs - Equipment	9,000	1,971	7,029
Maintenance and Repairs - Buildings	12,000	10,105	1,895
Miscellaneous Services	7,000	14,190	(7,190)
Building - Replacement and Improvements	8,500	5,226	3,274
	<hr/>	<hr/>	<hr/>
Totals - Municipal Buildings	302,796	276,165	26,631
Reimbursable Costs:			
Engineering Services	175,000	198,495	(23,495)
Legal Services	40,000	75,016	(35,016)
Other Professional Consultants	80,000	59,912	20,088
	<hr/>	<hr/>	<hr/>
Totals - Reimbursable Costs	295,000	333,423	(38,423)
	<hr/>	<hr/>	<hr/>
Totals - General Government	2,649,506	2,826,620	(177,114)

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
PUBLIC SAFETY:			
Police Protection:			
Salaries and Wages	\$ 6,281,215	\$ 6,152,759	\$ 128,456
Office Supplies	7,500	5,916	1,584
Photo Lab and Identification	132,207	107,773	24,434
Ammunition and Supplies	70,600	44,693	25,907
Gasoline, Oil, and Grease	90,000	69,294	20,706
Clothing and Uniforms	83,908	61,435	22,473
K-9 / Kennel Expenditures	61,820	35,433	26,387
Tires and Tubes	10,000	8,003	1,997
Vehicle and Equipment Repair Parts	38,000	31,285	6,715
Miscellaneous Supplies	11,740	10,227	1,513
Office Equipment	18,000	7,879	10,121
Firearms and Tactical Equipment	21,732	19,893	1,839
Furniture and Fixtures	5,000	1,417	3,583
Computer Hardware	75,000	178,357	(103,357)
Computer Software	15,504	9,011	6,493
Communications Equipment	10,000	12,913	(2,913)
Vehicle Equipment	115,615	137,025	(21,410)
Miscellaneous Equipment and Tools	4,550	1,530	3,020
Professional Consultants	5,000	-	5,000
Telephone	50,000	43,958	6,042
Postage, Mailing, and Delivery	1,500	1,053	447
Radio Equipment Maintenance	7,500	2,361	5,139
Printing and Advertising	19,300	9,526	9,774
Electricity	11,500	10,290	1,210
Maintenance and Repairs - Equipment	8,250	1,604	6,646
Maintenance and Repairs - Traffic Signals	85,000	107,892	(22,892)
Maintenance and Repairs - Vehicles	25,000	14,025	10,975
Miscellaneous Services	8,800	5,174	3,626
Civil Service	19,200	11,280	7,920
Training and Seminars	35,000	24,461	10,539
Miscellaneous Charges	15,000	9,581	5,419
Vehicle Purchases	178,000	206,448	(28,448)
Electronic Equipment	46,050	39,253	6,797
Totals - Police Protection	<u>7,567,491</u>	<u>7,381,749</u>	<u>185,742</u>

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
Fire Protection and Emergency Management:			
Salaries and Wages	\$ 111,322	\$ 89,343	\$ 21,979
Office Supplies	-	-	-
Gasoline, Oil, and Grease	2,200	1,236	964
Tires and Tubes	1,000	-	1,000
Vehicle and Equipment Repair Parts	2,500	79	2,421
Miscellaneous Supplies	1,300	-	1,300
Small Tools and Equipment	2,700	-	2,700
Computer Hardware	1,900	2,435	(535)
Computer Software	1,000	-	1,000
Maintenance and Support - Computer	1,200	-	1,200
Postage, Mailing, and Delivery	-	178	(178)
Radio Equipment Maintenance	2,500	618	1,882
Printing and Advertising	750	-	750
Hydrant Service	85,000	83,683	1,317
Maintenance and Repairs - Vehicles	3,000	-	3,000
Miscellaneous Services	3,100	1,403	1,697
Dues, Subscriptions, and Memberships	250	-	250
Miscellaneous Charges	2,000	634	1,366
Fire Companies - Donated Telephone Reimbursements	7,500	8,098	(598)
Fire Companies - Donated Fuel	15,000	14,857	143
Donations to Fire Companies	698,402	698,402	-
Ambulance Association - Donated Fuel	25,000	31,088	(6,088)
Donations to Ambulance Association	50,000	50,000	-
Payment of the Commonwealth's Allocation to the Firemen's Relief Association	179,510	159,363	20,147
	<hr/>	<hr/>	<hr/>
Totals - Fire Protection and Emergency Management	1,197,134	1,141,417	55,717
Zoning:			
Salaries and Wages	85,056	83,051	2,005
Office Supplies	250	11	239
Miscellaneous Supplies	200	-	200
Office Equipment	500	-	500
Computer Hardware	1,500	1,546	(46)
Legal Services	15,000	20,185	(5,185)
Other Professional Consultants	4,500	7,455	(2,955)
Stenographic Services	3,500	3,423	77
Postage, Mailing, and Delivery	3,500	3,435	65
Printing and Advertising	6,500	8,124	(1,624)
Codification of Ordinances	7,500	3,851	3,649
Miscellaneous Services	500	-	500
Dues, Subscriptions, and Memberships	600	690	(90)
Board Expenditures	2,995	2,995	-
Training and Seminars	750	85	665
	<hr/>	<hr/>	<hr/>
Total Expenditures - Zoning	132,851	134,851	(2,000)
	<hr/>	<hr/>	<hr/>
Totals - Zoning	132,851	134,851	(2,000)

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
Building:			
Salaries and Wages	\$ 63,675	\$ 66,728	\$ (3,053)
Office Supplies	3,000	3,464	(464)
Books, Publications, and Reference Materials	3,000	-	3,000
Miscellaneous Supplies	500	-	500
Office Equipment	2,500	2,490	10
Computer Hardware	1,800	1,384	416
Computer Software	3,500	-	3,500
Maintenance and Support - Computer	10,000	8,032	1,968
Other Professional Consultants	550,000	645,601	(95,601)
Printing and Advertising	750	683	67
Maintenance and Repairs - Equipment	-	696	(696)
Miscellaneous Services	500	152	348
Dues, Subscriptions, and Memberships	500	-	500
Training and Seminars	1,000	400	600
Miscellaneous Charges	250	-	250
	<u>640,975</u>	<u>729,630</u>	<u>(88,655)</u>
Totals - Building			
Code Enforcement:			
Salaries and Wages	137,836	120,435	17,401
Books, Publications, and Reference Materials	500	-	500
Gasoline, Oil, and Grease	2,000	1,966	34
Clothing and Uniforms	1,000	989	11
Vehicle and Equipment Repair Parts	3,000	2,666	334
Miscellaneous Supplies	1,000	297	703
Computer Hardware	6,500	-	6,500
Other Professional Consultants	1,000	-	1,000
Telephone	360	-	360
Postage, Mailing, and Delivery	400	12	388
Printing and Advertising	1,000	289	711
Miscellaneous Services	500	3,964	(3,464)
Dues, Subscriptions, and Memberships	500	500	-
Training and Seminars	1,500	235	1,265
	<u>157,096</u>	<u>131,353</u>	<u>25,743</u>
Totals - Code Enforcement			
Totals - Public Safety	<u>9,695,547</u>	<u>9,519,000</u>	<u>176,547</u>

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
PUBLIC WORKS:			
Sanitation:			
Salaries and Wages	\$ 635,800	\$ 592,259	\$ 43,541
Recycling Supplies and Materials	15,000	-	15,000
Gasoline, Oil, and Grease	40,000	31,920	8,080
Tires and Tubes	15,000	14,416	584
Vehicle and Equipment Repair Parts	27,000	22,247	4,753
Miscellaneous Supplies	5,000	3,941	1,059
Maintenance and Repairs - Vehicles	25,000	33,663	(8,663)
Miscellaneous Services	15,500	15,508	(8)
Recycling Promotion and Education	500	-	500
Trash Disposal Costs	267,264	265,161	2,103
Recycling Disposal Costs	50,000	28,523	21,477
	<hr/>	<hr/>	<hr/>
Totals - Sanitation	1,096,064	1,007,638	88,426
	<hr/>	<hr/>	<hr/>
Administration:			
Salaries and Wages	359,660	410,181	(50,521)
Office Supplies	250	-	250
Miscellaneous Supplies	500	190	310
Office Equipment	500	-	500
Engineering Services	35,000	22,471	12,529
Telephone	2,000	1,512	488
Postage, Mailing, and Delivery	1,000	122	878
Radio Equipment Maintenance	500	339	161
Printing and Advertising	1,200	403	797
Miscellaneous Services	500	1,485	(985)
Dues, Subscriptions, and Memberships	500	60	440
Training and Seminars	500	135	365
Miscellaneous Charges	500	39	461
	<hr/>	<hr/>	<hr/>
Totals - Administration	402,610	436,937	(34,327)
	<hr/>	<hr/>	<hr/>

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
Street Maintenance:			
Salaries and Wages	\$ 76,150	\$ 97,209	\$ (21,059)
Street Signs	500	50	450
Street Maintenance Materials and Supplies	500	-	500
Street Paving Materials	500	-	500
Storm Sewer Materials and Supplies	1,000	-	1,000
Vehicle and Equipment Repair Parts	1,000	-	1,000
Miscellaneous Supplies	5,500	2,585	2,915
Small Tools and Equipment	4,000	6,517	(2,517)
Construction Contractors	10,000	9,407	593
Maintenance and Repairs - Equipment	3,500	1,060	2,440
Rental of Equipment	1,000	-	1,000
Miscellaneous Services	2,000	1,730	270
	<hr/>	<hr/>	<hr/>
Totals - Street Maintenance	105,650	118,558	(12,908)
	<hr/>	<hr/>	<hr/>
Highway Services:			
Salaries and Wages	112,000	81,395	30,605
Branch Collection Materials and Supplies	500	-	500
Small Tools and Equipment	500	-	500
Miscellaneous Supplies	1,000	-	1,000
Leaf Collection Equipment	1,000	434	566
Electricity	130,000	109,809	20,191
Maintenance and Repairs - Street Lighting	40,000	46,545	(6,545)
Maintenance and Repairs - Equipment	22,500	18,280	4,220
Maintenance and Repairs - Traffic Signals	-	570	(570)
	<hr/>	<hr/>	<hr/>
Totals - Highway Services	307,500	257,033	50,467
	<hr/>	<hr/>	<hr/>
Equipment Maintenance and Purchases:			
Salaries and Wages	205,750	166,160	39,590
Gasoline, Oil, and Grease	40,000	28,510	11,490
Maintenance Garage Materials and Supplies	15,000	7,893	7,107
Tires and Tubes	10,000	10,639	(639)
Vehicle and Equipment Repair Parts	35,000	32,027	2,973
Miscellaneous Supplies	1,000	386	614
Small Tools and Equipment	500	-	500
Communications Equipment	500	1,491	(991)
Maintenance and Repairs - Equipment	10,000	11,249	(1,249)
Maintenance and Repairs - Vehicles	10,000	55	9,945
	<hr/>	<hr/>	<hr/>
Totals - Equipment Maintenance and Purchases	327,750	258,410	69,340
	<hr/>	<hr/>	<hr/>
Totals - Public Works	2,239,574	2,078,576	160,998
	<hr/>	<hr/>	<hr/>

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
CULTURE AND RECREATION:			
Buildings and Grounds:			
Salaries and Wages	\$ 548,268	\$ 544,205	\$ 4,063
Clothing Allowance	2,400	2,400	-
Office Supplies	750	473	277
Groundkeeping and Agricultural Supplies	23,000	29,508	(6,508)
Gasoline, Oil, and Grease	10,000	10,323	(323)
Clothing and Uniforms	1,000	657	343
Tires and Tubes	2,000	1,919	81
Vehicle and Equipment Repair Parts	-	9,638	(9,638)
Miscellaneous Supplies	6,500	-	6,500
Small Tools and Equipment	1,500	1,597	(97)
Office Equipment	-	5,833	(5,833)
Miscellaneous Equipment and Tools	2,500	1,490	1,010
Telephone	5,750	4,176	1,574
Printing and Advertising	700	1,548	(848)
Electricity	35,000	37,859	(2,859)
Water	15,000	26,712	(11,712)
Maintenance and Repairs - Vehicles	3,000	1,885	1,115
Maintenance and Repairs - Buildings	9,000	3,090	5,910
Maintenance and Repairs - Grounds	13,000	13,789	(789)
Rental of Equipment	2,000	480	1,520
Miscellaneous Services	46,220	32,982	13,238
Training, Seminars, and Tuition	-	(300)	300
Miscellaneous Charges	1,250	115	1,135
Bell Road Bridge	-	5,000	(5,000)
	728,838	735,379	(6,541)
Totals - Buildings and Grounds			

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2017

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
Parks and Recreation:			
Salaries and Wages	\$ 188,248	\$ 183,197	\$ 5,051
Office Supplies	1,340	1,008	332
Recreation Program Supplies	4,725	3,667	1,058
Clothing and Uniforms	480	480	-
Vehicle Repair Parts	1,000	-	1,000
Minor Equipment	300	-	300
Computer Hardware	5,085	3,125	1,960
Computer Software	300	-	300
Miscellaneous Equipment and Tools	-	54	(54)
Maintenance and Support - Computer	2,345	2,161	184
Telephone	975	928	47
Postage, Mailing, and Delivery	7,385	4,523	2,862
Entertainers	7,200	7,049	151
Contracted Instructors	17,078	14,441	2,637
Automobile	100	-	100
Printing and Advertising	15,325	12,635	2,690
Rental of Equipment	915	915	-
Miscellaneous Services	2,631	2,054	577
Plymouth Township Day	23,875	19,446	4,429
Tickets - PA Rec. Society	106,000	88,055	17,945
Bus Trips, Admission to Rec. Facility	19,545	13,147	6,398
Dues, Subscriptions, and Memberships	1,735	1,750	(15)
Tree Light / Holiday Program	9,000	2,279	6,721
Training and Seminars	3,125	2,041	1,084
Contributions to Sports Organizations	32,300	32,000	300
Harriet Wetherill Park	180,065	63,647	116,418
Memorial	-	306	(306)
Dickinson Farmstead Park	142,820	41,129	101,691
	<u>773,897</u>	<u>500,037</u>	<u>273,860</u>
Totals - Parks and Recreation			
	<u>1,502,735</u>	<u>1,235,416</u>	<u>267,319</u>
Totals - Culture and Recreation			
EMPLOYEE BENEFITS:			
Social Security Taxes	895,000	889,016	5,984
Transfer to Police Pension	1,476,013	1,476,013	-
Transfer to Non-Uniformed Employees' Pension	693,377	693,377	-
	<u>3,064,390</u>	<u>3,058,406</u>	<u>5,984</u>
Totals - Employee Benefits			
OTHER FINANCING USES:			
Transfer to Health and Welfare Fund for Employees' Insurances	4,571,500	4,571,500	-
Transfer to Capital Reserve Fund	200,000	700,000	(500,000)
	<u>4,771,500</u>	<u>5,271,500</u>	<u>(500,000)</u>
Totals - Other Financing Uses			
Total Budgeted and Actual Expenditures and Other Financing Uses	<u>\$ 23,923,252</u>	<u>\$ 23,989,518</u>	<u>\$ (66,266)</u>

PLYMOUTH TOWNSHIP
Statement of Revenues, Expenses, and Changes in Net Position
Greater Plymouth Community Center
For the Year Ended December 31, 2017

OPERATING REVENUES:

Charges for Services:		
Program Services	\$ 1,224,676	
Membership Revenue	504,124	
Daily Admissions	126,706	
Rental Revenues	140,992	
Pro Shop Sales	5,393	
General Services	85,939	
Other	<u>(27,999)</u>	
 Total Operating Revenues		 \$ 2,059,831

OPERATING EXPENSES:

Wages	1,723,377	
Office Supplies	9,383	
Recreation Program Supplies	49,373	
Pool Supplies	19,235	
Computer Supplies	810	
Building Maintenance Supplies	3,398	
Janitorial Supplies	31,280	
Clothing and Uniforms	8,257	
Miscellaneous Supplies	4,599	
Minor Tools and Equipment	40	
Minor Recreation Program Equipment	20,488	
Minor Pool Equipment	10,000	
Minor Building Improvements	2,422	
Minor Computer Hardware and Software	2,775	
Miscellaneous Equipment and Tools	5,339	
Maintenance and Support - Computer	5,594	
Telephone	12,997	
Postage, Mailing, and Delivery	5,890	
Contracted Instructors	38,913	
Automobile Allowances	62	
Printing and Advertising	21,843	
Utilities	230,778	
Maintenance and Repairs	43,487	
Rental of Equipment	2,565	
Miscellaneous Services	28,409	
Dues, Subscriptions, Memberships	389	
Training - Seminars	783	
Bus Trips	49,077	
Depreciation Expense	290,555	
Other Expenses	<u>8,238</u>	
 Total Operating Expenses		 <u>2,630,356</u>
 Operating (Loss)		 (570,525)

NONOPERATING REVENUE:

Interest Income	<u>5,054</u>	
 (Loss) before Transfers		 (565,471)

CONTRIBUTIONS FROM GOVERNMENTAL FUNDS
TRANSFERS OUT

	58,811	
	<u>(90,000)</u>	
 Change in Net Position		 (596,660)

Total Net Position - Beginning of Year		<u>9,338,349</u>
Total Net Position - End of Year		<u>\$ 8,741,689</u>

PLYMOUTH TOWNSHIP
Combining Statement of Net Position
Component Units
December 31, 2017

	Plymouth Township Parks Recreation and Facilities Fund	Harmonville Fire Company	Plymouth Fire Company	<u>Total</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 229,062	\$ 983,799	\$ 1,212,861
Equity in Pooled Cash and Investments	17,254	-	-	17,254
Investments	<u>-</u>	<u>2,161,780</u>	<u>-</u>	<u>2,161,780</u>
Total Current Assets	<u>17,254</u>	<u>2,390,842</u>	<u>983,799</u>	<u>3,391,895</u>
Other Assets:				
Capital Assets:				
Land and Improvements	-	100,001	40,000	140,001
Deposit on Capital Assets	-	-	414,000	414,000
Other Capital Assets, Net of Depreciation	<u>-</u>	<u>1,259,482</u>	<u>1,808,849</u>	<u>3,068,331</u>
Total Capital Assets	<u>-</u>	<u>1,359,483</u>	<u>2,262,849</u>	<u>3,622,332</u>
Total Assets	<u>\$ 17,254</u>	<u>\$ 3,750,325</u>	<u>\$3,246,648</u>	<u>\$ 7,014,227</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 203	\$ -	\$ -	\$ 203
Payroll Taxes Payable	<u>-</u>	<u>5,579</u>	<u>3,428</u>	<u>9,007</u>
Total (Current) Liabilities	<u>203</u>	<u>5,579</u>	<u>3,428</u>	<u>9,210</u>
NET POSITION				
Invested in Capital Assets, Net of Related Debt	-	1,359,483	2,262,849	3,622,332
Unrestricted	<u>17,051</u>	<u>2,385,263</u>	<u>980,371</u>	<u>3,382,685</u>
Total Net Position	<u>17,051</u>	<u>3,744,746</u>	<u>3,243,220</u>	<u>7,005,017</u>
Total Liabilities and Net Position	<u>\$ 17,254</u>	<u>\$ 3,750,325</u>	<u>\$3,246,648</u>	<u>\$ 7,014,227</u>

PLYMOUTH TOWNSHIP
Combining Statement of Revenues, Expenses, and Changes in Net Position
Component Units
For the Year Ended December 31, 2017

	Plymouth Township Parks Recreation and Facilities Fund	Harmonville Fire Company	Plymouth Fire Company	<u>Total</u>
OPERATING REVENUES				
Charges for Services	\$ -	\$ 22,652	\$ -	\$ 22,652
Rental Income	-	-	27,695	27,695
Grants and Contributions:				
Primary Government	-	372,080	626,322	998,402
Other	1,792	171,568	54,939	228,299
	<u>1,792</u>	<u>566,300</u>	<u>708,956</u>	<u>1,277,048</u>
Total Operating Revenues	<u>1,792</u>	<u>566,300</u>	<u>708,956</u>	<u>1,277,048</u>
OPERATING EXPENSES				
	<u>1,449</u>	<u>666,356</u>	<u>511,757</u>	<u>1,179,562</u>
Operating Income (Loss)	<u>343</u>	<u>(100,056)</u>	<u>197,199</u>	<u>97,486</u>
NON-OPERATING REVENUES				
Investment Earnings	199	179,992	6,251	186,442
Miscellaneous Income	-	14,295	18,865	33,160
	<u>199</u>	<u>194,287</u>	<u>25,116</u>	<u>219,602</u>
Total Non-operating Revenue	<u>199</u>	<u>194,287</u>	<u>25,116</u>	<u>219,602</u>
Change in Net Position	542	94,231	222,315	317,088
Total Net Position - Beginning of Year	<u>16,509</u>	<u>3,650,515</u>	<u>3,020,905</u>	<u>6,687,929</u>
Total Net Position - End of Year	<u>\$ 17,051</u>	<u>\$ 3,744,746</u>	<u>\$ 3,243,220</u>	<u>\$ 7,005,017</u>