

PLYMOUTH TOWNSHIP, PENNSYLVANIA

FINANCIAL STATEMENTS

Year Ended December 31, 2018

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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, 2018, 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, 2018, 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 67 to 73 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
August 30, 2019

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, 2018. Please read it in conjunction with the Township's financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

- The Township continues to report adequate *budgetary fund balances* for all its governmental funds and business-type funds.
- The Township is reporting a General Fund *budgetary fund balance* of \$10.3 million.
- The Township has no outstanding bonded debt.
- Total net position of governmental activities decreased by \$650,751 during fiscal 2018. This is principally explained by: 1) depreciation expense recognized for accounting purposes exceeded capital expenditures by \$1,304,121; 2) an increase in the liability for post-retirement health care and pensions in the amount of \$832,362; 3) an increase in Governmental fund balances of \$1,364,149 reflecting that revenue significantly exceeded expenditures during 2018.

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 immediately following 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 2018.

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis

Table 1
Net Position (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current Assets	\$23.0	\$21.6	\$6.5	\$6.5	\$29.5	\$28.1
Noncurrent Assets	22.4	27.0	11.7	11.5	34.1	38.5
Total Assets	<u>45.4</u>	<u>48.6</u>	<u>18.2</u>	<u>18.0</u>	<u>63.6</u>	<u>66.6</u>
Deferred Outflows of Resources	7.0	0.8	0.0	0.0	7.0	0.8
Total Assets and Deferred Outflows	<u>52.4</u>	<u>49.4</u>	<u>18.2</u>	<u>18.0</u>	<u>70.6</u>	<u>67.4</u>
Current Liabilities	1.0	1.0	1.2	1.0	2.2	2.0
Noncurrent Liabilities	22.6	26.2	0.0	0.0	22.6	26.2
Total Liabilities	<u>23.6</u>	<u>27.2</u>	<u>1.2</u>	<u>1.0</u>	<u>24.8</u>	<u>28.2</u>
Deferred Inflows of Resources	12.6	5.3	0.0	0.0	12.6	5.3
Net Position:						
Invested in Capital Assets, Net of Debt	22.1	23.2	11.7	11.5	33.8	34.7
Restricted	0.0	0.0	2.7	3.0	2.7	3.0
Unrestricted	-5.9	-6.3	2.6	2.5	-3.3	-3.8
Total Net Position	<u>16.2</u>	<u>16.9</u>	<u>17.0</u>	<u>17.0</u>	<u>33.2</u>	<u>33.9</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$52.4</u>	<u>\$49.4</u>	<u>\$18.2</u>	<u>\$18.0</u>	<u>\$70.6</u>	<u>\$67.4</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 reports the 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 business-type activities, *unrestricted net position* amounts to \$2.55 million or 45.3% of the annual operating expenses for those activities. For governmental activities, the Township is reporting *unrestricted net position* of -\$5.9 million. This is mainly attributable to the difference between *deferred inflow* and *deferred outflow of resources* which will be recorded against expenses over the next six years. Information regarding deferred inflows/outflows can be found in the notes.

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program revenues:						
Charges for services	\$ 3,760,288	\$ 3,024,771	\$ 5,248,771	\$ 4,594,575	\$ 9,009,059	\$ 7,619,346
Operating grants	997,921	987,295	-	-	997,921	987,295
Capital grants	129,950	146,838	-	-	129,950	146,838
General revenues:						
Earned income tax	7,088,672	7,015,402	-	-	7,088,672	7,015,402
Real estate tax	3,567,438	3,552,925	-	-	3,567,438	3,552,925
Business taxes	6,996,046	6,555,376	-	-	6,996,046	6,555,376
Real estate transfer tax	1,092,466	657,489	-	-	1,092,466	657,489
Local services tax	1,177,407	1,168,845	-	-	1,177,407	1,168,845
Solid waste disposal tax	1,282,006	1,177,194	-	-	1,282,006	1,177,194
Other taxes	95,620	27,756	-	-	95,620	27,756
Unrestricted grants	-	-	-	-	-	-
Other general revenues	670,272	644,636	88,418	49,250	758,690	693,886
Total revenues	26,858,086	24,958,527	5,337,189	4,643,825	32,195,275	29,602,352
Program expenses						
General government	3,061,252	3,117,894	-	-	3,061,252	3,117,894
Public safety	10,103,125	10,669,840	-	-	10,103,125	10,669,840
Public works	4,336,946	4,301,888	-	-	4,336,946	4,301,888
Culture and recreation	1,222,469	1,321,284	-	-	1,222,469	1,321,284
Employee Benefits	8,512,376	7,614,924	-	-	8,512,376	7,614,924
Interest on debt	-	-	-	-	-	-
Sewer	-	-	2,917,068	2,760,124	2,917,068	2,760,124
Ply Community Center	-	-	2,719,912	2,630,356	2,719,912	2,630,356
Total expenses	27,236,168	27,025,830	5,636,980	5,390,480	32,873,148	32,416,310
Excess before transfers	(378,082)	(2,067,303)	(299,791)	(746,655)	(677,873)	(2,813,958)
Transfers	(272,669)	299,655	272,669	(299,655)	-	-
Increase (decrease) in net position	(650,751)	(1,767,648)	(27,122)	(1,046,310)	(677,873)	(2,813,958)

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis

Governmental Activities

For governmental activities, there was a \$650,751 decrease in net position during fiscal 2018. This is attributable to several factors. Depreciation expense recognized for governmental activities exceeded capital expenditures by \$1.3 million. Net assets were also decreased by a Governmental Funds increase in the liabilities for post-retirement health care and pension costs of \$832,362.

The cost of all governmental activities this year was \$27.2 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 \$22.3 million because some of the cost was paid by those who directly benefited from the programs (\$3.7 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 \$4.8 million in fiscal 2018. 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	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General government	\$3,061,252	\$3,117,894	\$1,825,559	\$1,907,002
Public safety	10,103,125	10,669,840	8,873,021	9,513,009
Public works	4,336,946	4,301,888	2,901,250	3,490,787
Culture and recreation	1,222,469	1,321,284	961,883	1,061,560
Employee benefits	8,512,376	7,614,924	7,786,296	6,894,568
Totals	<u>\$27,236,168</u>	<u>\$27,025,830</u>	<u>\$22,348,009</u>	<u>\$22,866,926</u>

Business Activities

For business-type activities, net position decreased during fiscal 2018 by \$27,122. The financial objective of the Township's business activities is that services are priced to cover costs. However, combined expenditures for sewer and Community center activities were slightly more than revenue partially due to setting rates that are not intended to recapture depreciation. Overall, business-type activities generated revenue of approximately \$5.2 million and expenses of approximately \$5.6 million. There were other miscellaneous amounts recorded for interest income and fund transfers which resulted in net additional revenue of \$361,087.

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 \$21.9 million which is an increase of \$1.4 million from last year's total of \$20.5 million. As noted on page 17, the General Fund, Highway Aid Fund and Health and Welfare Fund reported increases in fund balance of \$1.4 million, \$65,486 and \$160,430, respectively. The fund balance of the Capital Reserve Fund decreased by \$307,927.

General Fund Budgetary Highlights

The 2018 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 2018 with a budgetary fund balance of approximately \$10.3 million of which \$8.3 million was in the form of cash or liquid investments (page 16). Taxes Receivable of \$2.7 million make up most of the remaining balance of General Fund assets.

There were some significant variations between budgeted and actual amounts for 2018. 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 \$1.52 million. 'Business Privilege Tax' collections were \$466,818 more than budgeted because of higher than anticipated growth in the service sector of the local Township economy. 'Mercantile Tax' collections were \$230,772 less than budgeted due to slower than anticipated growth in the retail sector. 'Real Estate Transfer Tax' was \$592,466 more than budgeted due to the sale of several large commercial properties in the Township. 'Solid Waste Disposal Tax' was \$167,006 more than budgeted because of an increase in the volume of solid waste being hauled and processed by local waste processors. 'Interest Income' was \$143,411 more than budgeted due to a significant increase in short term interest rates. Actual 'Miscellaneous' revenue was \$106,091 more than budgeted primarily due to a legal settlement and a reimbursement from the health insurance carrier. There were some other positive and negative revenue variances, none of which exceeded \$100,000.

Overall, actual expenditures in 2018 for the General Fund were \$360,382 less than the original budget. Under 'Police Protection', expenditures were \$292,830 less than budgeted due to temporarily unfilled positions and underspending in numerous other budget categories. Under 'Highway Services', expenditures were \$130,668 less than budgeted due to a drop in the cost of electricity and repairs for street lights. Under 'Parks and Recreation', expenditures were \$216,330 less than budgeted because money budgeted for expected repairs and maintenance at Harriet Wetherill Park was not needed. '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. 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 2018, the Township had \$34 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 2018 net asset amount represents a net decrease of \$1.1 million, or 3.1%, 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</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	1.1	6.4	6.7	7.5	7.8
Improvements	4.3	4.3	1.3	0.7	5.6	5.0
Machinery and equipment	2.3	2.4	0.2	0.2	2.5	2.6
Infrastructure	9.6	10.8	2.8	3.0	12.5	13.8
Totals	<u>\$22.3</u>	<u>\$23.6</u>	<u>\$11.6</u>	<u>\$11.5</u>	<u>\$34.0</u>	<u>\$35.1</u>

The Township expended \$1,613,431 to acquire and construct capital assets during 2018. 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 2019 capital budget calls for \$6.29 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, 2018, 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 \$326,080.

The Township has recorded a liability in the Statement of Net Position for other postemployment benefits in the amount of \$17,993,728. This is an actuarially calculated number representing the difference between the Other Post Employment Benefit (OPEB) Liability and the assets dedicated to fund that liability. As of December 31, 2018, the total accrued liability for OPEB was \$39,983,673 and the market value of assets in the Post-Retirement Health Care Trust Fund was \$21,989,945. In 2018, the Township made a contribution of \$660,476 toward the cost of postemployment healthcare benefits for retirees.

The Township has also recorded a liability of \$4,108,411 in the Statement of Net Position for unfunded pension liabilities as calculated in the 2018 actuarial reports.

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

ECONOMIC FACTORS AND THE 2019 BUDGETS AND RATES

The Township's elected and appointed officials considered many factors when setting the fiscal year 2019 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 2019 from historically low levels.

These indicators were taken into account when adopting the General Fund budget for 2019. Overall, General Fund revenue was estimated at \$24.9 million, which represents a \$837,356 increase from the amount budgeted for 2018. 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 \$200,000 for 2019. Business tax collections were anticipated to increase moderately. The budget estimate for Mercantile and Business Privilege tax revenue for 2019 was increased by \$240,000 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 2019 reflects this. Revenue from all other revenue sources for 2019 is expected to be roughly the same as amounts budgeted in 2018.

Budgeted General Fund expenditures for 2019 increased by \$650,432 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 2019 budget.

PLYMOUTH TOWNSHIP
Management's Discussion and Analysis

As for the Township's business-type activities, we expect that the 2019 results will be consistent with the prior years. For the Sewer Fund, it is anticipated that there may be a moderate rate increase in 2019 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, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 774,996	\$ 1,785,010	\$ 2,560,006	\$ 1,297,525
Equity in Pooled Cash and Investments	19,189,886	3,901,734	23,091,620	18,360
Investments	-	-	-	1,889,636
Accrued Interest	118,908	22,705	141,613	-
Taxes Receivable	2,712,842	-	2,712,842	-
Other Receivables	187,987	761,577	949,564	-
Other Current Assets	25,222	-	25,222	-
Total Current Assets	<u>23,009,841</u>	<u>6,471,026</u>	<u>29,480,867</u>	<u>3,205,521</u>
Noncurrent Assets:				
Capital Assets:				
Land and Improvements (Non Depreciable)	4,997,032	930,002	5,927,034	140,001
Deposit on Capital Assets	-	-	-	884,637
Other Capital Assets, Net of Depreciation	17,395,614	10,758,077	28,153,691	3,578,660
Total Capital Assets	<u>22,392,646</u>	<u>11,688,079</u>	<u>34,080,725</u>	<u>4,603,298</u>
Total Assets	<u>45,402,487</u>	<u>18,159,105</u>	<u>63,561,592</u>	<u>7,808,819</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	4,781,682	-	4,781,682	-
Other Post-Employment Benefits	2,258,133	-	2,258,133	-
Total Deferred Outflows of Resources	<u>7,039,815</u>	<u>-</u>	<u>7,039,815</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 52,442,302</u>	<u>\$ 18,159,105</u>	<u>\$ 70,601,407</u>	<u>\$ 7,808,819</u>
LIABILITIES				
Current Liabilities:				
Deficit in Equity in Pooled Cash and Investments	\$ -	\$ 427,120	\$ 427,120	\$ -
Accounts Payable and Accrued Expenses	759,454	633,224	1,392,678	-
Payroll Taxes	-	-	-	5,567
Unearned Revenue	75,000	113,000	188,000	-
Promissory Note Payable	159,856	-	159,856	33,952
Total Current Liabilities	<u>994,310</u>	<u>1,173,344</u>	<u>2,167,654</u>	<u>39,519</u>
Noncurrent Liabilities:				
Promissory Note Payable	159,855	-	159,855	611,680
Liability for Compensated Absences	326,080	-	326,080	-
Net Other Post-Employment Benefits Liability	17,993,728	-	17,993,728	-
Net Pension Liabilities	4,108,411	-	4,108,411	-
Total Noncurrent Liabilities	<u>22,588,074</u>	<u>-</u>	<u>22,588,074</u>	<u>611,680</u>
Total Liabilities	<u>23,582,384</u>	<u>1,173,344</u>	<u>24,755,728</u>	<u>651,199</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions	1,967,255	-	1,967,255	-
Other Post-Employment Benefits	10,671,689	-	10,671,689	-
Total Deferred Inflows of Resources	<u>12,638,944</u>	<u>-</u>	<u>12,638,944</u>	<u>-</u>
NET POSITION				
Invested in Capital Assets, Net of Related Debt	22,072,935	11,688,079	33,761,014	3,957,666
Restricted	-	2,743,020	2,743,020	-
Unrestricted	(5,851,961)	2,554,662	(3,297,299)	3,199,954
Total Net Position	<u>16,220,974</u>	<u>16,985,761</u>	<u>33,206,735</u>	<u>7,157,620</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 52,442,302</u>	<u>\$ 18,159,105</u>	<u>\$ 70,601,407</u>	<u>\$ 7,808,819</u>

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

PLYMOUTH TOWNSHIP
Statement of Activities
For the Year Ended December 31, 2018

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	\$ 3,061,252	\$ 1,235,693	\$ -	\$ -	\$ (1,825,559)		\$ (1,825,559)	
Public Safety	10,103,125	1,084,338	145,766	-	(8,873,021)		(8,873,021)	
Public Works	4,336,946	1,179,671	126,075	129,950	(2,901,250)		(2,901,250)	
Culture and Recreation	1,222,469	260,586	-	-	(961,883)		(961,883)	
Employee Benefits	8,512,376	-	726,080	-	(7,786,296)		(7,786,296)	
Total Governmental Activities	<u>27,236,168</u>	<u>3,760,288</u>	<u>997,921</u>	<u>129,950</u>	<u>(22,348,009)</u>		<u>(22,348,009)</u>	
Business-type Activities:								
Sewer	2,917,068	3,304,070	-	-	-	\$ 387,002	387,002	
Greater Plymouth Community Center	2,719,912	1,944,701	-	-	-	(775,211)	(775,211)	
Total Business-type Activities	<u>5,636,980</u>	<u>5,248,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(388,209)</u>	<u>(388,209)</u>	
Total Primary Government	<u>\$ 32,873,148</u>	<u>\$ 9,009,059</u>	<u>\$ 997,921</u>	<u>\$ 129,950</u>	<u>(22,348,009)</u>	<u>(388,209)</u>	<u>(22,736,218)</u>	
COMPONENT UNITS:								
Fire Companies	\$ 1,133,561	\$ 26,020	\$ 1,238,315	\$ -				\$ 130,774
Non-Profit Entity	538	-	1,549	-				1,011
Total Component Units	<u>\$ 1,134,099</u>	<u>\$ 26,020</u>	<u>\$ 1,239,864</u>	<u>\$ -</u>				<u>131,785</u>
General Revenues:								
Taxes:								
Earned Income Tax					7,088,672	-	7,088,672	-
Real Estate Taxes					2,744,937	-	2,744,937	-
Fire Services Fee					822,501	-	822,501	-
Business Privilege Taxes					4,616,818	-	4,616,818	-
Mercantile Taxes					2,379,228	-	2,379,228	-
Real Estate Transfer Taxes					1,092,466	-	1,092,466	-
Local Services Tax					1,177,407	-	1,177,407	-
Solid Waste Disposal Tax					1,282,006	-	1,282,006	-
Other Taxes					95,620	-	95,620	-
Grants and Contributions Not Restricted to Specific Programs					15,000	-	15,000	-
Unrestricted Investment Earnings					372,657	88,418	461,075	(84,263)
Gain on Sale of Equipment					-	-	-	54,668
Miscellaneous					282,615	-	282,615	50,413
Transfers					(272,669)	272,669	-	-
Total General Revenues and Transfers					<u>21,697,258</u>	<u>361,087</u>	<u>22,058,345</u>	<u>20,818</u>
Change in Net Position					(650,751)	(27,122)	(677,873)	152,603
Net Position - Beginning of Year (As Restated)					<u>16,871,725</u>	<u>17,012,883</u>	<u>33,884,608</u>	<u>7,005,017</u>
Net Position - End of Year					<u>\$ 16,220,974</u>	<u>\$ 16,985,761</u>	<u>\$ 33,206,735</u>	<u>\$ 7,157,620</u>

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

PLYMOUTH TOWNSHIP
Balance Sheet
Governmental Funds
December 31, 2018

	<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	\$ 733,260	\$ 8,102	\$ 2,909	\$ 30,725	\$ 774,996
Equity in Pooled Cash and Investments	7,610,727	10,213,361	236,673	1,129,125	19,189,886
Accrued Interest	57,576	29,604	-	-	87,180
Taxes Receivable	2,712,842	-	-	-	2,712,842
Other Receivables	187,987	-	-	-	187,987
Other Current Assets	-	-	-	25,222	25,222
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 11,302,392</u>	<u>\$ 10,251,067</u>	<u>\$ 239,582</u>	<u>\$ 1,185,072</u>	<u>\$ 22,978,113</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Expenses	\$ 737,862	\$ 14,590	\$ -	\$ 7,002	\$ 759,454
Unearned Revenue	-	75,000	-	-	75,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>737,862</u>	<u>89,590</u>	<u>-</u>	<u>7,002</u>	<u>834,454</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Tax Revenues	218,329	-	-	-	218,329
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	<u>218,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,329</u>
FUND BALANCES					
Non-spendable	-	-	-	25,222	25,222
Restricted	-	4,008,958	239,582	-	4,248,540
Assigned	231,180	6,152,519	-	1,152,848	7,536,547
Unassigned	10,115,021	-	-	-	10,115,021
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>10,346,201</u>	<u>10,161,477</u>	<u>239,582</u>	<u>1,178,070</u>	<u>21,925,330</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,302,392</u>	<u>\$ 10,251,067</u>	<u>\$ 239,582</u>	<u>\$ 1,185,072</u>	<u>\$ 22,978,113</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, 2018

	<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	\$ 7,117,406	\$ -	\$ -	\$ -	\$ 7,117,406
Real Estate Taxes	2,744,937	-	-	-	2,744,937
Fire Services Fee	822,501	-	-	-	822,501
Business Privilege Taxes	4,616,818	-	-	-	4,616,818
Mercantile Taxes	2,379,228	-	-	-	2,379,228
Real Estate Transfer Taxes	1,092,466	-	-	-	1,092,466
Local Services Tax	1,177,407	-	-	-	1,177,407
Solid Waste Disposal Tax	1,282,006	-	-	-	1,282,006
Other Taxes	95,620	-	-	-	95,620
Licenses and Permits	1,472,390	-	-	-	1,472,390
Fines and Forfeits	186,232	-	-	-	186,232
Interest Income and Investment Earnings	208,411	158,994	4,760	406	372,571
Rental Income	-	25,000	-	-	25,000
Intergovernmental	1,012,921	129,950	478,926	-	1,621,797
Charges for Services	903,984	-	-	-	903,984
Assessments and Fees	-	693,756	-	-	693,756
Miscellaneous	234,091	-	-	-	234,091
Total Revenues	<u>25,346,418</u>	<u>1,007,700</u>	<u>483,686</u>	<u>406</u>	<u>26,838,210</u>
EXPENDITURES					
General Government	2,587,609	349,653	-	-	2,937,262
Public Safety	9,760,133	400,000	-	-	10,160,133
Public Works	2,103,543	549,428	418,200	-	3,071,171
Culture and Recreation	1,177,401	64,079	-	-	1,241,480
Employee Benefits	3,431,838	-	-	4,248,176	7,680,014
Debt Service	-	111,332	-	-	111,332
Total Expenditures	<u>19,060,524</u>	<u>1,474,492</u>	<u>418,200</u>	<u>4,248,176</u>	<u>25,201,392</u>
Excess of Revenues Over (Under) Expenditures	<u>6,285,894</u>	<u>(466,792)</u>	<u>65,486</u>	<u>(4,247,770)</u>	<u>1,636,818</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	268,466	790,000	-	4,408,200	5,466,666
Transfers Out	<u>(5,108,200)</u>	<u>(631,135)</u>	<u>-</u>	<u>-</u>	<u>(5,739,335)</u>
Total Other Financing Sources and (Uses)	<u>(4,839,734)</u>	<u>158,865</u>	<u>-</u>	<u>4,408,200</u>	<u>(272,669)</u>
Net Change in Fund Balances	1,446,160	(307,927)	65,486	160,430	1,364,149
Fund Balances - Beginning 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>
Fund Balances - End of Year	<u>\$ 10,346,201</u>	<u>\$ 10,161,477</u>	<u>\$ 239,582</u>	<u>\$ 1,178,070</u>	<u>\$ 21,925,330</u>

(Continued)

PLYMOUTH TOWNSHIP
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds (Continued)
For the Year Ended December 31, 2018

**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 \$ 1,364,149

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	982,296
Depreciation Expense	(2,286,417)

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	159,856
Liability for Compensated Absences	(9,625)
Net Other Post-employment Benefits Liability, Net of Related Deferred Outflows and Deferred Inflows	(721,129)
Net Pension Liability, Net of Related Deferred Outflows and Deferred Inflows	(111,233)

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. 86

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. (28,734)

Change in Net Position of Governmental Activities	<u><u>\$ (650,751)</u></u>
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The accompanying notes are an integral part of these financial statements.

PLYMOUTH TOWNSHIP
Budgetary Comparison Statement - General Fund
For the Year Ended December 31, 2018

	Original and Final <u>Budget</u>	Actual <u>Amounts</u>	Favorable (Unfavorable) <u>Variance</u>
Revenue and Other Financing Sources:			
Earned Income Tax	\$ 7,100,000	\$ 7,117,406	\$ 17,406
Real Estate Taxes	2,687,000	2,744,937	57,937
Fire Services Fee	820,000	822,501	2,501
Business Privilege Taxes	4,150,000	4,616,818	466,818
Mercantile Taxes	2,610,000	2,379,228	(230,772)
Real Estate Transfer Taxes	500,000	1,092,466	592,466
Local Services Tax	1,200,000	1,177,407	(22,593)
Solid Waste Disposal Tax	1,115,000	1,282,006	167,006
Other Taxes	35,500	95,620	60,120
Licenses and Permits	1,378,250	1,472,390	94,140
Fines and Forfeits	175,900	186,232	10,332
Interest Income	65,000	208,411	143,411
Intergovernmental	953,439	1,012,921	59,482
Charges for Services	906,227	903,984	(2,243)
Miscellaneous	128,000	234,091	106,091
Transfers from Other Funds	268,466	268,466	-
	<u>24,092,782</u>	<u>25,614,884</u>	<u>1,522,102</u>
Expenditures and Other Financing Uses:			
General Government:			
Manager's Office	606,995	554,970	52,025
Administration	1,303,461	1,234,380	69,081
Tax Collection	211,165	189,675	21,490
Township Building	301,934	299,862	2,072
Reimbursable Costs	290,000	308,722	(18,722)
Public Safety:			
Police Protection	7,881,265	7,588,435	292,830
Fire Protection	1,189,735	1,170,820	18,915
Zoning	135,391	121,598	13,793
Building	694,636	745,840	(51,204)
Code Enforcement	157,219	133,440	23,779
Public Works:			
Sanitation	1,084,284	1,084,560	(276)
Administration	411,525	369,526	41,999
Street Maintenance	106,400	112,503	(6,103)
Highway Services	313,500	182,832	130,668
Equipment Maintenance and Purchases	328,250	354,122	(25,872)
Culture and Recreation:			
Buildings and Grounds	755,378	707,858	47,520
Parks and Recreation	685,873	469,543	216,330
Employee Benefits	3,463,895	3,431,838	32,057
Transfers to Other Funds	4,608,200	5,108,200	(500,000)
	<u>24,529,106</u>	<u>24,168,724</u>	<u>360,382</u>
Net Change in Fund Balance	(436,324)	1,446,160	1,882,484
Fund Balance - Beginning of Year	<u>8,900,000</u>	<u>8,900,041</u>	<u>41</u>
Fund Balance - End of Year	<u>\$ 8,463,676</u>	<u>\$ 10,346,201</u>	<u>\$ 1,882,525</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, 2018

	Original and Final <u>Budget</u>	Actual <u>Amounts</u>	Favorable (Unfavorable) <u>Variance</u>
Revenue and Other Financing Sources:			
Interest Income	\$ 96,000	\$ 158,994	\$ 62,994
Rental Income	-	25,000	25,000
Intergovernmental	400,000	129,950	(270,050)
Assessments and Fees	755,000	693,756	(61,244)
Transfers from Other Funds	<u>590,000</u>	<u>790,000</u>	<u>200,000</u>
Total Revenue and Other Financing Sources	<u>1,841,000</u>	<u>1,797,700</u>	<u>(43,300)</u>
Expenditures and Other Financing Uses:			
General Government	1,664,000	349,653	1,314,347
Public Safety:			
Police Protection	93,676	-	93,676
Fire Protection	-	400,000	(400,000)
Public Works:			
Traffic Control Devices	2,488,000	94,209	2,393,791
Highways, Roads, and Streets	-	455,219	(455,219)
Culture and Recreation:			
Parks and Recreation	100,000	40,997	59,003
Other	-	23,082	(23,082)
Debt Service	-	111,332	(111,332)
Transfers to Other Funds	<u>-</u>	<u>631,135</u>	<u>(631,135)</u>
Total Expenditures and Other Financing Uses	<u>4,345,676</u>	<u>2,105,627</u>	<u>2,240,049</u>
Net Change in Fund Balance	(2,504,676)	(307,927)	2,196,749
Fund Balance - Beginning of Year	<u>12,550,000</u>	<u>10,469,404</u>	<u>(2,080,596)</u>
Fund Balance - End of Year	<u><u>\$ 10,045,324</u></u>	<u><u>\$ 10,161,477</u></u>	<u><u>\$ 116,153</u></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, 2018

	Original and Final <u>Budget</u>	Actual <u>Amounts</u>	Favorable (Unfavorable) <u>Variance</u>
Revenue:			
Interest Income	\$ 2,750	\$ 4,760	\$ 2,010
Intergovernmental	<u>471,398</u>	<u>478,926</u>	<u>7,528</u>
Total Revenue	<u>474,148</u>	<u>483,686</u>	<u>9,538</u>
Expenditures:			
Public Works - Highways, Roads, and Streets	<u>462,589</u>	<u>418,200</u>	<u>44,389</u>
Total Expenditures	<u>462,589</u>	<u>418,200</u>	<u>44,389</u>
Net Change in Fund Balance	11,559	65,486	53,927
Fund Balance - Beginning of Year	<u>240,000</u>	<u>174,096</u>	<u>(65,904)</u>
Fund Balance - End of Year	<u><u>\$ 251,559</u></u>	<u><u>\$ 239,582</u></u>	<u><u>\$ (11,977)</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, 2018

	Original and Final <u>Budget</u>	Actual <u>Amounts</u>	Favorable (Unfavorable) <u>Variance</u>
Revenue and Other Financing Sources:			
Investment Earnings	\$ 300	\$ 406	\$ 106
Transfers from Other Funds	<u>4,408,200</u>	<u>4,408,200</u>	<u>-</u>
Total Revenue and Other Financing Sources	<u>4,408,500</u>	<u>4,408,606</u>	<u>106</u>
Expenditures:			
Employee Benefits	<u>4,508,500</u>	<u>4,248,176</u>	<u>260,324</u>
Total Expenditures	<u>4,508,500</u>	<u>4,248,176</u>	<u>260,324</u>
Net Change in Fund Balance	(100,000)	160,430	260,430
Fund Balance - Beginning of Year	<u>664,254</u>	<u>1,017,640</u>	<u>353,386</u>
Fund Balance - End of Year	<u><u>\$ 564,254</u></u>	<u><u>\$ 1,178,070</u></u>	<u><u>\$ 613,816</u></u>

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

PLYMOUTH TOWNSHIP
Statement of Net Position
Proprietary Funds
December 31, 2018

	Enterprise Funds		
	<u>Sewer Revenue and Reserve</u>	<u>Greater Plymouth Community Center</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 821,763	\$ 963,247	\$ 1,785,010
Equity in Pooled Cash and Investments	3,901,734	-	3,901,734
Accrued Interest	18,574	4,131	22,705
Sewer Rents Receivable	761,577	-	761,577
Total Current Assets	5,503,648	967,378	6,471,026
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	12,080,374	12,988,624
Less Accumulated Depreciation	(4,424,565)	(4,779,787)	(9,204,352)
Total Noncurrent Assets	3,457,492	8,230,587	11,688,079
Total Assets	\$ 8,961,140	\$ 9,197,965	\$ 18,159,105
LIABILITIES AND NET POSITION			
LIABILITIES			
Current Liabilities:			
Deficit in Equity in Pooled Cash and Investments	\$ -	\$ 427,120	\$ 427,120
Accounts Payable and Accrued Expenses	499,756	133,468	633,224
Unearned Revenue	-	113,000	113,000
Total (Current) Liabilities	499,756	673,588	1,173,344
NET POSITION			
Invested in Capital Assets	3,457,492	8,230,587	11,688,079
Restricted	2,743,020	-	2,743,020
Unrestricted	2,260,872	293,790	2,554,662
Total Net Position	8,461,384	8,524,377	16,985,761
Total Liabilities and Net Position	\$ 8,961,140	\$ 9,197,965	\$ 18,159,105

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, 2018

	Enterprise Funds		<u>Totals</u>
	<u>Sewer Revenue and Reserve</u>	<u>Greater Plymouth Community Center</u>	
OPERATING REVENUES			
Charges for Services	\$ 3,256,526	\$ 1,944,701	\$ 5,201,227
Special Assessments	47,544	-	47,544
Total Operating Revenues	<u>3,304,070</u>	<u>1,944,701</u>	<u>5,248,771</u>
OPERATING EXPENSES			
Sewage Collection and Treatment	2,801,190	-	2,801,190
Culture and Recreation	-	2,408,411	2,408,411
Depreciation	115,878	311,501	427,379
Total Operating Expenses	<u>2,917,068</u>	<u>2,719,912</u>	<u>5,636,980</u>
Operating Income (Loss)	<u>387,002</u>	<u>(775,211)</u>	<u>(388,209)</u>
NON-OPERATING REVENUES			
Interest Income	71,654	16,764	88,418
Income (Loss) Before Transfers	458,656	(758,447)	(299,791)
TRANSFERS IN	-	631,135	631,135
TRANSFERS OUT	<u>(268,466)</u>	<u>(90,000)</u>	<u>(358,466)</u>
Change in Net Position	190,190	(217,312)	(27,122)
Total Net Position - Beginning of Year	<u>8,271,194</u>	<u>8,741,689</u>	<u>17,012,883</u>
Total Net Position - End of Year	<u>\$ 8,461,384</u>	<u>\$ 8,524,377</u>	<u>\$ 16,985,761</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, 2018

	Enterprise Funds		
	Sewer Revenue and Reserve	Greater Plymouth Community Center	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 3,278,540	\$ 1,950,701	\$ 5,229,241
Payments to Suppliers	(2,737,874)	(537,231)	(3,275,105)
Payments to Employees	(39,806)	(1,786,043)	(1,825,849)
	500,860	(372,573)	128,287
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Contributions from Governmental Funds	-	631,135	631,135
Operating Transfers Out	(268,466)	(90,000)	(358,466)
	(268,466)	541,135	272,669
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	-	(631,135)	(631,135)
	-	(631,135)	(631,135)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	71,394	13,441	84,835
	71,394	13,441	84,835
Net Increase (Decrease) in Cash, Cash Equivalents, and Equity in Pooled Cash and Investments	303,788	(449,132)	(145,344)
Cash, Cash Equivalents, and Equity in Pooled Cash and Investments:			
Beginning of Year	4,419,709	985,259	5,404,968
End of Year	\$ 4,723,497	\$ 536,127	\$ 5,259,624
Cash and Cash Equivalents	\$ 821,763	\$ 963,247	\$ 1,785,010
Equity in Pooled Cash and Investments	3,901,734	-	3,901,734
Deficit in Equity in Pooled Cash and Investments	-	(427,120)	(427,120)
	\$ 4,723,497	\$ 536,127	\$ 5,259,624
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 387,002	\$ (775,211)	\$ (388,209)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	115,878	311,501	427,379
Change in Assets and Liabilities:			
Sewer Rents Receivable	(25,530)	-	(25,530)
Interfund Receivables and Payables	-	75,501	75,501
Accounts Payable and Accrued Expenses	23,510	9,636	33,146
Unearned Revenue	-	6,000	6,000
	\$ 500,860	\$ (372,573)	\$ 128,287

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

PLYMOUTH TOWNSHIP
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2018

	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	\$ 676,598	\$ 928,066	\$ 453,896	\$ 448,549	\$ 1,679,563	\$ 328,076
Equity in Pooled Cash and Investments	-	-	-	-	-	450,000
Accrued Interest Receivable	1,248	-	843	826	-	-
Investments, at Fair Value:						
Mutual Funds	<u>38,102,152</u>	<u>544,079</u>	<u>23,919,016</u>	<u>21,540,570</u>	<u>6,295,903</u>	<u>-</u>
Total Assets	<u>\$ 38,779,998</u>	<u>\$ 1,472,145</u>	<u>\$ 24,373,755</u>	<u>\$ 21,989,945</u>	<u>\$ 7,975,466</u>	<u>\$ 778,076</u>
LIABILITIES						
Returnable Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 696,692
Payroll Withholdings	-	-	-	-	-	44,296
Due to Other Governments	-	-	-	-	-	32,768
Taxes Held in Protest	-	-	-	-	-	4,320
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 778,076</u>
NET POSITION						
Restricted for Pension Benefits	38,779,998	1,472,145	24,373,755	-	-	
Restricted for Deferred Compensation Benefits	-	-	-	-	7,975,466	
Held in Trust for Post-retirement Benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,989,945</u>	<u>-</u>	
Held in Trust for Employees	<u>\$ 38,779,998</u>	<u>\$ 1,472,145</u>	<u>\$ 24,373,755</u>	<u>\$ 21,989,945</u>	<u>\$ 7,975,466</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, 2018

	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	\$ 374,751	\$ -	\$ 351,329	\$ -	\$ -
Township	1,203,135	-	604,680	660,476	-
Plan Members	158,633	412,767	1,769	-	495,050
Total Contributions	<u>1,736,519</u>	<u>412,767</u>	<u>957,778</u>	<u>\$ 660,476</u>	<u>495,050</u>
Investment Earnings:					
Net (Decrease) in Fair Value of Investments, including Realized Gains and Losses	(3,164,480)	(18,037)	(1,982,038)	(1,771,494)	(407,096)
Interest and Dividends	1,004,032	-	629,988	574,252	-
Total Investment Earnings	<u>(2,160,448)</u>	<u>(18,037)</u>	<u>(1,352,050)</u>	<u>(1,197,242)</u>	<u>(407,096)</u>
Other Additions	-	-	-	-	-
Total Additions	<u>(423,929)</u>	<u>394,730</u>	<u>(394,272)</u>	<u>(536,766)</u>	<u>87,954</u>
DEDUCTIONS					
Benefits	1,484,699	766,676	697,872	660,476	509,790
Administrative Expenses	127,966	-	83,842	66,330	113
Total Deductions	<u>1,612,665</u>	<u>766,676</u>	<u>781,714</u>	<u>726,806</u>	<u>509,903</u>
Change in Net Position	(2,036,594)	(371,946)	(1,175,986)	(1,263,572)	(421,949)
Net Position - Beginning 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>
Net Position - End of Year	<u><u>\$ 38,779,998</u></u>	<u><u>\$ 1,472,145</u></u>	<u><u>\$ 24,373,755</u></u>	<u><u>\$ 21,989,945</u></u>	<u><u>\$ 7,975,466</u></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 GAAP. 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, 2018 is as follows:

Total Assets	\$ 26,107,774
Total Net Position	6,147,796
Total Operating Revenues	3,308,460

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, 2018, 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. Only Plymouth Township Council has the power to assign fund balances.
- 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 2018 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 2018 was as follows:

February 15, 2018	- Levy Date
February 15 - April 15, 2018	- 2% Discount Period
April 16 - June 15, 2018	- Face Payment Period
June 16 - January 14, 2018	- 10% Penalty Period
January 15, 2019	- 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 August 30, 2019, 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, 2018, 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 Pennsylvania Local Government	\$ 7,848,768	\$ 8,144,700	\$ 500,000	\$ 7,644,700
Investment Trust (PLGIT)	3,340,035	3,340,578	-	3,340,578
Petty Cash	450	-	-	-
Total	<u>\$ 11,189,253</u>	<u>\$ 11,485,278</u>	<u>\$ 500,000</u>	<u>\$ 10,985,278</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 \$1,315,885 and the bank balance is \$1,333,555. Bank deposits totaling \$744,371 are covered by federal depository insurance, and deposits totaling \$589,184 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 Term	\$ -	\$ -	\$ 19,000,000	\$ 19,000,000	\$ 19,000,000
Mutual Funds	-	-	90,401,720	90,401,720	90,401,720
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,401,720</u>	<u>\$ 109,401,720</u>	<u>\$ 109,401,720</u>
Harmonville Fire Company (Component Unit):					
Mutual Funds	\$ -	\$ -	\$ 1,889,636	\$ 1,889,636	\$ 1,889,636
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,889,636</u>	<u>\$ 1,889,636</u>	<u>\$ 1,889,636</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 \$14,333,283 as of December 31, 2018, had the following credit quality ratings:

	Market Value 12/31/18	Credit Quality Distribution - Standard & Poor's / Moody's				
		AAA/ Aaa	AA/ Aa	A/ A	BBB/ Baa	Other
		Baird Core Plus Bond Fund	\$ 4,161,916	43.1%	4.5%	18.3%
Doubleline Core Fixed Income Fund	4,145,866	44.8%	1.9%	14.7%	16.3%	22.3%
PGIM Total Return Bond Fund	2,880,008	39.9%	6.7%	14.5%	19.4%	19.5%
Vanguard Intermediate Term Investment Grade Fund Admiral Shares	2,168,152	27.3%	10.5%	39.2%	19.8%	3.2%
Vanguard High Yield Corporate Fund	<u>977,341</u>	<u>2.5%</u>	<u>3.4%</u>	<u>44.8%</u>	<u>39.1%</u>	<u>10.2%</u>
Total Fixed Income Investments - Police Pension Trust Fund	<u>\$ 14,333,283</u>					

The fixed income investments of the Non-Uniformed Employees' Pension Trust Fund, totaling \$9,000,195 as of December 31, 2018, had the following credit quality ratings:

	Market Value 12/31/18	Credit Quality Distribution - Standard & Poor's / Moody's				
		AAA/ Aaa	AA/ Aa	A/ A	BBB/ Baa	Other
		Baird Core Plus Bond Fund	\$ 2,616,163	43.1%	4.5%	18.3%
Doubleline Core Fixed Income Fund	2,601,386	44.8%	1.9%	14.7%	16.3%	22.3%
PGIM Total Return Bond Fund	1,809,603	39.9%	6.7%	14.5%	19.4%	19.5%
Vanguard Intermediate Term Investment Grade Fund Admiral Shares	1,362,387	27.3%	10.5%	39.2%	19.8%	3.2%
Vanguard High Yield Corporate Fund	<u>610,656</u>	<u>2.5%</u>	<u>3.4%</u>	<u>44.8%</u>	<u>39.1%</u>	<u>10.2%</u>
Total Fixed Income Investments - Non- Uniform Employees' Pension Trust Fund	<u>\$ 9,000,195</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, 2018.

	Market Value <u>12/31/18</u>
Vanguard Total Stock Market Index Fund	\$ 14,150,352
Baird Core Plus Bond Fund	4,161,916
Doubleline Core Fixed Income Fund	4,145,866
PGIM Total Return Bond Fund	2,880,008
Vanguard Total International Stock Index Fund Admiral Shares	2,598,090
Vanguard Intermediate Term Investment Grade Fund	2,168,152
JOHCM International Select Fund	2,030,835

The investment portfolio of the Deferred Retirement Option Plan (DROP) Trust Fund consists of three mutual funds, the largest being Vantagepoint Milestone 2020 Fund, valued at \$443,006 as of December 31, 2018.

The following investments comprised at least 5% of the total plan assets of the Non-Uniform Employees' Pension Plan as of December 31, 2018.

	Market Value <u>12/31/18</u>
Vanguard Total Stock Market Index Fund	\$ 8,879,811
Baird Core Plus Bond Fund	2,616,162
Doubleline Core Fixed Income Fund	2,601,386
PGIM Total Return Bond Fund	1,809,603
Vanguard Total International Stock Index Admiral Shares	1,629,432
Vanguard Intermediate Term Investment Grade Fund	1,362,387
JOHCM International Select Fund	1,276,616

The following investments comprised at least 5% of Deferred Compensation Plan assets as of December 31, 2018.

	Market Value <u>12/31/18</u>
Vantagepoint PLUS Fund	\$ 1,679,563
Vantagepoint Broad Market Index Fund	699,024
Vantagepoint Growth Fund	659,871
Vantagepoint MP Long-Term Growth Fund	656,678
Vantagepoint Milestone 2020	654,750
Vantagepoint Milestone 2025	496,102

Summary

Cash, cash equivalents, and investments of the Township and its component units were reported as follows as of December 31, 2018:

	Governmental Activities <u>and Funds</u>	Business- type Activities <u>and Funds</u>	Fiduciary <u>Funds</u>	Total Primary <u>Government</u>	Component <u>Units</u>
Cash and Cash Equivalents	\$ 774,996	\$ 1,785,010	\$ 4,514,747	\$ 7,074,753	\$ 1,297,525
Investments	-	-	90,401,720	90,401,720	1,889,636
Equity in Pooled Cash and Investments	19,189,886	3,901,734	450,000	23,541,620	18,360
(Deficit) in Pooled Cash and Investments	<u>-</u>	<u>(427,120)</u>	<u>-</u>	<u>(427,120)</u>	<u>-</u>
Total	<u>\$ 19,964,882</u>	<u>\$ 5,259,624</u>	<u>\$ 95,366,467</u>	<u>\$ 120,590,973</u>	<u>\$ 3,205,521</u>
Total Cash and Cash Equivalents				\$ 11,189,253	\$ 1,315,885
Total Investments				<u>109,401,720</u>	<u>1,889,636</u>
Total				<u>\$ 120,590,973</u>	<u>\$ 3,205,521</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, 2018 consists of the following:

Earned Income Tax	\$2,071,157
Local Services Tax	287,463
Solid Waste Tax	334,448
Real Estate Transfer Taxes	9,566
Real Estate Taxes	<u>10,208</u>
Total	<u>\$2,712,842</u>

Presentation in Government-wide Financial Statements

Since all taxes receivable as of December 31, 2018 are deemed collectible, the entire balance of \$2,712,842 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 \$218,329.

4. OTHER RECEIVABLES

Governmental Activities and Funds

Other receivables totaling \$187,987 include the following:

Professional Services	\$ 102,805
CATV Franchise Fees	<u>85,182</u>
Total	<u><u>\$ 187,987</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 \$761,577 represent sewer rents receivable.

5. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2018 was as follows:

	Balance - <u>1/1/2018</u>	<u>Additions</u>	<u>Disposals</u>	Balance - <u>12/31/2018</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	5,058,034	188,252	-	5,246,286
Machinery and Equipment	9,107,841	403,165	(100,250)	9,410,756
Infrastructure	566,663,413	390,879	-	567,054,292
Totals at Estimated Historical Cost	<u>583,404,898</u>	<u>982,296</u>	<u>(100,250)</u>	<u>584,286,944</u>
Less Accumulated Depreciation:				
Buildings	(1,448,352)	(42,011)	-	(1,490,363)
Improvements	(717,203)	(134,561)	-	(851,764)
Machinery and Equipment	(6,704,000)	(519,270)	100,250	(7,123,020)
Infrastructure	(555,835,608)	(1,590,575)	-	(557,426,183)
Total Accumulated Depreciation	<u>(564,705,163)</u>	<u>(2,286,417)</u>	<u>100,250</u>	<u>(566,891,330)</u>
Capital Assets Being Depreciated, Net	<u>18,699,735</u>	<u>(1,304,121)</u>	<u>-</u>	<u>17,395,614</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 23,696,767</u></u>	<u><u>\$ (1,304,121)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,392,646</u></u>

	Balance - 1/1/2018	Additions	Disposals	Balance - 12/31/2018
<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	932,071	618,235	-	1,550,306
Machinery and Equipment	465,515	12,900	-	478,415
Infrastructure	6,973,804	-	-	6,973,804
Totals at Estimated Historical Cost	<u>19,331,294</u>	<u>631,135</u>	<u>-</u>	<u>19,962,429</u>
Less Accumulated Depreciation:				
Buildings	(4,282,161)	(243,553)	-	(4,525,714)
Improvements	(207,538)	(72,548)	-	(280,086)
Machinery and Equipment	(246,878)	(22,532)	-	(269,410)
Infrastructure	(4,040,396)	(88,746)	-	(4,129,142)
Total Accumulated Depreciation	<u>(8,776,973)</u>	<u>(427,379)</u>	<u>-</u>	<u>(9,204,352)</u>
Capital Assets Being Depreciated, Net	<u>10,554,321</u>	<u>203,756</u>	<u>-</u>	<u>10,758,077</u>
Business-type Activities Capital Assets, Net	<u>\$ 11,484,323</u>	<u>\$ 203,756</u>	<u>\$ -</u>	<u>\$ 11,688,079</u>

Depreciation was charged to government activities as follows:

General Government	\$ 123,990
Public Safety	173,726
Public Works	1,819,461
Culture and Recreation	169,240
Total Depreciation Expense	<u>\$ 2,286,417</u>

Capital asset activity for the discretely presented component units for the year ended December 31, 2018 was as follows:

	Balance - 1/1/2018	Additions	Disposals	Balance - 12/31/2018
<u>Harmonville Fire Company and Plymouth Fire Company:</u>				
Land	\$ 140,001	\$ -	\$ -	\$ 140,001
Buildings and Improvements	2,268,878	6,000	-	2,274,878
Machinery and Equipment	6,709,705	913,592	(533,543)	7,089,754
Deposit on Capital Assets	-	884,637	-	884,637
Totals at Historical Cost	<u>9,118,584</u>	<u>1,804,229</u>	<u>(533,543)</u>	<u>10,389,270</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,232,147)	(65,564)	-	(1,297,711)
Machinery and Equipment	(4,678,104)	(335,368)	525,211	(4,488,261)
Total Accumulated Depreciation	<u>(5,910,251)</u>	<u>(400,932)</u>	<u>525,211</u>	<u>(5,785,972)</u>
Component Unit Capital Assets, Net	<u>\$ 3,208,333</u>	<u>\$ 1,403,297</u>	<u>\$ (8,332)</u>	<u>\$ 4,603,298</u>

6. UNEARNED REVENUE

Governmental Activities and Funds

Unearned revenue of \$75,000 represents rental income collected in advance (see Note 16).

Business-type Activities and Proprietary Funds

Unearned revenue of \$113,000 represents membership fees collected by the Greater Plymouth Community Center for membership periods that extend beyond December 31, 2018.

7. DEFERRED OUTFLOWS OF RESOURCES

Government-Wide Financial Statements

Employee Pensions

As described in Note 13, as of December 31, 2018, the Township reported deferred outflows of resources totaling \$4,781,682 for the net difference between projected and actual investment earnings, the difference between expected and actual experience, and changes in assumptions related to the pension plans.

Other Post-Employment Benefits

As described in Note 15, as of December 31, 2018, the Township reported deferred outflows of resources totaling \$2,258,133 related to the difference between projected and actual earnings of investments held in the Post-Retirement Healthcare Fund that are related to the Post-Retirement Healthcare Benefit Plan.

8. DEFERRED INFLOWS OF RESOURCES

Government-Wide Financial Statements

Employee Pensions

As described in Note 13, as of December 31, 2018, the Township reported deferred inflows of resources totaling \$1,967,255 for the net difference between expected and actual experience and changes in assumptions related to the pension plans.

Other Post-Employment Benefits

As described in Note 15, as of December 31, 2018, the Township reported deferred inflows of resources totaling \$10,671,689 for differences between projected and actual earnings and differences between expected and actual experience related to other post-employment benefits.

Fund Financial Statements

Deferred inflows of resources on the Balance Sheet – Governmental Funds, totaling \$218,329 as of December 31, 2018, represent earned income taxes receivable that do not represent available spendable financial resources as of December 31, 2018.

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 Township’s 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>
2019	\$ 159,856
2020	<u>159,855</u>
Total	<u><u>\$ 319,711</u></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><u>\$ 799,278</u></u>	<u><u>\$ 799,278</u></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, 2018, there is no long-term debt attributable to business-type activities.

Component Units

Harmonville Fire Company

On October 15, 2018, Harmonville Fire Company entered into a loan contract in the total principal amount of \$300,000 for the purchase of a rescue vehicle. The loan contract calls for 15 annual payments of \$27,877, including interest of 4.47%, beginning on October 15, 2019 and ending on October 15, 2033. Harmonville Fire Company has the sole option to adjust the interest rate for contract payments 6 through 10, and 11 through 15, at a rate that is 300 basis points above the five-year U.S. Treasury Note rate. Required future payments are scheduled as follows:

<u>Year</u>	<u>Total Payment</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 27,877	\$ 14,466	\$ 13,411
2020	27,877	15,113	12,764
2021	27,877	15,789	12,088
2022	27,877	16,495	11,382
2023	27,877	17,232	10,645
2024 - 2028	139,385	98,425	40,960
2029 - 2033	139,385	122,480	16,905
Totals	<u>\$ 418,155</u>	<u>\$ 300,000</u>	<u>\$ 118,155</u>

Plymouth Fire Company

On November 15, 2017, Plymouth Fire Company entered into a loan contract in the total principal amount of \$364,450 for the purchase of a truck that was delivered in 2018. The loan contract calls for 15 annual payments of \$31,756, including interest of 3.55%, beginning on November 15, 2018 and ending on November 15, 2032. Plymouth Fire Company has the sole option to adjust the interest rate for contract payments 6 through 10, and 11 through 15, at a rate that is 250 basis points above the five-year U.S. Treasury Note rate. Required future payments are scheduled as follows:

<u>Year</u>	<u>Total Payment</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 31,756	\$ 19,486	\$ 12,270
2020	31,756	20,178	11,578
2021	31,756	20,894	10,862
2022	31,756	21,636	10,120
2023	31,756	22,404	9,352
2024 - 2028	158,780	124,530	34,250
2029 - 2032	158,780	116,504	42,276
Totals	<u>\$ 476,340</u>	<u>\$ 345,632</u>	<u>\$ 130,708</u>

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2018:

	Balance - <u>1/1/2018</u>	<u>Additions</u>	<u>Deductions</u>	Balance - <u>12/31/2018</u>	Amounts Due Within <u>One Year</u>
<u>Governmental Activities:</u>					
Promissory Note Payable	\$ 479,567	\$ -	\$ 159,856	\$ 319,711	\$ 159,856
Compensated Absences	316,455	9,625	-	326,080	-
Net Other Post-Employment Benefits Liability (As Restated)	25,686,155	-	7,692,427	17,993,728	-
Net Pension Liability	1,692,067	2,416,344	-	4,108,411	-
Total	\$28,174,244	\$ 2,425,969	\$ 7,852,283	\$22,747,930	\$ 159,856
<u>Component Units:</u>					
<i>Harmonville Fire Company</i>					
Loan Contract	\$ -	\$ 300,000	\$ -	\$ 300,000	\$ 14,466
<i>Plymouth Fire Company</i>					
Loan Contract	364,450	-	18,818	345,632	19,486
Total	\$ 364,450	\$ 300,000	\$ 18,818	\$ 645,632	\$ 33,952

10. INTERFUND TRANSFERS

Transfer from the Sewer Fund to the General Fund

During the year ended December 31, 2018, 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, 2018, 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, 2018, the Township transferred \$631,135 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	4,408,200

11. CONTRIBUTIONS TO COMPONENT UNITS

During the year ended December 31, 2018, the Township made cash donations totaling \$779,521 to Harmonville Fire Company and \$332,848 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 2018:

General Fund:	
Social Security Tax	\$ 897,943
Police Pension Contribution	1,577,886
Non-Uniformed Employee Pension Contribution	956,009
	<u>3,431,838</u>
Health and Welfare Fund:	
Medical, Life, and Disability Insurance - Current Employees	3,587,700
Other Post-Employment Benefits	660,476
	<u>4,248,176</u>
 Total Expenditures Presented in Fund Financial Statements	 7,680,014
 Other Post-employment Benefits (Note 15)	 721,129
Additional (Reduction in) Pension Expense Recognized in Accordance with GASB Statement No. 68 (Note 14):	
Police Pension Plan	(463,406)
Non-uniform Employees' Pension Plan	574,639
	<u>101,233</u>
 Total Expenses Presented in Government-Wide Financial Statements	 <u>\$ 8,512,376</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 January 1, 2019, the number of participants in each plan was as follows:

	<u>Police</u>	<u>Non-Uniformed Employees</u>
Participants:		
Active Participants	42	75
Non-active Participants	<u>39</u>	<u>58</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, 2018 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	\$ 14,333,283	\$ -	\$ 9,000,195
Mutual Funds - Balanced/Asset Allocation	-	544,079	-
Mutual Funds - Equity	<u>23,768,869</u>	<u>-</u>	<u>14,918,821</u>
Total	<u>\$ 38,102,152</u>	<u>\$ 544,079</u>	<u>\$ 23,919,016</u>

Current yields on the fixed income mutual funds range from 3.13% to 6.04%.

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, 2018.

	Market Value <u>12/31/18</u>
Vanguard Total Stock Market Index Fund	\$ 14,150,352
Baird Core Plus Bond Fund	4,161,916
Doubleline Core Fixed Income Fund	4,145,866
PGIM Total Return Bond Fund	2,880,008
Vanguard Total International Stock Index Fund Admiral Shares	2,598,090
Vanguard Intermediate Term Investment Grade Fund	2,168,152
JOHCM International Select Fund	2,030,835

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 \$443,006 as of December 31, 2018.

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, 2018.

	Market Value <u>12/31/18</u>
Vanguard Total Stock Market Index Fund	\$ 8,879,811
Baird Core Plus Bond Fund	2,616,162
Doubleline Core Fixed Income Fund	2,601,386
PGIM Total Return Bond Fund	1,809,603
Vanguard Total International Stock Index Admiral Shares	1,629,432
Vanguard Intermediate Term Investment Grade Fund	1,362,387
JOHCM International Select Fund	1,276,616

Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on the Police Pension Plan investments was -5.35%. For the year ended December 31, 2018, the annual money-weighted rate of return on the Non-Uniform Employee's Pension Plan was -5.33%. 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 2018 totaled \$1,203,135 from the Township and \$374,751 from the Commonwealth (together totaling \$1,577,886), as well as \$158,633 from employees. Contributions to the Deferred Retirement Option Plan (DROP) Trust Fund for 2018 totaled \$412,767 from employees. Contributions to the Non-Uniformed Employees' Pension Plan for 2018 totaled \$604,680 from the Township and \$351,329 from the Commonwealth (together totaling \$956,009). The components of the MMO for 2018 are as follows:

	Police <u>Pension Plan</u>	Non-uniformed Employees' <u>Pension Plan</u>
Normal Cost	\$ 1,215,117	\$ 688,539
Administrative Expenses	116,900	79,200
Amortization Requirement	391,044	188,270
Funding Adjustment	-	-
<u>Less: Estimated Employee Contributions</u>	<u>(145,175)</u>	<u>-</u>
2018 Minimum Municipal Obligation	<u>\$ 1,577,886</u>	<u>\$ 956,009</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, 2018, 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, 2018 are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Service Cost	\$ 1,257,251	\$ -	\$ 1,257,251
Interest on Total Pension Liability	2,587,746	-	2,587,746
Contributions - Township and State Aid	-	1,577,886	(1,577,886)
Contributions - Employees	-	158,458	(158,458)
Net Investment Income	-	(2,160,274)	2,160,274
Benefit Payments	(1,484,699)	(1,484,699)	-
Administrative Expenses	-	(127,965)	127,965
Net Changes	2,360,298	(2,036,594)	4,396,892
Balances as of December 31, 2017	<u>37,710,147</u>	<u>40,816,592</u>	<u>(3,106,445)</u>
Balances as of December 31, 2018	40,070,445	38,779,998	1,290,447
DROP Balance as of December 31, 2018	<u>1,472,145</u>	<u>1,472,145</u>	<u>-</u>
Totals as of December 31, 2018	<u>\$41,542,590</u>	<u>\$40,252,143</u>	<u>\$ 1,290,447</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, 2018 are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Service Cost	\$ 773,093	\$ -	\$ 773,093
Interest on Total Pension Liability	1,751,149	-	1,751,149
Contributions - Township and State Aid	-	956,009	(956,009)
Net Investment Income	-	(1,350,281)	1,350,281
Benefit Payments	(697,872)	(697,872)	-
Administrative Expenses	-	(83,842)	83,842
Net Changes	1,826,370	(1,175,986)	3,002,356
Balances as of December 31, 2017	<u>25,365,349</u>	<u>25,549,741</u>	<u>(184,392)</u>
Balances as of December 31, 2018	<u>\$27,191,719</u>	<u>\$24,373,755</u>	<u>\$2,817,964</u>

In the government-wide financial statements for the year ended December 31, 2018, the Township recognized pension expense totaling \$1,114,480 for the Police Pension Plan and \$1,530,648 for the Non-Uniformed Employees' Pension Plan. As of December 31, 2018, 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	\$ 4,251,501	\$ -
Net Difference between Expected and Actual Experience	37,380	1,421,996
Changes of Assumptions	<u>492,801</u>	<u>545,259</u>
Totals	<u>\$ 4,781,682</u>	<u>\$ 1,967,255</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>Amount</u>
2019	\$ 833,663
2020	183,640
2021	167,031
2022	<u>1,630,093</u>
	<u>\$ 2,814,427</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	\$ 6,428,372	\$ 1,290,447	\$ (3,002,881)
Non-uniformed Employees Pension	6,114,530	2,817,964	31,744

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.

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially-determined expense on the statement of activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefits. The post-employment benefit liability is recognized on the statement of net position over time.

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. As of January 1, 2019, the following employees were covered by the benefit terms:

Active Participants	121
Retirees and Covered Spouses	<u>62</u>
Total	<u><u>183</u></u>

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

Healthcare Benefits – Police and Non-Uniformed Employees

Pre-Medicare eligibility: For police and other employees hired before March 1, 2016: Medical – Aetna PPO \$15/\$30 Plan; Prescription Drug – Copays of \$15/\$25. For non-uniformed employees hired after March 1, 2016: Medical – Aetna PPO HRA \$2,000/\$4,000; Prescription Drug – Copays of \$10/\$30/\$50.

Post-Medicare eligibility: Aetna Medicare Advantage Plan

Duration of Healthcare 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; spouse and dependent coverage is limited to the lesser of 2.5 months for every year of service or five years. There is an exception to this whereby one spouse of a non-unionized retiree is covered until the death of the retiree.

Benefits upon Disability

Police: Police officers who are permanently disabled for non-work-related disability are not eligible for postretirement medical benefits. Any police officer who becomes permanently disabled due to a work-related disability pension, in addition to the officer and spouse, any children will continue to receive; benefits as long as they are eligible.

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 one Medicare eligible individual is required to contribute \$500 monthly towards the cost.

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 liability. In the government-wide financial statements and the fund financial statements, the expenses/expenditures are included under the caption "Employee Benefits."

Total OPEB Liability

The Township's total OPEB liability of \$39,983,673 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method: Individual Entry Age Normal as a level percentage of payroll.

Discount Rate

The discount rate of 6.5% reflects the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, and a yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, to the extent that the conditions for use of the long-term expected rate of return are not met.

Salary Increases: 5% for police officers and 4% for non-uniform employees.

Price Inflation: 2.50%

Investment Rate of Return: 7.00%

Healthcare Cost Trend Rates

2019	7.50%
2020 through 2031	From 7.25% to 4.50%
2032 and beyond	4.50%

Mortality Rates

Police: RPH-2014 Blue Collar Mortality Table (adjusted back to 2006) with generational projection using MP-2018.

Non-Uniformed: RPH-2014 Blue Collar Mortality Table (adjusted back to 2006) with generational projection using MP-2018.

Disabled: RPH-2014 Blue Collar Mortality Table (adjusted back to 2006) with generational projection using MP-2018.

Retirement

Police: 100% retire at age 52 or age that 25 years of service is attained, if later.

Non-Uniform: 100% retire at age 60 or age that 10 years of service (25 years of service for those hired after June 30, 2011) is attained, if later.

Actuarial Experience

The assumptions are related to the past experience of the Plan and represent an estimate of anticipated experience under the Plan.

Participant Data

Participant data is based on information as of January 1, 2019.

Changes in the Net OPEB Liability

The components of the change in the total OPEB liability, plan fiduciary net position, and net OPEB liability of Plan for the year ended December 31, 2018 are as follows:

	Total OPEB <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net OPEB <u>Liability</u>
Service Cost	\$ 1,444,081	\$ -	\$ 1,444,081
Interest on Total OPEB Liability	2,762,563	-	2,762,563
Changes in Assumptions	(1,263,360)	-	(1,263,360)
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(11,238,807)	-	(11,238,807)
Contributions - Employer	-	660,476	(660,476)
Net Investment Income (Expense)	-	(1,197,242)	1,197,242
Net Benefits Paid by Employer	(660,476)	(660,476)	-
Administrative Expenses	-	(66,330)	66,330
Net Changes	(8,955,999)	(1,263,572)	(7,692,427)
Balances as of December 31, 2017	48,939,672	23,253,517	25,686,155
Balances as of December 31, 2018	<u>\$39,983,673</u>	<u>\$21,989,945</u>	<u>\$17,993,728</u>

Assumptions changes included the following:

- The discount rate was changed from 5.60% to 6.50%.
- Per capita costs were updated to reflect experience since the previous valuation.
- The healthcare trend was changed to use an immediate rate of 7.50% and an ultimate rate of 4.50%, and the dental trend was updated to 4.50%.
- The mortality assumption was updated.
- The work-related disability assumption for police officers was updated.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The December 31, 2018 valuation was prepared using a discount rate of 6.5%. If the discount rate was 1% higher than what was used in the valuation, the total OPEB liability would decrease to \$13,233,983, or by 26.45%. If the discount rate was 1% lower than was used in the valuation, the total OPEB liability would increase to \$23,834,165, or by 32.46%.

The following presents the total OPEB liability of the Township, as well as what the Township’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current discount rate:

	<u>1% Decrease</u> <u>(5.5%)</u>	<u>Discount</u> <u>Rate</u> <u>(6.5%)</u>	<u>1% Increase</u> <u>(7.5%)</u>
Total OPEB liability	\$ 23,834,165	\$ 17,993,728	\$ 13,233,983

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The December 31, 2018 valuation was prepared using an initial trend rate of 7.5%, decreasing to 4.5%. The following presents the total OPEB liability of the Township, as well as what the Township’s total OPEB liability would be, if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current</u> <u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 12,857,210	\$ 17,993,728	\$ 24,386,598

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Township recognized an OPEB expense of \$1,381,605. As of December 31, 2018, the Township reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between projected and actual earnings	\$ 2,258,133	
Differences between expected and actual experience	-	9,593,301
Changes in assumptions	-	<u>1,078,388</u>
Totals	<u>\$ 2,258,133</u>	<u>\$ 10,671,689</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ending <u>June 30</u>	<u>Amount</u>
2019	\$ (1,265,945)
2020	(1,265,945)
2021	(1,265,945)
2022	(1,265,945)
2023	(1,830,477)
Thereafter	<u>(1,519,299)</u>
Total	<u>\$ (8,413,556)</u>

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 2018 totaled \$1,283,607 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 2018	<u>(425,000)</u>
Unearned Revenue as of December 31, 2018	<u>\$ 75,000</u>
Recognition of Unearned Revenue:	
	<u>Year</u>
	2019 \$ 25,000
	2020 25,000
	2021 <u>25,000</u>
Total	<u>\$ 75,000</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. RESTATEMENT OF NET POSITION

During the year ended December 31, 2018, the Township implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Prior to the implementation of GASB Statement No. 75, the financial statements of the Township reflected the reporting and disclosure requirements in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In accordance with GASB Statement No. 75, the beginning net position of the governmental activities has been restated to reflect the net OPEB liability as of December 31, 2017, as calculated in accordance with the Statement.

The net effect of the prior-period adjustment to the net position of the governmental activities is as follows:

	Total Net Position of Governmental <u>Activities</u>
Total net position as of December 31, 2017, as previously stated	\$ 26,941,704
Implementation of GASB Statement No. 75	<u>(10,069,979)</u>
Total net position as of December 31, 2017, as restated	<u>\$ 16,871,725</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ 1,257,251	\$ 1,197,382	\$ 1,256,076	\$ 1,218,836	\$ 1,160,796
Interest on Total Pension Liability	2,587,746	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>(1,484,699)</u>	<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	2,360,298	(589,648)	2,516,192	1,954,085	2,246,021
Total Pension Liability - Beginning	<u>37,710,147</u>	<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>\$40,070,445</u>	<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)	\$ 1,577,886	1,476,013	\$ 1,495,738	1,537,470	\$ 1,501,525
Contributions - Member	158,633	154,237	138,932	141,296	141,773
Net Investment Income	(2,160,448)	5,464,058	2,171,116	268,360	1,625,147
Benefit Payments	(1,484,699)	(1,377,973)	(1,258,480)	(1,138,580)	(1,087,555)
Administrative Expense	<u>(127,966)</u>	<u>(125,178)</u>	<u>(112,818)</u>	<u>(120,911)</u>	<u>(106,524)</u>
Net Change in Plan Fiduciary Net Position	(2,036,594)	5,591,157	2,434,488	687,635	2,074,366
Plan Fiduciary Net Position - Beginning	<u>40,816,592</u>	<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>\$38,779,998</u>	<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>\$ 1,290,447</u>	<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	96.8%	108.2%	92.0%	91.6%	94.9%
Covered-Employee Payroll	\$ 5,218,503	5,055,532	\$ 4,588,320	\$ 4,752,704	\$ 4,539,487
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	24.7%	-61.4%	67.0%	63.0%	38.0%

This schedule is intended to show 10 years - additional information will be presented as it becomes available.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ 773,093	\$ 743,359	\$ 707,281	\$ 625,990	\$ 601,914
Interest on Total Pension Liability	1,751,149	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>(697,872)</u>	<u>(668,421)</u>	<u>(653,356)</u>	<u>(644,992)</u>	<u>(620,541)</u>
Net Change in Total Pension Liability	1,826,370	1,824,047	1,569,111	2,277,327	1,250,742
Total Pension Liability - Beginning	<u>25,365,349</u>	<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>\$27,191,719</u>	<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)	\$ 956,009	\$ 693,377	\$ 662,176	\$ 567,669	\$ 555,386
Contributions - Member	1,769	-	-	-	-
Net Investment Income	(1,352,050)	3,441,905	1,375,957	173,048	1,071,536
Benefit Payments	(697,872)	(668,421)	(653,356)	(644,992)	(620,542)
Administrative Expense	<u>(83,842)</u>	<u>(74,929)</u>	<u>(75,220)</u>	<u>(83,176)</u>	<u>(80,838)</u>
Net Change in Plan Fiduciary Net Position	(1,175,986)	3,391,932	1,309,557	12,549	925,542
Plan Fiduciary Net Position - Beginning	<u>25,549,741</u>	<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>\$24,373,755</u>	<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>\$ 2,817,964</u>	<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	89.6%	100.7%	94.1%	94.9%	105.8%
Covered-Employee Payroll	\$ 5,144,100	\$ 4,891,368	\$ 5,029,053	\$ 4,825,757	\$ 4,417,118
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	54.8%	-3.8%	27.5%	23.3%	-25.8%

This schedule is intended to show 10 years - additional information will be presented as it becomes available.

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

	<u>2018</u>	<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>
Actuarially Determined Contribution	\$ 1,577,886	\$ 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
Contributions in Relation to the Actuarial Determined Contribution	<u>1,577,886</u>	<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>
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	\$ 5,218,503	\$ 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
Contributions as a Percentage of Covered-employee Payroll	30.2%	29.2%	32.6%	32.3%	33.1%	31.8%	34.9%	30.1%	32.3%	27.6%

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, 2018:

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>2018</u>	<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>
Actuarially Determined Contribution	\$ 956,009	\$ 693,377	\$ 662,176	\$ 567,669	\$ 555,386	\$ 604,052	\$ 594,080	\$ 920,846	\$ 909,604	\$ 643,689
Contributions in Relation to the Actuarial Determined Contribution	<u>956,009</u>	<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>
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	\$ 5,144,100	\$ 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
Contributions as a Percentage of Covered-employee Payroll	18.6%	14.2%	13.2%	11.8%	12.6%	13.8%	14.2%	22.5%	20.8%	14.3%

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 Six Fiscal Years

	<u>2018</u>	<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	-5.35%	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	-5.33%	15.71%	6.65%	0.84%	5.40%	15.09%

This schedule is intended to show 10 years - additional information will be presented as it becomes available.

PLYMOUTH TOWNSHIP
Schedule of Changes in the Township's Net OPEB Liability and Related Ratios -
For the Last Fiscal Year

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 1,444,081
Interest on Total OPEB Liability	2,762,563
Changes in Benefit Terms	-
Differences between Expected and Actual Experience	(11,238,807)
Changes in Assumptions	(1,263,360)
Benefit Payments	<u>(660,476)</u>
Net Change in Total OPEB Liability	(8,955,999)
Total OPEB Liability - Beginning	<u>48,939,672</u>
Total OPEB Liability - Ending	<u><u>\$39,983,673</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 660,476
Net Investment Income	(1,197,242)
Benefit Payments	(660,476)
Administrative Expense	<u>(66,330)</u>
Net Change in Plan Fiduciary Net Position	(1,263,572)
Plan Fiduciary Net Position - Beginning	<u>23,253,517</u>
Plan Fiduciary Net Position - Ending	<u><u>\$21,989,945</u></u>
Township's Net OPEB Liability	<u><u>\$17,993,728</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	55.0%
Covered-Employee Payroll	\$10,775,072
Township's Net OPEB Liability as a Percentage of Covered Employee Payroll	167.0%

This schedule is intended to show 10 years - additional information will be presented as it becomes available.

PLYMOUTH TOWNSHIP
Schedule of Investment Returns -
Post-Retirement Healthcare Fund
For the Last Fiscal Year

2018

Annual Money-Weighted Rate of Return, Net of Investment Expense	-5.16%
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This schedule is intended to show 10 years - additional information will be presented as it becomes available.

PLYMOUTH TOWNSHIP
Schedule of Revenues
General Fund
For the Year Ended December 31, 2018

Taxes:		
Earned Income Tax		\$ 7,117,406
Real Estate Taxes:		
Current Real Estate Taxes	\$ 2,632,004	
Prior Year Real Estate Taxes	34,400	
Liened Real Estate Taxes	58,723	
Interim Real Estate Taxes	19,810	2,744,937
Fire Services Fee		822,501
Business Privilege Taxes		4,616,818
Mercantile Taxes		2,379,228
Real Estate Transfer Taxes		1,092,466
Local Services Tax		1,177,407
Solid Waste Disposal Tax		1,282,006
Other Taxes:		
Amusement Tax	77,346	
Mechanical Devices Taxes	18,274	95,620
Total Taxes		21,328,389
Licenses and Permits:		
Commonwealth of Penna. Liquor Licenses	9,400	
Building and Plumbing Permits	1,052,036	
CATV Franchise Fees	332,185	
Streets Permits	6,495	
Zoning Permits	17,200	
Mercantile Licenses	6,925	
Business Privileges Licenses	29,575	
Other Licenses and Permits	18,574	1,472,390
Fines and Forfeits		186,232
Intergovernmental:		
Municipal Pension Grant	726,080	
Firemen's Relief Association Allocation	145,766	
Recycling	105,661	
Public Utility Taxes	20,414	
Other Grants	15,000	1,012,921
Charges for Services:		
Inspection Services	145,269	
Special Duty Police	8,607	
Engineering and Other Cost Reimbursements	432,213	
Recreation Fees	235,586	
Recycling	6,989	
Miscellaneous Service Revenue	75,320	903,984
Investment Earnings		208,411
Miscellaneous		234,091
Total Revenues		<u>\$ 25,346,418</u>

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2018

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
GENERAL GOVERNMENT:			
Manager's Office:			
Salaries and Wages	\$ 552,995	\$ 522,256	\$ 30,739
Telephone	3,000	1,714	1,286
Other Expenditures	20,000	-	20,000
Civic Organizations - Contributions	31,000	31,000	-
	<hr/>	<hr/>	<hr/>
Totals - Manager's Office	606,995	554,970	52,025
	<hr/>	<hr/>	<hr/>
Administration:			
Salaries and Wages	217,161	209,747	7,414
Office Supplies	14,500	10,993	3,507
Office Equipment	5,000	85	4,915
Furniture and Fixtures	1,000	-	1,000
Computer Hardware	89,000	14,413	74,587
Computer Software	62,000	51,970	10,030
Audit / Accounting Services	31,000	28,500	2,500
Engineering Services	-	9,277	(9,277)
Legal Services	120,000	130,085	(10,085)
Maintenance and Support - Computer	85,000	103,342	(18,342)
Other Professional Consultants	19,000	1,514	17,486
Telephone	8,500	5,940	2,560
Postage, Mailing, and Delivery	3,000	3,270	(270)
Internet Services	12,500	8,006	4,494
Automobile	4,000	3,870	130
Printing and Advertising	19,000	19,803	(803)
Casualty Insurance	193,000	228,303	(35,303)
Surety and Fidelity Bonds	12,000	11,877	123
Worker's Compensation Insurance	263,000	267,414	(4,414)
Unemployment Compensation Insurance	60,000	54,172	5,828
Insurance Claim Deductible	10,000	10,000	-
Maintenance and Repairs - Equipment	500	130	370
Rental of Equipment	800	495	305
Miscellaneous Services	62,000	56,728	5,272
Dues, Subscriptions, and Memberships	2,000	2,513	(513)
Training and Seminars	8,000	1,576	6,424
Miscellaneous Charges	1,500	357	1,143
	<hr/>	<hr/>	<hr/>
Totals - Administration	1,303,461	1,234,380	69,081
	<hr/>	<hr/>	<hr/>

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PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2018

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
Tax Collection:			
Salaries and Wages	\$ 69,290	\$ 69,908	\$ (618)
Computer Software	2,575	5,028	(2,453)
Audit / Accounting Services	20,000	14,028	5,972
Tax Collection Services	92,300	80,826	11,474
Postage, Mailing, and Delivery	7,000	5,150	1,850
Printing and Advertising	1,000	360	640
Refunds of Taxes	19,000	14,375	4,625
	<hr/>	<hr/>	<hr/>
Totals - Tax Collection	211,165	189,675	21,490
Municipal Buildings:			
Salaries and Wages	159,534	163,330	(3,796)
Building Maintenance Supplies	3,000	710	2,290
Janitorial Supplies	12,000	9,438	2,562
Clothing and Uniforms	500	-	500
Small Tools and Equipment	1,000	375	625
Telephone	400	346	54
Electricity	85,000	77,347	7,653
Water	9,000	7,885	1,115
Maintenance and Repairs - Equipment	7,000	8,457	(1,457)
Maintenance and Repairs - Buildings	10,000	11,260	(1,260)
Maintenance and Repairs - Grounds	-	23	(23)
Miscellaneous Services	7,000	12,567	(5,567)
Building - Replacement and Improvements	7,500	8,124	(624)
	<hr/>	<hr/>	<hr/>
Totals - Municipal Buildings	301,934	299,862	2,072
Reimbursable Costs:			
Engineering Services	160,000	199,955	(39,955)
Legal Services	55,000	35,836	19,164
Other Professional Consultants	75,000	72,931	2,069
	<hr/>	<hr/>	<hr/>
Totals - Reimbursable Costs	290,000	308,722	(18,722)
	<hr/>	<hr/>	<hr/>
Totals - General Government	2,713,555	2,587,609	125,946

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2018

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
PUBLIC SAFETY:			
Police Protection:			
Salaries and Wages	\$ 6,580,938	\$ 6,402,326	\$ 178,612
Office Supplies	7,500	4,733	2,767
Photo Lab and Identification	135,000	136,822	(1,822)
Ammunition and Supplies	73,100	48,269	24,831
Gasoline, Oil, and Grease	75,000	83,472	(8,472)
Clothing and Uniforms	74,300	83,378	(9,078)
K-9 / Kennel Expenditures	62,820	25,627	37,193
Tires and Tubes	10,000	15,992	(5,992)
Vehicle and Equipment Repair Parts	38,000	27,570	10,430
Miscellaneous Supplies	11,740	14,625	(2,885)
Office Equipment	12,000	11,856	144
Firearms and Tactical Equipment	23,733	13,820	9,913
Furniture and Fixtures	5,000	3,786	1,214
Computer Hardware	75,000	127,646	(52,646)
Computer Software	15,504	16,660	(1,156)
Communications Equipment	8,405	3,376	5,029
Vehicle Equipment	115,615	116,887	(1,272)
Miscellaneous Equipment and Tools	4,550	1,163	3,387
Professional Consultants	5,000	-	5,000
Telephone	50,000	45,708	4,292
Postage, Mailing, and Delivery	1,500	1,103	397
Radio Equipment Maintenance	7,500	-	7,500
Printing and Advertising	19,300	10,069	9,231
Electricity	11,500	6,533	4,967
Maintenance and Repairs - Equipment	10,000	262	9,738
Maintenance and Repairs - Traffic Signals	105,000	99,981	5,019
Maintenance and Repairs - Vehicles	25,000	12,583	12,417
Miscellaneous Services	8,800	5,648	3,152
Civil Service	24,200	16,866	7,334
Training and Seminars	33,500	26,717	6,783
Miscellaneous Charges	15,000	13,505	1,495
Vehicle Purchases	190,000	186,452	3,548
Electronic Equipment	46,760	25,000	21,760
Totals - Police Protection	7,881,265	7,588,435	292,830

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2018

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
Fire Protection and Emergency Management:			
Salaries and Wages	\$ 92,063	\$ 94,831	\$ (2,768)
Gasoline, Oil, and Grease	2,200	4,415	(2,215)
Tires and Tubes	1,500	-	1,500
Vehicle and Equipment Repair Parts	3,000	573	2,427
Miscellaneous Supplies	3,000	1,751	1,249
Small Tools and Equipment	1,000	-	1,000
Computer Hardware	1,500	-	1,500
Computer Software	1,000	-	1,000
Maintenance and Support - Computer	1,200	-	1,200
Postage, Mailing, and Delivery	-	44	(44)
Radio Equipment Maintenance	2,000	-	2,000
Printing and Advertising	1,050	-	1,050
Hydrant Service	85,000	83,661	1,339
Maintenance and Repairs - Vehicles	3,000	15	2,985
Miscellaneous Services	4,740	-	4,740
Dues, Subscriptions, and Memberships	250	295	(45)
Miscellaneous Charges	2,000	-	2,000
Fire Companies - Donated Telephone Reimbursements	8,500	6,903	1,597
Fire Companies - Donated Fuel	15,000	17,113	(2,113)
Donations to Fire Companies	712,369	712,369	-
Ambulance Association - Donated Fuel	30,000	43,084	(13,084)
Donations to Ambulance Association	60,000	60,000	-
Payment of the Commonwealth's Allocation to the Firemen's Relief Association	159,363	145,766	13,597
	<u>1,189,735</u>	<u>1,170,820</u>	<u>18,915</u>
Totals - Fire Protection and Emergency Management	<u>1,189,735</u>	<u>1,170,820</u>	<u>18,915</u>
Zoning:			
Salaries and Wages	87,596	83,563	4,033
Office Supplies	250	174	76
Vehicle and Equipment Repair Parts	-	187	(187)
Miscellaneous Supplies	200	12	188
Office Equipment	500	-	500
Computer Hardware	1,500	1,981	(481)
Legal Services	15,000	14,007	993
Other Professional Consultants	4,500	-	4,500
Stenographic Services	3,500	3,036	464
Postage, Mailing, and Delivery	3,500	3,933	(433)
Printing and Advertising	6,500	3,864	2,636
Codification of Ordinances	7,500	6,089	1,411
Maintenance and Repairs - Vehicles	-	79	(79)
Miscellaneous Services	500	303	197
Dues, Subscriptions, and Memberships	600	455	145
Board Expenditures	2,995	3,195	(200)
Training and Seminars	750	720	30
	<u>135,391</u>	<u>121,598</u>	<u>13,793</u>
Total Expenditures - Zoning	<u>135,391</u>	<u>121,598</u>	<u>13,793</u>

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2018

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
Building:			
Salaries and Wages	\$ 68,136	\$ 69,979	\$ (1,843)
Office Supplies	2,000	897	1,103
Books, Publications, and Reference Materials	3,000	2,019	981
Miscellaneous Supplies	500	-	500
Office Equipment	5,000	477	4,523
Computer Hardware	-	694	(694)
Computer Software	2,000	-	2,000
Maintenance and Support - Computer	10,000	6,495	3,505
Other Professional Consultants	600,000	663,424	(63,424)
Printing and Advertising	750	706	44
Maintenance and Repairs - Equipment	1,000	841	159
Miscellaneous Services	500	80	420
Dues, Subscriptions, and Memberships	500	220	280
Training and Seminars	1,000	-	1,000
Miscellaneous Charges	250	8	242
	<u>694,636</u>	<u>745,840</u>	<u>(51,204)</u>
Totals - Building			
Code Enforcement:			
Salaries and Wages	141,959	122,890	19,069
Books, Publications, and Reference Materials	500	173	327
Gasoline, Oil, and Grease	2,000	2,033	(33)
Clothing and Uniforms	1,000	1,084	(84)
Vehicle and Equipment Repair Parts	3,000	1,031	1,969
Miscellaneous Supplies	1,000	23	977
Other Professional Consultants	1,000	-	1,000
Telephone	360	-	360
Postage, Mailing, and Delivery	400	13	387
Printing and Advertising	1,000	550	450
Miscellaneous Services	3,000	3,658	(658)
Dues, Subscriptions, and Memberships	500	1,150	(650)
Training and Seminars	1,500	835	665
	<u>157,219</u>	<u>133,440</u>	<u>23,779</u>
Totals - Code Enforcement			
Totals - Public Safety	<u>10,058,246</u>	<u>9,760,133</u>	<u>298,113</u>

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2018

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
PUBLIC WORKS:			
Sanitation:			
Salaries and Wages	\$ 627,800	\$ 611,329	\$ 16,471
Recycling Supplies and Materials	15,000	12,738	2,262
Gasoline, Oil, and Grease	35,000	44,440	(9,440)
Tires and Tubes	15,000	17,927	(2,927)
Vehicle and Equipment Repair Parts	27,000	26,400	600
Miscellaneous Supplies	5,000	5,243	(243)
Maintenance and Repairs - Vehicles	30,000	23,322	6,678
Miscellaneous Services	15,500	13,720	1,780
Trash Disposal Costs	273,984	278,809	(4,825)
Recycling Disposal Costs	40,000	50,632	(10,632)
	Totals - Sanitation	1,084,284	1,084,560
			(276)
Administration:			
Salaries and Wages	374,525	356,151	18,374
Office Supplies	250	-	250
Miscellaneous Supplies	500	22	478
Office Equipment	500	-	500
Engineering Services	30,000	8,358	21,642
Telephone	2,000	1,107	893
Postage, Mailing, and Delivery	500	58	442
Radio Equipment Maintenance	500	287	213
Printing and Advertising	1,000	303	697
Miscellaneous Services	500	1,662	(1,162)
Dues, Subscriptions, and Memberships	250	978	(728)
Training and Seminars	500	100	400
Miscellaneous Charges	500	500	-
	Totals - Administration	411,525	369,526
			41,999

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2018

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
Street Maintenance:			
Salaries and Wages	\$ 79,200	\$ 86,556	\$ (7,356)
Street Signs	500	793	(293)
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	5,600	3,805	1,795
Small Tools and Equipment	1,100	15,008	(13,908)
Communications Equipment	500	-	500
Construction Contractors	10,000	150	9,850
Maintenance and Repairs - Equipment	2,000	4,372	(2,372)
Rental of Equipment	1,000	173	827
Miscellaneous Services	3,500	1,646	1,854
	<hr/>	<hr/>	<hr/>
Totals - Street Maintenance	106,400	112,503	(6,103)
Highway Services:			
Salaries and Wages	113,000	79,476	33,524
Branch Collection Materials and Supplies	500	-	500
Small Tools and Equipment	500	-	500
Miscellaneous Supplies	1,000	200	800
Leaf Collection Equipment	1,000	549	451
Electricity	125,000	45,806	79,194
Maintenance and Repairs - Street Lighting	50,000	30,792	19,208
Maintenance and Repairs - Equipment	22,500	25,429	(2,929)
Maintenance and Repairs - Traffic Signals	-	412	(412)
Miscellaneous Services	-	168	(168)
	<hr/>	<hr/>	<hr/>
Totals - Highway Services	313,500	182,832	130,668
Equipment Maintenance and Purchases:			
Salaries and Wages	205,750	236,396	(30,646)
Gasoline, Oil, and Grease	35,000	36,406	(1,406)
Maintenance Garage Materials and Supplies	15,000	10,258	4,742
Tires and Tubes	10,000	11,878	(1,878)
Vehicle and Equipment Repair Parts	35,000	47,816	(12,816)
Miscellaneous Supplies	1,000	356	644
Small Tools and Equipment	500	162	338
Communications Equipment	1,000	-	1,000
Maintenance and Repairs - Equipment	15,000	9,020	5,980
Maintenance and Repairs - Vehicles	10,000	220	9,780
Miscellaneous Services	-	360	(360)
Electronic Equipment	-	1,250	(1,250)
	<hr/>	<hr/>	<hr/>
Totals - Equipment Maintenance and Purchases	328,250	354,122	(25,872)
	<hr/>	<hr/>	<hr/>
Totals - Public Works	2,243,959	2,103,543	140,416

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2018

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
CULTURE AND RECREATION:			
Buildings and Grounds:			
Salaries and Wages	\$ 571,558	\$ 533,571	\$ 37,987
Clothing Allowance	2,400	3,467	(1,067)
Office Supplies	750	173	577
Groundkeeping and Agricultural Supplies	23,000	18,010	4,990
Gasoline, Oil, and Grease	10,000	10,849	(849)
Clothing and Uniforms	1,000	234	766
Tires and Tubes	2,000	-	2,000
Vehicle and Equipment Repair Parts	6,500	11,449	(4,949)
Small Tools and Equipment	1,500	1,763	(263)
Miscellaneous Equipment and Tools	2,500	662	1,838
Telephone	4,000	3,547	453
Printing and Advertising	700	850	(150)
Electricity	35,000	39,582	(4,582)
Water	20,000	26,580	(6,580)
Maintenance and Repairs - Vehicles	3,000	2,509	491
Maintenance and Repairs - Buildings	7,000	2,521	4,479
Maintenance and Repairs - Grounds	15,000	5,533	9,467
Rental of Equipment	2,000	961	1,039
Miscellaneous Services	46,220	44,338	1,882
Miscellaneous Charges	1,250	1,259	(9)
	755,378	707,858	47,520

(Continued)

PLYMOUTH TOWNSHIP
Comparison of Budgeted and Actual Expenditures and Other Financing Uses
General Fund
For the Year Ended December 31, 2018

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
Parks and Recreation:			
Salaries and Wages	\$ 187,753	\$ 191,919	\$ (4,166)
Office Supplies	1,340	1,247	93
Recreation Program Supplies	5,050	2,474	2,576
Clothing and Uniforms	480	306	174
Vehicle Repair Parts	5,500	33	5,467
Minor Equipment	300	-	300
Computer Hardware	4,910	3,472	1,438
Computer Software	300	-	300
Maintenance and Support - Computer	2,385	2,071	314
Telephone	950	880	70
Postage, Mailing, and Delivery	7,435	4,912	2,523
Entertainers	7,500	7,200	300
Contracted Instructors	18,526	15,272	3,254
Automobile	100	-	100
Printing and Advertising	13,375	11,809	1,566
Rental of Equipment	834	843	(9)
Miscellaneous Services	2,290	2,390	(100)
Plymouth Township Day	23,255	7,130	16,125
Tickets - PA Rec. Society	94,000	75,071	18,929
Bus Trips, Admission to Rec. Facility	20,520	15,942	4,578
Dues, Subscriptions, and Memberships	1,775	1,870	(95)
Donation	-	99	(99)
Tree Light / Holiday Program	1,200	1,600	(400)
Training and Seminars	3,125	896	2,229
Contributions to Sports Organizations	33,300	33,000	300
Harriet Wetherill Park	249,670	88,916	160,754
Memorial	-	191	(191)
	<u>685,873</u>	<u>469,543</u>	<u>216,330</u>
Totals - Parks and Recreation			
	<u>1,441,251</u>	<u>1,177,401</u>	<u>263,850</u>
Totals - Culture and Recreation			
EMPLOYEE BENEFITS:			
Social Security Taxes	930,000	897,943	32,057
Transfer to Police Pension	1,577,886	1,577,886	-
Transfer to Non-Uniformed Employees' Pension	956,009	956,009	-
	<u>3,463,895</u>	<u>3,431,838</u>	<u>32,057</u>
Totals - Employee Benefits			
OTHER FINANCING USES:			
Transfer to Health and Welfare Fund for Employees' Insurances	4,408,200	4,408,200	-
Transfer to Capital Reserve Fund	200,000	700,000	(500,000)
	<u>4,608,200</u>	<u>5,108,200</u>	<u>(500,000)</u>
Totals - Other Financing Uses			
Total Budgeted and Actual Expenditures and Other Financing Uses	<u>\$ 24,529,106</u>	<u>\$ 24,168,724</u>	<u>\$ 360,382</u>

PLYMOUTH TOWNSHIP
Statement of Revenues, Expenses, and Changes in Net Position
Greater Plymouth Community Center
For the Year Ended December 31, 2018

OPERATING REVENUES:

Charges for Services:	
Program Services	\$ 1,119,568
Membership Revenue	447,950
Daily Admissions	118,533
Rental Revenues	160,356
Pro Shop Sales	5,065
General Services	84,833
Other	<u>8,396</u>
Total Operating Revenues	\$ 1,944,701

OPERATING EXPENSES:

Wages	1,786,043
Office Supplies	7,040
Recreation Program Supplies	38,788
Pool Supplies	19,523
Computer Supplies	505
Building Maintenance Supplies	8,146
Janitorial Supplies	28,695
Clothing and Uniforms	2,380
Miscellaneous Supplies	3,751
Minor Tools and Equipment	581
Construction Equipment	264
Minor Recreation Program Equipment	32,583
Minor Pool Equipment	16,999
Minor Building Improvements	5,294
Minor Computer Hardware and Software	3,820
Miscellaneous Equipment and Tools	2,294
Maintenance and Support - Computer	5,481
Telephone	11,697
Postage, Mailing, and Delivery	4,881
Contracted Instructors	30,612
Printing and Advertising	18,279
Utilities	232,791
Maintenance and Repairs	56,750
Rental of Equipment	5,108
Miscellaneous Services	35,434
Dues, Subscriptions, Memberships	408
Training - Seminars	1,728
Bus Trips	46,193
Depreciation Expense	311,501
Other Expenses	<u>2,343</u>
Total Operating Expenses	<u>2,719,912</u>

Operating (Loss)	(775,211)
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NONOPERATING REVENUE:

Interest Income	<u>16,764</u>
(Loss) before Transfers	(758,447)

**CONTRIBUTIONS FROM GOVERNMENTAL FUNDS
TRANSFERS OUT**

Change in Net Position	(217,312)
Total Net Position - Beginning of Year	<u>8,741,689</u>

Total Net Position - End of Year	<u><u>\$ 8,524,377</u></u>
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PLYMOUTH TOWNSHIP
Combining Statement of Net Position
Component Units
December 31, 2018

	Plymouth Township Parks Recreation and Facilities <u>Fund</u>	Harmonville Fire <u>Company</u>	Plymouth Fire <u>Company</u>	<u>Total</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 215,358	\$1,082,167	\$ 1,297,525
Equity in Pooled Cash and Investments	18,360	-	-	18,360
Investments	<u>-</u>	<u>1,889,636</u>	<u>-</u>	<u>1,889,636</u>
Total Current Assets	<u>18,360</u>	<u>2,104,994</u>	<u>1,082,167</u>	<u>3,205,521</u>
Other Assets:				
Capital Assets:				
Land and Improvements	-	100,001	40,000	140,001
Deposit on Capital Assets	-	884,637	-	884,637
Other Capital Assets, Net of Depreciation	<u>-</u>	<u>1,147,692</u>	<u>2,430,968</u>	<u>3,578,660</u>
Total Capital Assets	<u>-</u>	<u>2,132,330</u>	<u>2,470,968</u>	<u>4,603,298</u>
Total Assets	<u>\$ 18,360</u>	<u>\$ 4,237,324</u>	<u>\$3,553,135</u>	<u>\$ 7,808,819</u>
LIABILITIES				
Current Liabilities:				
Payroll Taxes Payable	\$ -	\$ 2,479	\$ 3,088	\$ 5,567
Notes Payable	<u>-</u>	<u>14,466</u>	<u>19,486</u>	<u>33,952</u>
Total Current Liabilities	<u>-</u>	<u>16,945</u>	<u>22,574</u>	<u>39,519</u>
Noncurrent Liabilities:				
Notes Payable	<u>-</u>	<u>285,534</u>	<u>326,146</u>	<u>611,680</u>
Total Liabilities	<u>-</u>	<u>302,479</u>	<u>348,720</u>	<u>651,199</u>
NET POSITION				
Invested in Capital Assets, Net of Related Debt				
Unrestricted	<u>18,360</u>	<u>2,102,515</u>	<u>1,079,079</u>	<u>3,199,954</u>
Total Net Position	<u>18,360</u>	<u>3,934,845</u>	<u>3,204,415</u>	<u>7,157,620</u>
Total Liabilities and Net Position	<u>\$ 18,360</u>	<u>\$ 4,237,324</u>	<u>\$3,553,135</u>	<u>\$ 7,808,819</u>

PLYMOUTH TOWNSHIP
Combining Statement of Revenues, Expenses, and Changes in Net Position
Component Units
For the Year Ended December 31, 2018

	Plymouth Township Parks Recreation and Facilities <u>Fund</u>	Harmonville Fire <u>Company</u>	Plymouth Fire <u>Company</u>	<u>Total</u>
OPERATING REVENUES				
Charges for Services	\$ -	\$ 26,020	\$ -	\$ 26,020
Rental Income	-	-	32,812	32,812
Grants and Contributions:				
Primary Government	-	779,721	332,848	1,112,569
Other	<u>1,549</u>	<u>67,805</u>	<u>57,941</u>	<u>127,295</u>
 Total Operating Revenues	<u>1,549</u>	<u>873,546</u>	<u>423,601</u>	<u>1,298,696</u>
 OPERATING EXPENSES	<u>538</u>	<u>604,231</u>	<u>529,330</u>	<u>1,134,099</u>
 Operating Income (Loss)	<u>1,011</u>	<u>269,315</u>	<u>(105,729)</u>	<u>164,597</u>
 NON-OPERATING REVENUES				
Investment Earnings (Loss)	298	(92,223)	7,662	(84,263)
Gain on Sale of Equipment	-	-	54,668	54,668
Miscellaneous Income	<u>-</u>	<u>13,007</u>	<u>4,594</u>	<u>17,601</u>
 Total Non-operating Revenue (Expense)	<u>298</u>	<u>(79,216)</u>	<u>66,924</u>	<u>(11,994)</u>
 Change in Net Position	1,309	190,099	(38,805)	152,603
 Total Net Position - Beginning of Year	<u>17,051</u>	<u>3,744,746</u>	<u>3,243,220</u>	<u>7,005,017</u>
 Total Net Position - End of Year	<u>\$ 18,360</u>	<u>\$ 3,934,845</u>	<u>\$ 3,204,415</u>	<u>\$ 7,157,620</u>