

**PLYMOUTH TOWNSHIP, PENNSYLVANIA**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2014**

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## 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, 2014, 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, 2014, 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.

## Emphasis of Matter

As described in Note 1 to the financial statements, in 2014, the Township adopted new accounting guidance, GASB Statement No. 67, *Financial Reporting for Pension Plans*. Our opinion is not modified with respect to this matter.

## 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 56 to 60 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 are 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.*

West Chester, Pennsylvania  
August 20, 2015

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, 2014. Please read it in conjunction with the Township's financial statements, which begin on page 14.

## **FINANCIAL HIGHLIGHTS**

- The Township continues to report adequate *unrestricted net position balances* for both governmental activities and business-type activities.
- The Township is reporting a General Fund *budgetary fund balance* of \$8.19 million.
- The Township has no outstanding bonded debt.
- Total net position decreased by approximately \$4.55 million during fiscal 2014. This is primarily attributable to 1) depreciation expense recognized for accounting purposes exceeded capital expenditures by \$941 thousand; 2) an accrued liability for post-retirement health care was recorded in the amount of \$1.96 million; and 3) a net use of Capital Reserve fund balance of \$1.59 million.

## **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 liabilities – 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 four separate legal entities in its report: Harmonville Fire Company, Plymouth Fire Company, Plymouth Township Parks Recreation and Facilities Fund (a 501(c)(3) nonprofit organization), and the Plymouth Community Center Fund (a 501(c)(3) nonprofit organization). Although legally separate, these component units are important because the Township is financially accountable for them.

### **Reporting the Township's Most Significant Funds**

#### Fund Financial Statements

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

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

PLYMOUTH TOWNSHIP  
*Management's Discussion and Analysis*

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

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

**The Township as Trustee**

Reporting the Township's Fiduciary Responsibilities

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

**THE TOWNSHIP AS A WHOLE**

Tables 1 and 2 that follow present a summarization of Plymouth Township's Net Position and Changes in Net Position for fiscal year 2014.

**Table 1  
Net Position  
(in millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$23.7	\$25.0	\$7.5	\$8.1	\$31.1	\$33.1
Capital assets	26.3	27.3	12.1	11.8	38.5	39.1
Total assets	<u>50.0</u>	<u>52.3</u>	<u>19.6</u>	<u>19.9</u>	<u>69.6</u>	<u>72.2</u>
Long-term debt outstanding	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	12.3	10.2	0.3	0.5	12.6	10.7
Total liabilities	<u>12.3</u>	<u>10.2</u>	<u>0.3</u>	<u>0.5</u>	<u>12.6</u>	<u>10.7</u>
Net position:						
Invested in capital assets, net of debt	26.3	27.3	12.1	11.8	38.5	39.1
Restricted	0.0	0.0	4.3	4.5	4.3	4.5
Unrestricted	11.4	14.8	2.9	3.1	14.2	17.9
Total net position	<u>\$37.7</u>	<u>\$42.1</u>	<u>\$19.3</u>	<u>\$19.4</u>	<u>\$57.0</u>	<u>\$61.5</u>



PLYMOUTH TOWNSHIP  
*Management's Discussion and Analysis*

The Township has a significant investment in *capital assets* for both its governmental and business-type activities. Also, the Township is reporting a balance of *unrestricted net position* – the portion of resources that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. For its governmental and business-type activities, *unrestricted net position* represents 43% and 59% respectively of the annual operating expenses for those activities.

**Table 2**  
**Changes in Net Position**  
**(actual dollars)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$3,135,195	\$3,764,712	\$4,569,395	\$4,470,493	\$7,704,590	\$8,235,205
Operating grants	896,636	917,770	-	-	896,636	917,770
Capital grants	252,100	0	-	-	252,100	0
General revenues:						
Earned income tax	6,230,617	6,627,142	-	-	6,230,617	6,627,142
Real estate tax	2,605,889	2,592,018	-	-	2,605,889	2,592,018
Business taxes	8,895,231	9,453,002	-	-	8,895,231	9,453,002
Other taxes	37,364	37,366	-	-	37,364	37,366
Unrestricted grants	0	59,145	-	-	0	59,145
Other general revenues	152,512	100,442	23,097	9,008	175,609	109,450
Total revenues	<u>22,205,544</u>	<u>23,551,597</u>	<u>4,592,492</u>	<u>4,479,501</u>	<u>26,798,036</u>	<u>28,031,098</u>
<b>Program expenses</b>						
General government	2,502,079	2,220,852	-	-	2,502,079	2,220,852
Public safety	8,707,302	7,835,516	-	-	8,707,302	7,835,516
Public works	5,028,278	5,475,595	-	-	5,028,278	5,475,595
Culture and recreation	1,670,006	1,447,604	-	-	1,670,006	1,447,604
Employee Benefits	8,567,945	8,554,940	-	-	8,567,945	8,554,940
Interest on debt	-	-	-	-	0	0
Sewer	-	-	2,431,362	2,388,263	2,431,362	2,388,263
Ply Community Center	-	-	2,442,408	2,418,206	2,442,408	2,418,206
Total expenses	<u>26,475,610</u>	<u>25,534,507</u>	<u>4,873,770</u>	<u>4,806,469</u>	<u>31,349,380</u>	<u>30,340,976</u>
Excess before transfers	(4,270,066)	(1,982,910)	(281,278)	(326,968)	(4,551,344)	(2,309,878)
Transfers	(145,075)	368,466	145,075	(368,466)	0	0
<b>Increase (decrease) in net assets</b>	<b><u>(\$4,415,141)</u></b>	<b><u>(\$1,614,444)</u></b>	<b><u>(\$136,203)</u></b>	<b><u>(\$695,434)</u></b>	<b><u>(\$4,551,344)</u></b>	<b><u>(\$2,309,878)</u></b>

PLYMOUTH TOWNSHIP  
*Management's Discussion and Analysis*

**Governmental Activities**

For governmental activities, there was a \$4.42 million decrease in net assets during fiscal 2014. This is attributable to several factors. Depreciation expense recognized for governmental activities exceeded capital expenditures by \$941,000. In addition, there was a net use of Capital Reserve fund balance of \$1.59 million. Net assets were also decreased by a Governmental Funds accrual for post-retirement health care costs of \$1.96 million.

The cost of all governmental activities this year was \$26.5 million. However, as shown in the Statement of Activities on page 15, the amount our taxpayers ultimately financed for these activities through Township taxes was \$22.2 million because some of the cost was paid by those who directly benefited from the programs (\$3.1 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$1.2 million). Overall, the Township's governmental program revenues, including intergovernmental aid and fees for services, amounted to \$4.3 million in fiscal 2014. The Township paid for the remaining 'public benefit' portion of governmental activities with \$17.8 million in taxes and other revenue, such as interest and unrestricted grants.

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)**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
General government	\$2,502,079	\$2,220,852	\$1,331,867	\$1,031,253
Public safety	8,707,302	7,835,516	7,542,420	6,326,735
Public works	5,028,278	5,475,595	3,983,939	4,392,475
Culture and recreation	1,670,006	1,447,604	1,371,855	1,150,956
Employee benefits	8,567,945	8,554,940	7,961,598	7,950,606
<b>Totals</b>	<b><u>\$26,475,610</u></b>	<b><u>\$25,534,507</u></b>	<b><u>\$22,191,679</u></b>	<b><u>\$20,852,025</u></b>

**Business Activities**

For business-type activities, net assets decreased during fiscal 2014 by \$136,203. The aim of the business activities is that services be priced to cover costs. Revenue from sewer activities was \$98,585 more than costs primarily because quarterly sewer rates were set slightly higher than the cost of running the system. Revenue from Community Center activities was \$402,960 less than costs primarily because membership rates are not structured to recover depreciation. Overall, business-type activities generated revenue of approximately \$4.6 million and expenses of approximately \$4.9 million. There were other miscellaneous amounts recorded for interest income and fund transfers which resulted in additional revenue of \$168,172.

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 \$22.3 million which is a decrease of \$1.6 million from last year's total of \$23.9 million. As noted on page 17, the Capital Reserve, Highway Aid and Health and Welfare funds reported decreases in fund balance of \$1,587,783, \$31,310 and \$24,076, respectively. The fund balance of the General Fund increased by \$23,379.

**General Fund Budgetary Highlights**

The 2014 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 2014 with a budgetary fund balance of approximately \$8.19 million of which \$6.23 was in the form of cash (page 16), the balance consisting mostly of taxes receivable.

There were some significant variations between budgeted and actual amounts for 2014. 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 \$1,095,611. This is primarily a result of the fact that several sources of our revenue, which are closely tied to the performance of the national economy, rebounded significantly from a prolonged slump. 'Earned Income Tax' was \$699,727 more than budgeted due to higher than anticipated collections. 'Mercantile Tax' collections were \$139,366 less than budgeted because our budget anticipated a greater growth in retail sales within the Township than actually occurred. 'Local Services Tax' was \$236,588 more than budgeted due to higher employment numbers within the Township. 'Licenses and Permits' was \$151,634 more than budgeted due to stronger than anticipated demand for building permits. 'Charges for Services' were \$106,805 higher than budgeted due to increased demand for building permit inspection services. There were some other positive and negative revenue variances, none of which exceeded \$100,000.

Overall, actual expenditures in 2014 for the General Fund were \$382,135 million more than budgeted. Under 'Tax Collection', expenditures were \$185,111 more than budgeted due to higher than anticipated real estate tax refunds issued as a result of assessment appeals and also due to unusually high Business Privilege tax refunds for companies moving out of the Township. Under 'Police Protection', expenditures were \$204,170 less than budgeted due to temporarily unfilled positions and underspending in numerous other budget categories. Under 'Building', expenditures were \$411,575 higher than budgeted due to the construction of a large apartment complex which resulted in the Township incurring larger than anticipated costs for plan reviews and inspections. 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 2014, the Township had \$38.6 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 2014 net asset amount represents a net decrease of \$0.5 million, or 1.3%, compared to the previous year. The decrease was caused primarily by the accounting recognition of a full year of depreciation on Township assets.

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

	<u>Governmental</u>		<u>Business-type</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Construction in progress	0.0	0.0	0.0	0.0	0.0	0.0
Land	4.8	4.8	0.9	0.9	5.7	5.7
Buildings	1.2	1.3	7.4	7.6	8.6	8.9
Improvements	2.6	2.6	0.8	0.4	3.4	3.0
Machinery and equipment	1.8	1.6	0.3	0.2	2.1	1.8
Infrastructure	16.0	17.0	2.8	2.7	18.8	19.7
<b>Totals</b>	<b><u>\$26.4</u></b>	<b><u>\$27.3</u></b>	<b><u>\$12.2</u></b>	<b><u>\$11.8</u></b>	<b><u>\$38.6</u></b>	<b><u>\$39.1</u></b>

The Township expended \$2,419,582 to acquire and construct capital assets during 2014. 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 2015 capital budget calls for \$6.16 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, 2014, 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 \$397,594.

The Township has also recorded a liability in the Statement of Net Position for other postemployment benefits in the amount of \$11,191,459. This is an actuarially calculated number representing the cost of postemployment health care benefits that should have been funded since the implementation of Governmental Accounting Standards Board Statement 45 but were not. As of December 31, 2014, the most recent actuarial valuation date, the total accrued liability for benefits was \$38,370,532, the market value of assets in the Post-Retirement Health Care Trust Fund was \$18,857,957 and the unfunded actuarial accrued liability was \$19,512,575. In 2014, the Township made a contribution of \$592,577 toward the cost of postretirement healthcare benefits for retirees.

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

**ECONOMIC FACTORS AND THE 2015 BUDGETS AND RATES**

The Township's elected and appointed officials considered many factors when setting the fiscal year 2015 budget. One of those factors was the economy. Because the national economy is continuing to recover from a period of sluggish growth, business tax revenues for the Township were expected to remain relatively flat. Inflation was expected to be in the 2.0% to 2.5% range and interest rates were expected to remain at historically low levels during 2015.

These indicators were taken into account when adopting the General Fund budget for 2015. Overall, General Fund revenue was estimated at \$21.1 million, which represents a \$728,775 increase from the amount budgeted for 2014. 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 \$485,000 for 2015. Business taxes collections were anticipated to decrease slightly. The estimate of Mercantile Tax revenue for 2015 was decreased by \$53,700 and the estimate of Business Privilege Tax revenue for 2015 was decreased by \$23,000 over the prior year budget. The Township expects to earn interest of only 0.25% to 0.85% on its short-term and medium-term investments and the amount budgeted for Interest Earnings for 2015 reflects this. Revenue from all other revenue sources for 2015 is expected to be roughly the same as amounts budgeted in 2014.

Budgeted General Fund expenditures for 2015 increased by \$782,209 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 2015 budget.

**PLYMOUTH TOWNSHIP**  
*Management's Discussion and Analysis*

As for the Township's business-type activities, we expect that the 2015 results will be consistent with the prior years. For the Sewer Fund, it is anticipated that there may be a small rate increase in 2015 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 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, 2014**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 782,172	\$ 1,553,708	\$ 2,335,880	\$ 1,364,170
Equity in Pooled Cash and Investments	19,810,580	5,207,081	25,017,661	7,815
Investments	-	-	-	2,028,111
Internal Balances	(78,307)	78,307	-	-
Taxes Receivable	3,015,621	-	3,015,621	-
Other Receivables	126,334	641,576	767,910	-
Total Current Assets	<u>23,656,400</u>	<u>7,480,672</u>	<u>31,137,072</u>	<u>3,400,096</u>
Noncurrent Assets:				
Capital Assets:				
Land and Improvements (Non Depreciable)	4,841,412	930,002	5,771,414	140,001
Other Capital Assets, Net of Depreciation	21,517,898	11,220,227	32,738,125	2,697,450
Total Capital Assets	<u>26,359,310</u>	<u>12,150,229</u>	<u>38,509,539</u>	<u>2,837,451</u>
Total Noncurrent Assets	<u>26,359,310</u>	<u>12,150,229</u>	<u>38,509,539</u>	<u>2,837,451</u>
Total Assets	<u>\$ 50,015,710</u>	<u>\$ 19,630,901</u>	<u>\$ 69,646,611</u>	<u>\$ 6,237,547</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 531,816	\$ 201,744	\$ 733,560	\$ -
Payroll Taxes	-	-	-	4,934
Unearned Revenue	175,000	109,000	284,000	-
Total Current Liabilities	<u>706,816</u>	<u>310,744</u>	<u>1,017,560</u>	<u>4,934</u>
Noncurrent Liabilities:				
Liability for Compensated Absences	397,594	-	397,594	-
Net Other Post-employment Benefits Obligation	11,191,459	-	11,191,459	-
Total Noncurrent Liabilities	<u>11,589,053</u>	<u>-</u>	<u>11,589,053</u>	<u>-</u>
Total Liabilities	<u>12,295,869</u>	<u>310,744</u>	<u>12,606,613</u>	<u>4,934</u>
<b>NET POSITION</b>				
Invested in Capital Assets, Net of Related Debt	26,359,310	12,150,229	38,509,539	2,837,451
Restricted	-	4,303,400	4,303,400	-
Unrestricted	11,360,531	2,866,528	14,227,059	3,395,162
Total Net Position	<u>37,719,841</u>	<u>19,320,157</u>	<u>57,039,998</u>	<u>6,232,613</u>
Total Liabilities and Net Position	<u>\$ 50,015,710</u>	<u>\$ 19,630,901</u>	<u>\$ 69,646,611</u>	<u>\$ 6,237,547</u>

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

**PLYMOUTH TOWNSHIP**  
**Statement of Activities**  
**For the Year Ended December 31, 2014**

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	
<b>PRIMARY GOVERNMENT:</b>								
Governmental Activities:								
General Government	\$ 2,502,079	\$ 1,170,212	\$ -	\$ -	\$ (1,331,867)		\$ (1,331,867)	
Public Safety	8,707,302	973,836	191,046	-	(7,542,420)		(7,542,420)	
Public Works	5,028,278	692,996	99,243	252,100	(3,983,939)		(3,983,939)	
Culture and Recreation	1,670,006	298,151	-	-	(1,371,855)		(1,371,855)	
Employee Benefits	8,567,945	-	606,347	-	(7,961,598)		(7,961,598)	
Total Governmental Activities	<u>26,475,610</u>	<u>3,135,195</u>	<u>896,636</u>	<u>252,100</u>	<u>(22,191,679)</u>		<u>(22,191,679)</u>	
Business-type Activities:								
Sewer	2,431,362	2,529,947	-	-		\$ 98,585	98,585	
Greater Plymouth Community Center	2,442,408	2,039,448	-	-		(402,960)	(402,960)	
Total Business-type Activities	<u>4,873,770</u>	<u>4,569,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(304,375)</u>	<u>(304,375)</u>	
Total Primary Government	<u>\$ 31,349,380</u>	<u>\$ 7,704,590</u>	<u>\$ 896,636</u>	<u>\$ 252,100</u>	<u>(22,191,679)</u>	<u>(304,375)</u>	<u>(22,496,054)</u>	
<b>COMPONENT UNITS:</b>								
Fire Companies	\$ 956,288	\$ 6,540	\$ 852,685	\$ -				\$ (97,063)
Non-profit Entities	732	-	7,485	-				6,753
Total Component Units	<u>\$ 957,020</u>	<u>\$ 6,540</u>	<u>\$ 860,170</u>	<u>\$ -</u>				<u>(90,310)</u>
General Revenues:								
Taxes:								
Earned Income Tax					6,230,617	-	6,230,617	-
Real Estate Taxes					2,605,889	-	2,605,889	-
Business Privilege Taxes					3,778,532	-	3,778,532	-
Mercantile Taxes					2,458,134	-	2,458,134	-
Real Estate Transfer Taxes					384,275	-	384,275	-
Local Services Tax					1,222,338	-	1,222,338	-
Solid Waste Disposal Tax					1,051,952	-	1,051,952	-
Other Taxes					37,364	-	37,364	-
Unrestricted Investment Earnings					88,960	23,097	112,057	53,818
Miscellaneous					63,552	-	63,552	45,188
Transfers					(145,075)	145,075	-	-
Total General Revenues and Transfers					<u>17,776,538</u>	<u>168,172</u>	<u>17,944,710</u>	<u>99,006</u>
Change in Net Position					(4,415,141)	(136,203)	(4,551,344)	8,696
Net Position - Beginning of Year					<u>42,134,982</u>	<u>19,456,360</u>	<u>61,591,342</u>	<u>6,223,917</u>
Net Position - End of Year					<u>\$ 37,719,841</u>	<u>\$ 19,320,157</u>	<u>\$ 57,039,998</u>	<u>\$ 6,232,613</u>

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



**PLYMOUTH TOWNSHIP**

**Balance Sheet**

**Governmental Funds**

**December 31, 2014**

	<u>General</u>	<u>Capital Reserve</u>	<u>Highway Aid</u>	<u>Health and Welfare</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 708,226	\$ 6,882	\$ 5,003	\$ 62,061	\$ 782,172
Equity in Pooled Cash and Investments	5,525,542	13,601,745	89,289	594,004	19,810,580
Taxes Receivable	3,015,621	-	-	-	3,015,621
Other Receivables	126,334	-	-	-	126,334
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 9,375,723</u>	<u>\$ 13,608,627</u>	<u>\$ 94,292</u>	<u>\$ 656,065</u>	<u>\$ 23,734,707</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable and Accrued Expenses	\$ 430,643	\$ 98,208	\$ -	\$ 2,965	\$ 531,816
Interfund Payables	78,307	-	-	-	78,307
Unearned Revenue	-	175,000	-	-	175,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>508,950</u>	<u>273,208</u>	<u>-</u>	<u>2,965</u>	<u>785,123</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Tax Revenues	673,926	-	-	-	673,926
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	<u>673,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>673,926</u>
<b>FUND BALANCES</b>					
Restricted	-	4,768,269	94,292	-	4,862,561
Assigned	-	8,567,150	-	653,100	9,220,250
Unassigned	8,192,847	-	-	-	8,192,847
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>8,192,847</u>	<u>13,335,419</u>	<u>94,292</u>	<u>653,100</u>	<u>22,275,658</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,375,723</u>	<u>\$ 13,608,627</u>	<u>\$ 94,292</u>	<u>\$ 656,065</u>	<u>\$ 23,734,707</u>

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

Total Fund Balances - Total Governmental Funds	\$ 22,275,658
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$554,340,600	26,359,310
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated Absences	(397,594)
Net Other Post-employment Benefits	(11,191,459)
Earned income tax revenue collected beyond 90 days of year-end are included in net position of governmental activities, but are not accrued as income in the funds	673,926
	<hr/>
Net Position of Governmental Activities	<u>\$ 37,719,841</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, 2014**

	<u>General</u>	<u>Capital Reserve</u>	<u>Highway Aid</u>	<u>Health and Welfare</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Earned Income Tax	\$ 6,199,727	\$ -	\$ -	\$ -	\$ 6,199,727
Real Estate Taxes	2,605,889	-	-	-	2,605,889
Business Privilege Taxes	3,778,532	-	-	-	3,778,532
Mercantile Taxes	2,458,134	-	-	-	2,458,134
Real Estate Transfer Taxes	384,275	-	-	-	384,275
Local Services Tax	1,211,588	-	-	-	1,211,588
Solid Waste Disposal Tax	1,051,952	-	-	-	1,051,952
Other Taxes	37,364	-	-	-	37,364
Licenses and Permits	1,345,824	-	-	-	1,345,824
Fines and Forfeits	193,380	-	-	-	193,380
Interest Income and Investment Earnings	32,968	55,740	246	6	88,960
Rental Income	-	25,000	-	-	25,000
Intergovernmental	896,636	252,100	338,711	-	1,487,447
Charges for Services	903,515	-	-	-	903,515
Assessments and Fees	-	328,765	-	-	328,765
Miscellaneous	58,552	5,000	-	-	63,552
<b>Total Revenues</b>	<b>21,158,336</b>	<b>666,605</b>	<b>338,957</b>	<b>6</b>	<b>22,163,904</b>
<b>EXPENDITURES</b>					
General Government	2,453,144	119,357	-	-	2,572,501
Public Safety	8,762,692	-	-	-	8,762,692
Public Works	2,144,522	1,585,386	370,267	-	4,100,175
Culture and Recreation	1,262,213	336,104	-	-	1,598,317
Employee Benefits	2,843,762	-	-	3,761,172	6,604,934
<b>Total Expenditures</b>	<b>17,466,333</b>	<b>2,040,847</b>	<b>370,267</b>	<b>3,761,172</b>	<b>23,638,619</b>
Excess of Revenues Over (Under) Expenditures	3,692,003	(1,374,242)	(31,310)	(3,761,166)	(1,474,715)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	268,466	300,000	-	3,737,090	4,305,556
Transfers Out	(3,937,090)	(513,541)	-	-	(4,450,631)
<b>Total Other Financing Sources and (Uses)</b>	<b>(3,668,624)</b>	<b>(213,541)</b>	<b>-</b>	<b>3,737,090</b>	<b>(145,075)</b>
<b>Net Change in Fund Balances</b>	<b>23,379</b>	<b>(1,587,783)</b>	<b>(31,310)</b>	<b>(24,076)</b>	<b>(1,619,790)</b>
Fund Balances - Beginning of Year	8,169,468	14,923,202	125,602	677,176	23,895,448
Fund Balances - End of Year	<u>\$ 8,192,847</u>	<u>\$ 13,335,419</u>	<u>\$ 94,292</u>	<u>\$ 653,100</u>	<u>\$ 22,275,658</u>

(Continued)

**PLYMOUTH TOWNSHIP**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds (Continued)**  
**For the Year Ended December 31, 2014**

**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	\$ (1,619,790)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital Asset Purchases Capitalized	1,741,778
Depreciation Expense	(2,683,168)
The increase in the long-term liability for compensated absences affects expenses in the Statement of Activities, but is not reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	
	67,410
The increase in the Net Other Post-employment Benefits (OPEB) Obligation is an expense in the Statement of Activities, but is not reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	
	(1,963,011)
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	
	41,640
Change in Net Position of Governmental Activities	\$ (4,415,141)

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

**PLYMOUTH TOWNSHIP**  
**Budgetary Comparison Statement - General Fund**  
**For the Year Ended December 31, 2014**

	Original and Final <u>Budget</u>	Actual <u>Amounts</u>	Favorable (Unfavorable) <u>Variance</u>
<b>Revenue and Other Financing Sources:</b>			
Earned Income Tax	\$ 5,500,000	\$ 6,199,727	\$ 699,727
Real Estate Taxes	2,588,500	2,605,889	17,389
Business Privilege Taxes	3,800,000	3,778,532	(21,468)
Mercantile Taxes	2,597,500	2,458,134	(139,366)
Real Estate Transfer Taxes	425,000	384,275	(40,725)
Local Services Tax	975,000	1,211,588	236,588
Solid Waste Disposal Tax	1,015,000	1,051,952	36,952
Other Taxes	40,000	37,364	(2,636)
Licenses and Permits	1,194,190	1,345,824	151,634
Fines and Forfeits	201,750	193,380	(8,370)
Interest Income	2,000	32,968	30,968
Intergovernmental	900,075	896,636	(3,439)
Charges for Services	796,710	903,515	106,805
Miscellaneous	27,000	58,552	31,552
Transfers from Other Funds	268,466	268,466	-
	<u>20,331,191</u>	<u>21,426,802</u>	<u>1,095,611</u>
<b>Expenditures and Other Financing Uses:</b>			
General Government:			
Manager's Office	456,865	462,944	(6,079)
Administration	976,140	1,046,566	(70,426)
Tax Collection	190,133	375,244	(185,111)
Township Building	288,380	282,827	5,553
Reimbursable Costs	195,000	285,563	(90,563)
Public Safety:			
Police Protection	6,601,374	6,397,204	204,170
Fire Protection	1,252,524	1,181,421	71,103
Zoning	124,312	121,623	2,689
Building	561,096	972,671	(411,575)
Code Enforcement	161,866	89,773	72,093
Public Works:			
Sanitation	1,056,300	1,030,940	25,360
Administration	408,951	391,768	17,183
Street Maintenance	99,800	90,263	9,537
Highway Services	300,500	308,557	(8,057)
Equipment Maintenance and Purchases	305,000	322,994	(17,994)
Culture and Recreation:			
Buildings and Grounds	676,994	703,985	(26,991)
Parks and Recreation	600,317	558,228	42,089
Employee Benefits	2,828,646	2,843,762	(15,116)
Transfers to Other Funds	3,937,090	3,937,090	-
	<u>21,021,288</u>	<u>21,403,423</u>	<u>(382,135)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (690,097)</u>	23,379	<u>\$ 713,476</u>
<b>Fund Balance - Beginning of Year</b>		<u>8,169,468</u>	
<b>Fund Balance - End of Year</b>		<u>\$ 8,192,847</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, 2014**

	Original and Final <u>Budget</u>	Actual <u>Amounts</u>	Favorable (Unfavorable) <u>Variance</u>
<b>Revenue and Other Financing Sources:</b>			
Interest Income	\$ 19,700	\$ 55,740	\$ 36,040
Rental Income	-	25,000	25,000
Intergovernmental	-	252,100	252,100
Assessments and Fees	14,000	328,765	314,765
Contributions	-	5,000	5,000
Transfers from Other Funds	<u>100,000</u>	<u>300,000</u>	<u>200,000</u>
Total Revenue and Other Financing Sources	<u>133,700</u>	<u>966,605</u>	<u>832,905</u>
<b>Expenditures and Other Financing Uses:</b>			
General Government	746,000	119,357	626,643
Public Safety:			
Police Protection	-	-	-
Fire Protection	-	-	-
Public Works:			
Traffic Control Devices	2,808,000	1,048,002	1,759,998
Sidewalks and Crosswalks	-	611	(611)
Highways, Roads, and Streets	-	536,773	(536,773)
Culture and Recreation:			
Parks and Recreation	70,000	224,524	(154,524)
Other	-	111,580	(111,580)
Transfers to Other Funds	<u>-</u>	<u>513,541</u>	<u>(513,541)</u>
Total Expenditures and Other Financing Uses	<u>3,624,000</u>	<u>2,554,388</u>	<u>1,069,612</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ (3,490,300)</u></u>	<u>(1,587,783)</u>	<u><u>\$ 1,902,517</u></u>
<b>Fund Balance - Beginning of Year</b>		<u>14,923,202</u>	
<b>Fund Balance - End of Year</b>		<u><u>\$ 13,335,419</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, 2014**

	Original and Final <u>Budget</u>	Actual <u>Amounts</u>	Favorable (Unfavorable) <u>Variance</u>
<b>Revenue:</b>			
Interest Income	\$ 500	\$ 246	\$ (254)
Intergovernmental	<u>314,000</u>	<u>338,711</u>	<u>24,711</u>
Total Revenue	<u>314,500</u>	<u>338,957</u>	<u>24,457</u>
<b>Expenditures:</b>			
Public Works - Highways, Roads, and Streets	<u>406,860</u>	<u>370,267</u>	<u>36,593</u>
Total Expenditures	<u>406,860</u>	<u>370,267</u>	<u>36,593</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ (92,360)</u></u>	(31,310)	<u><u>\$ 61,050</u></u>
<b>Fund Balance - Beginning of Year</b>		<u>125,602</u>	
<b>Fund Balance - End of Year</b>		<u><u>\$ 94,292</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, 2014**

	Original and Final <u>Budget</u>	Actual <u>Amounts</u>	Favorable (Unfavorable) <u>Variance</u>
<b>Revenue and Other Financing Sources:</b>			
Investment Earnings	10	6	(4)
Transfers from Other Funds	<u>3,737,090</u>	<u>3,737,090</u>	<u>-</u>
Total Revenue and Other Financing Sources	<u>3,737,100</u>	<u>3,737,096</u>	<u>(4)</u>
<b>Expenditures:</b>			
Employee Benefits	<u>3,787,100</u>	<u>3,761,172</u>	<u>25,928</u>
Total Expenditures	<u>3,787,100</u>	<u>3,761,172</u>	<u>25,928</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ (50,000)</u></u>	(24,076)	<u><u>\$ 25,924</u></u>
<b>Fund Balance - Beginning of Year</b>		<u>677,176</u>	
<b>Fund Balance - End of Year</b>		<u><u>\$ 653,100</u></u>	

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

**PLYMOUTH TOWNSHIP**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2014**

	Enterprise Funds		
	Sewer Revenue and Reserve	Greater Plymouth Community Center	Totals
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 624,056	\$ 929,652	\$ 1,553,708
Equity in Pooled Cash and Investments	4,101,042	1,106,039	5,207,081
Sewer Rents Receivable	641,576	-	641,576
Interfund Receivables	-	78,307	78,307
Total Current Assets	5,366,674	2,113,998	7,480,672
Noncurrent Assets:			
Capital Assets:			
Land	2	930,000	930,002
Construction and Extensions - Sewer System	6,570,685	-	6,570,685
Building and Equipment	908,250	11,314,723	12,222,973
Less Accumulated Depreciation	(3,974,426)	(3,599,005)	(7,573,431)
Total Noncurrent Assets	3,504,511	8,645,718	12,150,229
Total Assets	\$ 8,871,185	\$ 10,759,716	\$ 19,630,901
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 109,390	92,354	\$ 201,744
Unearned Revenue	-	109,000	109,000
Total (Current) Liabilities	109,390	201,354	310,744
<b>NET POSITION</b>			
Invested in Capital Assets	3,504,511	8,645,718	12,150,229
Restricted	4,303,400	-	4,303,400
Unrestricted	953,884	1,912,644	2,866,528
Total Net Position	8,761,795	10,558,362	19,320,157
Total Liabilities and Net Position	\$ 8,871,185	\$ 10,759,716	\$ 19,630,901

*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, 2014**

	Enterprise Funds		
	Sewer Revenue and Reserve	Greater Plymouth Community Center	Totals
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 2,519,322	\$ 2,039,448	\$ 4,558,770
Special Assessments	10,625	-	10,625
 Total Operating Revenues	<u>2,529,947</u>	<u>2,039,448</u>	<u>4,569,395</u>
<b>OPERATING EXPENSES</b>			
Sewage Collection and Treatment	2,326,871	-	2,326,871
Culture and Recreation	-	2,181,552	2,181,552
Depreciation	104,491	260,856	365,347
 Total Operating Expenses	<u>2,431,362</u>	<u>2,442,408</u>	<u>4,873,770</u>
 Operating Income (Loss)	<u>98,585</u>	<u>(402,960)</u>	<u>(304,375)</u>
<b>NON-OPERATING REVENUES</b>			
Interest Income	17,436	5,661	23,097
 Total Non-operating Revenue	<u>17,436</u>	<u>5,661</u>	<u>23,097</u>
 Income (Loss) Before Transfers	<u>116,021</u>	<u>(397,299)</u>	<u>(281,278)</u>
<b>TRANSFERS IN</b>	-	513,541	513,541
<b>TRANSFERS OUT</b>	(268,466)	(100,000)	(368,466)
 Change in Net Position	<u>(152,445)</u>	<u>16,242</u>	<u>(136,203)</u>
 <b>Total Net Position - Beginning of Year</b>	<u>8,914,240</u>	<u>10,542,120</u>	<u>19,456,360</u>
 <b>Total Net Position - End of Year</b>	<u>\$ 8,761,795</u>	<u>\$ 10,558,362</u>	<u>\$ 19,320,157</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, 2014**

	Enterprise Funds		
	Sewer Revenue and Reserve	Greater Plymouth Community Center	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 2,522,085	\$ 2,049,448	\$ 4,571,533
Payments to Suppliers	(2,475,659)	(587,556)	(3,063,215)
Payments to Employees	(41,763)	(1,559,805)	(1,601,568)
Net Cash (Used) by Operating Activities	4,663	(97,913)	(93,250)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Contributions from Governmental Funds	-	513,541	513,541
Operating Transfers Out	(268,466)	(100,000)	(368,466)
Net Cash (Used) by Noncapital Financing Activities	(268,466)	413,541	145,075
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and Construction of Capital Assets	(164,263)	(513,541)	(677,804)
Net Cash (Used) by Capital and Related Financing Activities	(164,263)	(513,541)	(677,804)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Income	17,436	5,661	23,097
Net Cash Provided by Investing Activities	17,436	5,661	23,097
Net (Decrease) in Cash, Cash Equivalents, and Equity in Pooled Cash and Investments	(410,630)	(192,252)	(602,882)
<b>Cash, Cash Equivalents, and Equity in Pooled Cash and Investments:</b>			
<b>Beginning of Year</b>	5,135,728	2,227,943	7,363,671
<b>End of Year</b>	\$ 4,725,098	\$ 2,035,691	\$ 6,760,789
Cash and Cash Equivalents	\$ 624,056	\$ 929,652	\$ 1,553,708
Equity in Pooled Cash and Investments	4,101,042	1,106,039	5,207,081
Total Cash, Cash Equivalents, and Equity in Pooled Cash and Investments	\$ 4,725,098	\$ 2,035,691	\$ 6,760,789
<b>Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ 98,585	\$ (402,960)	\$ (304,375)
Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used) by Operating Activities:			
Depreciation	104,491	260,856	365,347
Change in Assets and Liabilities:			
Sewer Rents Receivable	(7,862)		(7,862)
Interfund Receivables and Payables		13,327	13,327
Accounts Payable and Accrued Expenses	(190,551)	20,864	(169,687)
Unearned Revenue		10,000	10,000
Net Cash (Used) by Operating Activities	\$ 4,663	\$ (97,913)	\$ (93,250)

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

**PLYMOUTH TOWNSHIP**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2014**

	Police Pension Trust <u>Fund</u>	Deferred Retirement Option Plan (DROP) Trust Fund <u>Trust Fund</u>	Non-Uniformed Employees' Pension Trust <u>Fund</u>	Post- Retirement Healthcare <u>Fund</u>	Deferred Compensation <u>Fund</u>	Agency <u>Fund</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 645,491	\$ 336,288	\$ 414,231	\$ 377,774	\$ 1,387,828	\$ 371,839
Equity in Pooled Cash and Investments	-	-	-	-	-	450,000
Accrued Interest Receivable	3	-	2	2	-	-
Investments, at Fair Value:						
Mutual Funds	<u>31,457,818</u>	<u>228,260</u>	<u>20,421,470</u>	<u>18,480,181</u>	<u>4,656,568</u>	<u>-</u>
Total Investments	<u>31,457,818</u>	<u>228,260</u>	<u>20,421,470</u>	<u>18,480,181</u>	<u>4,656,568</u>	<u>-</u>
Total Assets	<u>\$ 32,103,312</u>	<u>\$ 564,548</u>	<u>\$ 20,835,703</u>	<u>\$ 18,857,957</u>	<u>\$ 6,044,396</u>	<u>\$ 821,839</u>
<b>LIABILITIES</b>						
Returnable Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 767,810
Payroll Withholdings	-	-	-	-	-	49,380
Due to Other Governments	-	-	-	-	-	329
Taxes Held in Protest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,320</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 821,839</u>
<b>NET POSITION</b>						
Restricted for Pension Benefits	32,103,312	564,548	20,835,703	-	-	
Restricted for Deferred Compensation Benefits	-	-	-	-	6,044,396	
Held in Trust for Post-retirement Benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,857,957</u>	<u>-</u>	
Held in Trust for Employees	<u>\$ 32,103,312</u>	<u>\$ 564,548</u>	<u>\$ 20,835,703</u>	<u>\$ 18,857,957</u>	<u>\$ 6,044,396</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, 2014**

	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>
<b>ADDITIONS</b>					
Contributions:					
State	\$ 317,560	\$ -	\$ 286,578	\$ -	\$ -
Township	1,183,965	-	268,808	-	-
Plan Members	141,773	260,350	-	-	333,480
	<u>1,643,298</u>	<u>260,350</u>	<u>555,386</u>	<u>\$ -</u>	<u>333,480</u>
Total Contributions and Transfers					
Investment Earnings:					
Net Increase in Fair Value of Investments, including Realized Gains and Losses	817,695	10,170	540,554	490,052	271,301
Interest and Dividends	807,452	-	530,982	483,278	-
	<u>1,625,147</u>	<u>10,170</u>	<u>1,071,536</u>	<u>973,330</u>	<u>271,301</u>
Total Investment Earnings					
	<u>3,268,445</u>	<u>270,520</u>	<u>1,626,922</u>	<u>973,330</u>	<u>604,781</u>
Total Additions					
<b>DEDUCTIONS</b>					
Benefits	1,087,555	-	620,542	-	72,036
Administrative Expenses	106,524	-	80,838	51,499	15
	<u>1,194,079</u>	<u>-</u>	<u>701,380</u>	<u>51,499</u>	<u>72,051</u>
Total Deductions					
<b>Change in Net Position</b>	2,074,366	270,520	925,542	921,831	532,730
<b>Net Position - Beginning of Year (Restated)</b>	<u>30,028,946</u>	<u>294,028</u>	<u>19,910,161</u>	<u>17,936,126</u>	<u>5,511,666</u>
<b>Net Position - End of Year</b>	<u>\$ 32,103,312</u>	<u>\$ 564,548</u>	<u>\$ 20,835,703</u>	<u>\$ 18,857,957</u>	<u>\$ 6,044,396</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**

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

In determining the financial reporting entity, the Township complies with the provisions of GASB Statement No. 14, “The Financial Reporting Entity,” and includes all component units of which the Township appointed a voting majority of the units’ board; the Township is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Township Council or the component unit provides services entirely to the Township. Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

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

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

the net resources of the Sewer Authority, but instead has only a residual interest upon dissolution, the Township does not reflect any equity in the Sewer Authority in these financial statements.

Selected financial information for the Sewer Authority for their fiscal year ended December 31, 2014 is as follows:

Total Assets	\$ 32,847,782
Total Net Position	11,638,379
Total Operating Revenues	3,199,210

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.

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.

## **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, 2014, the long-term debt consists of accrued compensated absences and net other post-employment benefits.

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

## Compensated Absences

### *Vacation Days*

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

### *Sick Days*

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

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

## Equity Classifications

### *Government-wide Financial Statements*

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

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

### *Fund Financial Statements*

The Township classifies governmental fund balances as follows:

- a. Non-spendable – includes fund balance amounts that cannot be spent either because the amounts are not in spendable form or are legally or contractually required to be maintained intact.
- b. Restricted – includes fund balance amounts that are restricted to specific purposes by external parties or by law through constitutional provisions or enabling legislation.
- c. Committed – includes fund balance amounts that can only be used for specific purposes due to formal action of the Township’s highest level of decision-making authority, which is the Plymouth Township Council. Committed fund balance may also include resources that have been specifically committed for use in satisfying contractual requirements.
- d. Assigned – includes fund balance amounts that are constrained by the Township’s intent to be used for specific purposes, but are not restricted or committed.
- e. Unassigned – includes the residual classification of fund balance of the General Fund, whether the amount is positive or negative. Other governmental funds may report negative unassigned fund balance if their expenditures exceed the amounts restricted, committed, or assigned to their fund purposes.

When both restricted and unrestricted resources are available for use, it is the Township’s policy to use restricted resources first and then unrestricted resources as they are needed. 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 2014 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 2014 was as follows:

February 15, 2014	- Levy Date
February 15 - April 15, 2014	- 2% Discount Period
April 16 - June 15, 2014	- Face Payment Period
June 16 - January 14, 2014	- 10% Penalty Period
January 15, 2015	- 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 20, 2015, which is the date the financial statements were available to be issued.

## **G. New Accounting Pronouncements**

Beginning with the year ended December 31, 2014, the Township has adopted GASB Statement No. 67, *Financial Reporting for Pension Plans*. The objective of this statement is to improve financial reporting by state and local governmental pension plans. The effects of implementing this statement are reflected in the financial statements of the fiduciary fund, the Notes to the financial statements, and the required supplementary information for the Township's Pension Funds.

## **2. CASH AND INVESTMENTS**

### Cash

The carrying amount of the Township's cash deposits in these financial statements is \$11,221,588 and the bank balance is \$11,633,053. The total bank balance of \$11,633,053 consists of \$6,752,282 held in checking and savings accounts and \$4,880,771 held in Pennsylvania Local Government Investment Trust ("PLGIT") accounts. Bank deposits totaling \$522,689 are covered by federal depository insurance, and \$6,229,593 is uninsured but secured by U.S. Government-backed investments or secured on a pooled basis. 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 carrying amount of discretely presented component unit deposits is \$1,371,985 and the bank balance is \$1,380,457. Bank deposits totaling \$1,051,925 are covered by federal depository insurance, and deposits totaling \$328,532 are uninsured.

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.

### Investments

The Township's investments may be categorized as either (1) insured or registered or for which the securities are 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 as an 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 as an agent but not in the Township's name. Investments of the Township and its discretely presented component units are summarized below.

	Categories			Carrying Amount	Market Value
	<u>1</u>	<u>2</u>	<u>3</u>		
Primary Government:					
PLGIT CD Program			\$ 15,613,100	\$ 15,613,100	\$ 15,613,100
PLGIT Term			4,502,304	4,502,304	4,502,304
Mutual Funds			75,244,297	75,244,297	75,244,297
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,359,701</u>	<u>\$ 95,359,701</u>	<u>\$ 95,359,701</u>
Harmonville Fire Company (Component Unit):					
Mutual Funds			\$ 2,028,111	\$ 2,028,111	\$ 2,028,111
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,028,111</u>	<u>\$ 2,028,111</u>	<u>\$ 2,028,111</u>

### Summary

Cash, cash equivalents, and investments of the Township and its component units were reported as follows as of December 31, 2014:

	Governmental Activities and Funds	Business- type Activities and Funds	Fiduciary Funds	Total Primary Government	Component Units
Cash and Cash Equivalents	\$ 782,172	\$ 1,553,708	\$ 3,533,451	\$ 5,869,331	\$ 1,364,170
Investments	-	-	75,244,297	75,244,297	-
Equity in Pooled Cash and Investments	19,810,580	5,207,081	450,000	25,467,661	7,815
Total	<u>\$ 20,592,752</u>	<u>\$ 6,760,789</u>	<u>\$ 79,227,748</u>	<u>\$ 106,581,289</u>	<u>\$ 1,371,985</u>
Total Cash and Cash Equivalents				\$ 11,221,588	\$ 1,371,985
Total Investments				95,359,701	-
Total				<u>\$ 106,581,289</u>	<u>\$ 1,371,985</u>

### 3. TAXES RECEIVABLE

Taxes receivable on the Statement of Net Position and the Balance Sheet – Governmental Funds at December 31, 2014 consists of the following:

Earned Income Tax	\$ 2,110,000
Local Services Tax	520,913
Solid Waste Tax	259,719
Real Estate Taxes	48,585
Other Taxes	76,404
Total	<u>\$ 3,015,621</u>

#### *Presentation in District-wide Financial Statements*

Since all taxes receivable as of December 31, 2014 are deemed collectible, the entire balance of \$3,015,621 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 \$673,926.

**4. OTHER RECEIVABLES**

Governmental Activities and Funds

Other receivables totaling \$126,334 include the following:

CATV Franchise Fees	\$ 78,924
Professional Services	35,450
Other	<u>11,960</u>
 Total	 <u><u>\$ 126,334</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 \$641,576 represent sewer rents receivable.

**5. CAPITAL ASSETS**

Capital asset activity for the primary government for the year ended December 31, 2014 was as follows:

	Balance - <u>1/1/2014</u>	<u>Additions</u>	<u>Disposals</u>	Balance - <u>12/31/2014</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 4,841,412	\$ -	\$ -	\$ 4,841,412
Total Capital Assets Not Being Depreciated	<u>4,841,412</u>	<u>-</u>	<u>-</u>	<u>4,841,412</u>
Capital Assets Being Depreciated:				
Buildings	2,503,018	-	-	2,503,018
Improvements	2,963,916	-	-	2,963,916
Machinery and Equipment	6,777,138	542,322	(77,118)	7,242,342
Infrastructure	564,555,816	1,199,456	-	565,755,272
Totals at Estimated Historical Cost	<u>576,799,888</u>	<u>1,741,778</u>	<u>(77,118)</u>	<u>578,464,548</u>
Less Accumulated Depreciation:				
Buildings	(1,278,933)	(42,564)	-	(1,321,497)
Improvements	(342,953)	(51,512)	-	(394,465)
Machinery and Equipment	(5,143,180)	(395,025)	77,118	(5,461,087)
Infrastructure	(547,575,534)	(2,194,067)	-	(549,769,601)
Total Accumulated Depreciation	<u>(554,340,600)</u>	<u>(2,683,168)</u>	<u>77,118</u>	<u>(556,946,650)</u>
Capital Assets Being Depreciated, Net	<u>22,459,288</u>	<u>(941,390)</u>	<u>-</u>	<u>21,517,898</u>
Governmental Activities Capital Assets, Net	<u>\$ 27,300,700</u>	<u>\$ (941,390)</u>	<u>\$ -</u>	<u>\$ 26,359,310</u>



	Balance - 1/1/2014	Additions	Disposals	Balance - 12/31/2014
<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	10,905,903	-	-	10,905,903
Improvements	435,272	434,140	-	869,412
Machinery and Equipment	318,237	129,422	-	447,659
Infrastructure	6,456,442	114,242	-	6,570,684
Totals at Estimated Historical Cost	<u>18,115,854</u>	<u>677,804</u>	<u>-</u>	<u>18,793,658</u>
Less Accumulated Depreciation:				
Buildings	(3,307,948)	(243,554)	-	(3,551,502)
Improvements	(36,539)	(24,241)	-	(60,780)
Machinery and Equipment	(154,780)	(18,838)	-	(173,618)
Infrastructure	(3,708,817)	(78,714)	-	(3,787,531)
Total Accumulated Depreciation	<u>(7,208,084)</u>	<u>(365,347)</u>	<u>-</u>	<u>(7,573,431)</u>
Capital Assets Being Depreciated, Net	<u>10,907,770</u>	<u>312,457</u>	<u>-</u>	<u>11,220,227</u>
Business-type Activities Capital Assets, Net	<u>\$ 11,837,772</u>	<u>\$ 312,457</u>	<u>\$ -</u>	<u>\$ 12,150,229</u>

Depreciation was charged to government activities as follows:

General Government	\$ 48,122
Public Safety	110,223
Public Works	2,395,439
Culture and Recreation	129,384
Total Depreciation Expense	<u>\$ 2,683,168</u>

Capital asset activity for the discretely presented component units for the year ended December 31, 2014 was as follows:

	Balance - 1/1/2014	Additions	Disposals	Balance - 12/31/2014
<u>Harmonville Fire Company and Plymouth Fire Company:</u>				
Land	\$ 140,001	\$ -	\$ -	\$ 140,001
Buildings and Improvements	1,698,987	2,924	-	1,701,911
Machinery and Equipment	5,886,251	110,809	\$ -	5,997,060
Totals at Historical Cost	<u>7,725,239</u>	<u>113,733</u>	<u>-</u>	<u>7,838,972</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,016,207)	(48,067)	-	(1,064,274)
Machinery and Equipment	(3,617,875)	(319,372)	-	(3,937,247)
Total Accumulated Depreciation	<u>(4,634,082)</u>	<u>(367,439)</u>	<u>-</u>	<u>(5,001,521)</u>
Component Unit Capital Assets, Net	<u>\$ 3,091,157</u>	<u>\$ (253,706)</u>	<u>\$ -</u>	<u>\$ 2,837,451</u>

**6. UNEARNED REVENUE**

Governmental Activities and Funds

Unearned revenue of \$175,000 represents rental income collected in advance (see Note 16).

Business-type Activities and Proprietary Funds

Unearned revenue of \$109,000 represents membership fees collected by the Greater Plymouth Community Center for membership periods that extend beyond December 31, 2014.

**7. DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources on the Balance Sheet – Governmental Funds, totaling \$673,926 as of December 31, 2014, represent earned income and local services taxes receivable that do not represent available spendable financial resources as of December 31, 2014.

**8. 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

Debt includes the entire liability for compensated absences totaling \$397,594, as well as the Township’s net other post-employment benefits obligation.

Business-type Activities

As of December 31, 2014, there is no long-term debt attributable to business-type activities.

Component Units

Debt included notes payable of Plymouth Fire Company totaling \$3,838, which was paid during 2014. No balances remained as of December 31, 2014.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2014:

	Balance - 1/1/2014	Additions	Deductions	Balance - 12/31/2014	Amounts Due Within One Year
<u>Governmental Activities:</u>					
Compensated Absences	\$ 465,004	\$ -	\$ (67,410)	\$ 397,594	\$ -
Net Other Post-employment Benefits	9,228,448	1,963,011	-	11,191,459	-
Total	<u>\$ 9,693,452</u>	<u>\$ 1,963,011</u>	<u>\$ (67,410)</u>	<u>\$11,589,053</u>	<u>\$ -</u>

**9. INTERFUND BALANCES AND TRANSFERS**

Transfer from the Sewer Fund to the General Fund

During the year ended December 31, 2014, 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, 2014, the Township transferred \$100,000 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.

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 Harmonville and Plymouth fire companies	\$ 200,000
General Fund	Health and Welfare Fund	Life insurance, hospitalization, and related benefits	3,737,090

Interfund Balances

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

Interfund balances at December 31, 2014 were as follows:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
General Fund	Greater Plymouth Community Center	\$ 78,307

*Presentation in Government-wide Financial Statements*

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

*Presentation in Fund Financial Statements*

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

**10. CONTRIBUTIONS TO COMPONENT UNITS**

During the year ended December 31, 2014, the Township contributed \$348,706 to Harmonville Fire Company and \$326,322 to Plymouth Fire Company.

*Presentation in Government-wide Financial Statements*

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

*Presentation in Fund Financial Statements*

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

## 11. 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 2014:

General Fund:	
Social Security Tax	\$ 786,851
Police Pension Contribution	1,501,525
Non-Uniformed Employee Pension Contribution	<u>555,386</u>
	2,843,762
Health and Welfare Fund:	
Medical, Life, and Disability Insurance	<u>3,761,172</u>
Total Expenditures Presented in Fund Financial Statements	6,604,934
Net Other Post-employment Benefits (Note 14)	<u>1,963,011</u>
Total Expenses Presented in Government-wide Financial Statements	<u><u>\$ 8,567,945</u></u>

## 12. EMPLOYEE PENSIONS

### Plan Description

The Township administers two single-employer defined benefit pension plans: Non-Uniformed Employees and Police. 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").

At January 1, 2015, the date of the most recent actuarial valuation, the number of participants in each plan was as follows:

	<u>Police</u>	<u>Non-Uniformed Employees</u>
<b>Participants:</b>		
Active Participants	41	75
Non-active Participants	<u>34</u>	<u>55</u>
<b>Totals</b>	<u><u>75</u></u>	<u><u>130</u></u>

### Summary of Significant Accounting Policies

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 to each plan are recognized when due as required by Act 205 of the Commonwealth. Benefits and refunds are recognized when due and payable in accordance with the terms of the appropriate plan.

Investments are reported at fair market value. Securities traded on national exchanges are valued at the last reported sales price.

## Plan Investments

### *Concentrations*

The following investments each comprised at least 5% of plan assets as of December 31, 2014.

	<u>Market Value 12/31/14</u>
<b>Police Pension Trust Fund:</b>	
Vanguard Total Stock Market Index Fund	\$9,578,043
Vanguard Developed Markets Index	7,224,992
Metropolitan West Trust Bond Fund	3,973,640
Vanguard Dividend Growth Fund IV	2,021,793
Vanguard 500 Index Admiral Fund	1,977,798
<b>Non-Uniformed Employees' Pension Trust Fund:</b>	
Vanguard Total Stock Market Index Fund	\$6,217,821
Vanguard Developed Markets Index Fund	4,683,716
Metropolitan West Trust Bond Fund	2,593,132
Vanguard Dividend Growth Fund IV	1,312,333
Vanguard 500 Index Admiral Fund	1,291,651

### *Rate of Return*

For the year ended December 31, 2014, the annual money-weighted rate of return on plan investments was 5.37% for the Police Pension and 5.40% for the Non-uniformed Employees' Pension. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

### 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 Plan for 2014 totaled \$1,183,965 from the Township, \$317,560 from the Commonwealth, and \$141,773 from employees. Contributions to the Non-uniformed Employees' Pension Plan for 2014 totaled \$268,808 from the Township and \$286,578 from the Commonwealth.

	<u>Police</u>	<u>Non- Uniformed Employees</u>
Normal Cost	\$ 1,074,224	558,180
Administrative Expenses	102,000	66,000
Amortization Requirement	453,745	(68,794)
Less: Estimated Employee Contributions	<u>(128,444)</u>	<u>-</u>
2014 Minimum Municipal Obligation	<u>\$ 1,501,525</u>	<u>\$ 555,386</u>

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

### Net Pension Liability

The components of the net pension liability as of December 31, 2014 are as follows:

	<u>Police Pension and DROP</u>	<u>Non-uniformed Employees' Pension</u>
Total Pension Liability:		
Service Cost	\$ 1,160,796	\$ 601,914
Interest	2,172,780	1,269,369
Changes of Benefit Terms	-	-
Increase in DROP Balance	270,520	-
Changes of Assumptions	-	-
Benefit Payments	<u>(1,087,555)</u>	<u>(620,541)</u>
Net Change in Total Pension Liability	2,516,541	1,250,742
Total Pension Liability - December 31, 2013	<u>31,877,525</u>	<u>18,444,122</u>
Total Pension Liability - December 31, 2014	34,394,066	19,694,864
Plan Fiduciary Net Position	<u>32,667,860</u>	<u>20,835,703</u>
Plan's Net Pension Liability	<u>\$ 1,726,206</u>	<u>\$ (1,140,839)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.0%	105.8%

### *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	1/1/15	1/1/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Adjusted Market Basis	Adjusted Market Basis
Remaining Amortization Period	8 Years	None
Asset Valuation Method		Adjusted Market Basis
Inflation	3.00%	3.00%
Projected Salary Increase	5.00%	4.00%
Investment Rate of Return	7.00%	7.00%
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	For healthy lives: 1983 Group Annuity Mortality Tables for males and females; For disabled lives: 1984 Unisex Pension Mortality Table set forward one year for males and set back four years for females

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 and 7% for the non-uniformed pension. 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 (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability (Surplus):			
Police Pension	\$ 6,268,391	\$ 1,726,205	\$(2,057,929)
Non-uniformed Employees Pension	1,333,405	(1,140,839)	(3,230,695)



### 13. 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.

### 14. POST-RETIREMENT BENEFIT PLAN

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

#### Plan Description

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

#### *Eligibility*

*Police:* Age 52 with 25 or more years of service

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

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

#### *Medical Benefits – Police and Non-uniformed Employees*

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

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

### *Duration of Medical Benefits*

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

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

### *Benefits upon Disability*

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

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

### *Employee Contributions for Healthcare Coverage*

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

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

### *Life Insurance Benefits*

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

*Non-uniformed employees:* None

### Funding Policy

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

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

### Annual OPEB Cost and Net OPEB Obligation

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

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

Annual Required Contribution (ARC)	\$ 2,494,267
Interest on ARC	174,599
Interest on Net OPEB Obligation	645,991
Adjustment to ARC	(759,269)
Annual OPEB Cost	<u>2,555,588</u>
Employer Contributions	<u>(592,577)</u>
Estimated Increase in Net OPEB Obligation	1,963,011
Net OPEB Obligation - Beginning of Year	<u>9,228,448</u>
Net OPEB Obligation - End of Year	<u><u>\$ 11,191,459</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation for 2014 and the prior two years are as follows:

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
12/31/2014	\$ 2,555,588	23.2%	\$ 11,191,459
12/31/2013	2,628,332	26.0%	9,228,448
12/31/2012	2,628,332	7.4%	7,282,652

#### Funded Status and Funding Progress

As of January 1, 2015, the most recent actuarial valuation date, the plan was 49.1% funded. The actuarial accrued liability for benefits was \$38,370,532, and the actuarial value of assets was \$18,857,957, resulting in an unfunded actuarial accrued liability (UAAL) of \$19,512,575. The participants valued as of January 1, 2015 included 118 active employees and 60 retirees and spouses. Annual covered payroll totals approximately \$9.1 million, and the ratio of the unfunded actuarial liability to annual covered payroll as of January 1, 2014 was approximately 196%.

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

#### Actuarial Methods and Assumptions

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

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

In the January 1, 2015 actuarial valuation, the actuarial cost method used was the Entry Age Normal method with level-dollar Normal Cost. The actuarial assumptions included a 7% investment rate of return, which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8.5% for 2015, reduced by decrements to an ultimate rate of 5.5% in 2021. The actuarial value of assets represents the total market value of cash and investments of the Post-retirement Healthcare Fund as of December 31, 2014. The UAAL is being amortized over 30 years on a straight-line (level dollar) basis. The remaining amortization periods at December 31, 2014 ranged from 24 to 30 years.

**15. 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 2014 totaled \$1,360,191 and are included in Sewage Collection and Treatment expenses of the Sewer Revenue and Reserve Fund.

**16. 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 2014	<u>(325,000)</u>
Unearned Revenue as of December 31, 2014	<u>\$ 175,000</u>
Recognition of Unearned Revenue:	
<u>Year</u>	
2015	\$ 25,000
2016	25,000
2017	25,000
2018	25,000
2019	25,000
Thereafter	<u>50,000</u>
Total	<u>\$ 175,000</u>

## 17. 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.

### Urban v. Plymouth Township

During the years 2007 through 2012, the Township applied for and received an H2O PA Program grant totaling \$1,000,000 to help fund certain sanitary storm water improvements (the "Project") within the Township. The Township is a defendant in a civil action brought by certain residents for which the Project was undertaken. The plaintiffs claim that the Township did not properly apply the grant funds, thereby causing them to be overcharged for their portion of the Project. The plaintiffs' total claim is for \$260,000. Township management believes the claim is without merit and intends to vigorously defend the claim.

### 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.

### 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.

### Public Entity Risk Pools

In accordance with GASB Statement No. 30 issued in June 1996, the Township is presenting the following disclosures of public entity risk pools of which they are a member.

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.

#### **18. EXCESS OF EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS**

Actual expenditures and other financing uses of the General Fund, totaling \$21,403,423, exceeded the fund's total budgeted expenditures and other financing uses of \$21,021,288, which resulted in an excess of expenditures and other financing uses over appropriations of \$382,135 for the year ended December 31, 2014. This excess occurred primarily because Public Safety – Building expenditures were \$411,575 higher than budgeted due to the construction of a large apartment complex which resulted in the Township incurring larger than anticipated costs for plan reviews and inspections.



**PLYMOUTH TOWNSHIP**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios -**  
**Police Pension Fund (including Deferred Retirement Option Plan Trust Fund)**  
**For the Year Ended December 31, 2014**

Total Pension Liability	
Service Cost	\$ 1,160,796
Interest	2,172,780
Changes in Benefit Terms	-
Differences between Expected and Actual Experience	-
Increase in DROP Balance	270,520
Changes in Assumptions	-
Benefit Payments	<u>(1,087,555)</u>
Net Change in Total Pension Liability	2,516,541
Total Pension Liability - Beginning	<u>31,877,525</u>
Total Pension Liability - Ending	<u><u>\$ 34,394,066</u></u>
Plan Fiduciary Net Position	
Contributions - Employer (State and Township)	\$ 1,501,525
Contributions - Member	402,123
Net Investment Income	1,635,317
Benefit Payments	(1,087,555)
Administrative Expense	<u>(106,524)</u>
Net Change in Plan Fiduciary Net Position	2,344,886
Plan Fiduciary Net Position - Beginning	<u>30,322,974</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ 32,667,860</u></u>
Township's Net Pension Liability	<u><u>\$ 1,726,206</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.0%
Covered-employee Payroll	\$ 4,539,487
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	38.0%

**PLYMOUTH TOWNSHIP**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios -**  
**Non-uniformed Employees' Pension Plan**  
**For the Year Ended December 31, 2014**

Total Pension Liability	
Service Cost	\$ 601,914
Interest	1,269,369
Changes in Benefit Terms	-
Differences between Expected and Actual Experience	-
Changes in Assumptions	-
Benefit Payments	<u>(620,541)</u>
Net Change in Total Pension Liability	1,250,742
Total Pension Liability - Beginning	<u>18,444,122</u>
Total Pension Liability - Ending	<u><u>\$ 19,694,864</u></u>
Plan Fiduciary Net Position	
Contributions - Employer (State and Township)	\$ 555,386
Contributions - Member	-
Net Investment Income	1,071,536
Benefit Payments	(620,542)
Administrative Expense	<u>(80,838)</u>
Net Change in Plan Fiduciary Net Position	925,542
Plan Fiduciary Net Position - Beginning	<u>19,910,161</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ 20,835,703</u></u>
Township's Net Pension Liability (Surplus)	<u><u>\$ (1,140,839)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.8%
Covered-employee Payroll	\$ 4,417,118
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	-25.8%

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarially Determined Contribution	\$ 1,501,525	\$ 1,431,875	\$ 1,437,447	\$ 1,302,411	\$ 1,346,058	\$ 1,121,523	\$ 1,021,848	\$ 965,073	\$ 916,690	\$ 751,303
Contributions in Relation to the Actuarial Determined Contribution	<u>1,501,525</u>	<u>1,431,875</u>	<u>1,437,447</u>	<u>1,302,411</u>	<u>1,346,058</u>	<u>1,121,523</u>	<u>1,021,848</u>	<u>965,073</u>	<u>916,690</u>	<u>751,303</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee Payroll	\$ 4,539,487	\$ 4,508,159	\$ 4,117,234	\$ 4,325,365	\$ 4,164,977	\$ 4,058,385	\$ 3,859,422	\$ 3,654,738	\$ 3,437,819	\$ 3,319,951
Contributions as a Percentage of Covered-employee Payroll	33.1%	31.8%	34.9%	30.1%	32.3%	27.6%	26.5%	26.4%	26.7%	22.6%

**Notes to Schedule**

Valuation date:

Actuarially-determined contribution rates are calculated as of January 1. The most recent valuation is dated January 1, 2015.

Methods and assumptions used to determine contribution rates for the year ended December 31, 2014:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Remaining Amortization Period	8 Years
Asset Valuation Method	Adjusted Market Basis. The corridor is 80% and 120% of market value.
Inflation	3.0%
Salary Increases	5.0%
Investment Rate of Return	7.0%
Retirement Age	Normal retirement age or at attained age plus 1 year, if later
Mortality	RP-2000 Combined Healthy Mortality Table with Blue Collar

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarially Determined Contribution	\$ 555,386	\$ 604,052	\$ 594,080	\$ 920,846	\$ 909,604	\$ 643,689	\$ 621,300	\$ 543,348	\$ 539,343	\$ 468,634
Contributions in Relation to the Actuarial Determined Contribution	<u>555,386</u>	<u>604,052</u>	<u>594,080</u>	<u>920,846</u>	<u>909,604</u>	<u>643,689</u>	<u>621,300</u>	<u>543,348</u>	<u>539,343</u>	<u>468,634</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee Payroll	\$ 4,417,118	\$ 4,391,845	\$ 4,172,910	\$ 4,085,105	\$ 4,372,448	\$ 4,498,535	\$ 4,184,936	\$ 4,088,474	\$ 3,926,178	\$ 3,766,721
Contributions as a Percentage of Covered-employee Payroll	12.6%	13.8%	14.2%	22.5%	20.8%	14.3%	14.8%	13.3%	13.7%	12.4%

**Notes to Schedule**

Valuation date:

Actuarially-determined contribution rates are calculated as of December 31.

Methods and assumptions used to determine contribution rates for the year ended December 31, 2014:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Remaining Amortization Period	None
Asset Valuation Method	Five Year Averaging
Inflation	Moderate inflation, based on long-term historical average rates
Salary Increases	5.0%
Investment Rate of Return	7.5%
Retirement Age	The later of age 51, age at the completion of 25 years of service, or age on the valuation date. It is assumed that 100% of eligible participants will elect the deferred retirement option plan.
Mortality	RP2000 Mortality Table

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

	<u>2014</u>	<u>2013</u>
<b>Police Pension Plan</b>		
Annual Money-weighted Rate of Return, Net of Investment Expense	5.37%	15.01%
<b>Non-uniformed Employees' Pension Plan</b>		
Annual Money-weighted Rate of Return, Net of Investment Expense	5.40%	15.09%

**PLYMOUTH TOWNSHIP**  
**Schedule of Revenues**  
**General Fund**  
**For the Year Ended December 31, 2014**

**Taxes:**

Earned Income Tax		\$ 6,199,727
Real Estate Taxes:		
Current Real Estate Taxes	\$2,533,833	
Prior Year Real Estate Taxes	9,733	
Liened Real Estate Taxes	43,621	
Interim Real Estate Taxes	18,702	2,605,889
Business Privilege Taxes		3,778,532
Mercantile Taxes		2,458,134
Real Estate Transfer Taxes		384,275
Local Services Tax		1,211,588
Solid Waste Disposal Tax		1,051,952
Other Taxes:		
Amusement Tax	18,314	
Mechanical Devices Taxes	19,050	37,364
Total Taxes		17,727,461

**Licenses and Permits:**

Commonwealth of Penna. Liquor Licenses	7,800	
Building and Plumbing Permits	920,068	
CATV Franchise Fees	323,356	
Streets Permits	3,850	
Zoning Permits	34,393	
Mercantile Licenses	7,225	
Business Privileges Licenses	25,575	
Other Licenses and Permits	23,557	1,345,824

**Fines and Forfeits**

193,380

**Intergovernmental:**

Municipal Pension Grant	606,347	
Firemen's Relief Association Allocation	191,046	
Recycling	78,287	
Public Utility Taxes	20,956	896,636

**Charges for Services:**

Inspection Services	131,146	
Special Duty Police	15,525	
Engineering and Other Cost Reimbursements	379,665	
Recreation Fees	273,151	
Recycling	25,520	
Miscellaneous Service Revenue	78,508	903,515

**Investment Earnings**

32,968

**Miscellaneous**

58,552

Total Revenues

\$21,158,336

**PLYMOUTH TOWNSHIP**  
**Comparison of Budgeted and Actual Expenditures and Other Financing Uses**  
**General Fund**  
**For the Year Ended December 31, 2014**

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
<b>GENERAL GOVERNMENT:</b>			
<b>Manager's Office:</b>			
Salaries and Wages	\$ 431,365	\$ 436,944	\$ (5,579)
Civic Organizations - Contributions	25,500	26,000	(500)
	<hr/>	<hr/>	<hr/>
<b>Totals - Manager's Office</b>	<b>\$ 456,865</b>	<b>\$ 462,944</b>	<b>\$ (6,079)</b>
<b>Administration:</b>			
Salaries and Wages	196,140	198,093	(1,953)
Office Supplies	13,000	13,637	(637)
Miscellaneous Supplies	250	-	250
Office Equipment	250	-	250
Furniture and Fixtures	250	1,087	(837)
Computer Hardware	65,000	89,442	(24,442)
Computer Software	55,600	44,248	11,352
Audit / Accounting Services	32,000	28,500	3,500
Engineering Services	-	3,052	(3,052)
Legal Services	90,000	118,769	(28,769)
Maintenance and Support - Computer	67,000	63,980	3,020
Other Professional Consultants	-	6,760	(6,760)
Telephone	17,000	15,367	1,633
Postage, Mailing, and Delivery	3,400	3,064	336
Internet Services	12,500	11,308	1,192
Automobile	2,500	2,816	(316)
Printing and Advertising	25,000	19,853	5,147
Casualty Insurance	60,000	37,193	22,807
Surety and Fidelity Bonds	12,000	3,390	8,610
Worker's Compensation Insurance	209,000	249,745	(40,745)
Unemployment Compensation Insurance	47,000	47,436	(436)
Insurance Claim Deductible	10,000	14,831	(4,831)
Maintenance and Repairs - Equipment	1,000	1,598	(598)
Rental of Equipment	1,000	795	205
Miscellaneous Services	50,000	67,295	(17,295)
Dues, Subscriptions, and Memberships	1,750	1,832	(82)
Training and Seminars	4,000	1,215	2,785
Miscellaneous Charges	500	1,260	(760)
	<hr/>	<hr/>	<hr/>
<b>Totals - Administration</b>	<b>976,140</b>	<b>1,046,566</b>	<b>(70,426)</b>

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**PLYMOUTH TOWNSHIP**  
**Comparison of Budgeted and Actual Expenditures and Other Financing Uses**  
**General Fund**  
**For the Year Ended December 31, 2014**

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
<b>Tax Collection:</b>			
Salaries and Wages	60,133	60,671	(538)
Computer Software	2,200	2,314	(114)
Audit / Accounting Services	30,000	26,067	3,933
Tax Collection Services	65,000	81,550	(16,550)
Postage, Mailing, and Delivery	6,300	5,674	626
Printing and Advertising	1,500	1,149	351
Refunds of Taxes	25,000	197,819	(172,819)
	<hr/>	<hr/>	<hr/>
<b>Totals - Tax Collection</b>	\$ 190,133	\$ 375,244	\$ (185,111)
<b>Municipal Buildings:</b>			
Salaries and Wages	\$ 142,140	\$ 139,198	\$ 2,942
Building Maintenance Supplies	12,000	6,832	5,168
Janitorial Supplies	-	10,746	(10,746)
Miscellaneous Supplies	500	65	435
Small Tools and Equipment	1,500	495	1,005
Telephone	300	433	(133)
Electricity	85,000	75,513	9,487
Water	9,000	8,401	599
Maintenance and Repairs - Equipment	9,000	6,628	2,372
Maintenance and Repairs - Buildings	10,000	22,625	(12,625)
Miscellaneous Services	4,440	5,324	(884)
Building - Replacement and Improvements	14,500	6,567	7,933
	<hr/>	<hr/>	<hr/>
<b>Totals - Municipal Buildings</b>	288,380	282,827	5,553
<b>Reimbursable Costs:</b>			
Engineering Services	120,000	179,363	(59,363)
Legal Services	35,000	46,768	(11,768)
Other Professional Consultants	40,000	59,432	(19,432)
	<hr/>	<hr/>	<hr/>
<b>Totals - Reimbursable Costs</b>	195,000	285,563	(90,563)
	<hr/>	<hr/>	<hr/>
<b>Totals - General Government</b>	\$ 2,106,518	\$ 2,453,144	\$ (346,626)

(Continued)



**PLYMOUTH TOWNSHIP**  
**Comparison of Budgeted and Actual Expenditures and Other Financing Uses**  
**General Fund**  
**For the Year Ended December 31, 2014**

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
<b>PUBLIC SAFETY:</b>			
<b>Police Protection:</b>			
Salaries and Wages	\$ 5,559,866	\$ 5,413,973	\$ 145,893
Office Supplies	7,500	5,467	2,033
Photo Lab and Identification	112,066	128,578	(16,512)
Ammunition and Supplies	56,850	29,638	27,212
Gasoline, Oil, and Grease	125,000	124,148	852
Clothing and Uniforms	60,950	38,502	22,448
K-9 / Kennel Expenditures	47,400	36,507	10,893
Tires and Tubes	10,000	9,223	777
Vehicle and Equipment Repair Parts	38,000	32,363	5,637
Miscellaneous Supplies	12,196	3,474	8,722
Firearms and Tactical Equipment	13,000	11,872	1,128
Furniture and Fixtures	3,000	379	2,621
Computer Hardware	35,000	58,643	(23,643)
Computer Software	2,500	1,177	1,323
Communications Equipment	10,000	3,306	6,694
Vehicle Equipment	50,546	59,881	(9,335)
Miscellaneous Equipment and Tools	1,850	1,283	567
Professional Consultants	5,000	-	5,000
Telephone	42,000	44,651	(2,651)
Postage, Mailing, and Delivery	2,000	1,333	667
Radio Equipment Maintenance	12,000	10,454	1,546
Printing and Advertising	16,000	13,450	2,550
Electricity	11,500	11,725	(225)
Maintenance and Repairs - Equipment	14,000	2,588	11,412
Maintenance and Repairs - Traffic Signals	80,000	112,113	(32,113)
Maintenance and Repairs - Vehicles	25,000	24,693	307
Miscellaneous Services	8,050	3,868	4,182
Civil Service	15,000	14,114	886
Training and Seminars	36,200	21,985	14,215
Miscellaneous Charges	17,450	4,018	13,432
Vehicle Purchases	151,500	157,957	(6,457)
Electronic Equipment	19,950	15,841	4,109
	<hr/>	<hr/>	<hr/>
<b>Totals - Police Protection</b>	<b>\$ 6,601,374</b>	<b>\$ 6,397,204</b>	<b>\$ 204,170</b>

(Continued)

**PLYMOUTH TOWNSHIP**  
**Comparison of Budgeted and Actual Expenditures and Other Financing Uses**  
**General Fund**  
**For the Year Ended December 31, 2014**

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
<b>Fire Protection and Emergency Management:</b>			
Salaries and Wages	\$ 102,982	\$ 91,847	\$ 11,135
Gasoline, Oil, and Grease	3,500	2,991	509
Tires and Tubes	1,000	15	985
Vehicle and Equipment Repair Parts	1,500	1,459	41
Miscellaneous Supplies	2,000	982	1,018
Small Tools and Equipment	1,500	695	805
Office Equipment	500	-	500
Computer Hardware	1,500	-	1,500
Computer Software	1,000	-	1,000
Maintenance and Support - Computer	845	845	-
Telephone	-	510	(510)
Postage, Mailing, and Delivery	-	36	(36)
Radio Equipment Maintenance	1,000	-	1,000
Printing and Advertising	750	77	673
Hydrant Service	100,000	82,956	17,044
Maintenance and Repairs - Vehicles	3,000	1,295	1,705
Miscellaneous Services	3,000	950	2,050
Dues, Subscriptions, and Memberships	250	-	250
Training and Seminars	-	150	(150)
Miscellaneous Charges	1,800	2,068	(268)
Fire Companies - Donated Telephone Reimbursements	8,750	7,782	968
Fire Companies - Donated Fuel	22,500	22,435	65
Donations to Fire Companies	698,402	675,028	23,374
Ambulance Association - Donated Fuel	49,000	53,509	(4,509)
Donations to Ambulance Association	44,745	44,745	-
Payment of the Commonwealth's Allocation to the Firemen's Relief Association	203,000	191,046	11,954
	<hr/>	<hr/>	<hr/>
<b>Totals - Fire Protection and Emergency Management</b>	<b>\$ 1,252,524</b>	<b>\$ 1,181,421</b>	<b>\$ 71,103</b>
<b>Zoning:</b>			
Salaries and Wages	\$ 76,412	\$ 76,881	\$ (469)
Office Supplies	250	415	(165)
Vehicle and Equipment Repair Parts	-	20	(20)
Miscellaneous Supplies	200	-	200
Office Equipment	1,000	-	1,000
Computer Hardware	700	-	700
Legal Services	15,000	16,289	(1,289)
Other Professional Consultants	4,000	4,765	(765)
Stenographic Services	5,000	4,117	883
Postage, Mailing, and Delivery	2,500	2,856	(356)
Printing and Advertising	4,500	5,795	(1,295)
Codification of Ordinances	10,000	7,315	2,685
Maintenance and Repairs - Vehicles	500	-	500
Miscellaneous Services	500	175	325
Dues, Subscriptions, and Memberships	250	-	250
Board Expenditures	3,000	2,995	5
Training and Seminars	500	-	500
	<hr/>	<hr/>	<hr/>
<b>Total Expenditures - Zoning</b>	<b>124,312</b>	<b>121,623</b>	<b>2,689</b>

(Continued)

**PLYMOUTH TOWNSHIP**  
**Comparison of Budgeted and Actual Expenditures and Other Financing Uses**  
**General Fund**  
**For the Year Ended December 31, 2014**

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
<b>Building:</b>			
Salaries and Wages	52,096	55,995	(3,899)
Office Supplies	500	-	500
Books, Publications, and Reference Materials	2,000	-	2,000
Miscellaneous Supplies	500	-	500
Office Equipment	-	958	(958)
Maintenance and Support - Computer	5,500	5,116	384
Other Professional Consultants	500,000	910,360	(410,360)
Printing and Advertising	-	200	(200)
Maintenance and Repairs - Equipment	100	-	100
Miscellaneous Services	-	42	(42)
Training and Seminars	200	-	200
Miscellaneous Charges	200	-	200
	<u>52,096</u>	<u>55,995</u>	<u>(3,899)</u>
<b>Totals - Building</b>	<b>\$ 561,096</b>	<b>\$ 972,671</b>	<b>\$ (411,575)</b>
<b>Code Enforcement:</b>			
Salaries and Wages	\$ 151,816	\$ 81,696	\$ 70,120
Books, Publications, and Reference Materials	1,000	239	761
Gasoline, Oil, and Grease	3,000	1,796	1,204
Clothing and Uniforms	1,000	750	250
Vehicle and Equipment Repair Parts	2,500	376	2,124
Miscellaneous Supplies	500	100	400
Furniture and Fixtures	-	2,300	(2,300)
Other Professional Consultants	500	225	275
Postage, Mailing, and Delivery	400	323	77
Printing and Advertising	100	826	(726)
Miscellaneous Services	-	342	(342)
Dues, Subscriptions, and Memberships	250	410	(160)
Training and Seminars	800	390	410
	<u>161,866</u>	<u>89,773</u>	<u>72,093</u>
<b>Totals - Code Enforcement</b>	<b>161,866</b>	<b>89,773</b>	<b>72,093</b>
<b>Totals - Public Safety</b>	<b>\$ 8,701,172</b>	<b>\$ 8,762,692</b>	<b>\$ (61,520)</b>

(Continued)

**PLYMOUTH TOWNSHIP**  
**Comparison of Budgeted and Actual Expenditures and Other Financing Uses**  
**General Fund**  
**For the Year Ended December 31, 2014**

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
<b>PUBLIC WORKS:</b>			
<b>Sanitation:</b>			
Salaries and Wages	\$ 622,800	\$ 608,218	\$ 14,582
Gasoline, Oil, and Grease	50,000	62,881	(12,881)
Tires and Tubes	10,000	15,319	(5,319)
Vehicle and Equipment Repair Parts	25,000	18,469	6,531
Miscellaneous Supplies	5,000	4,388	612
Radio Equipment Maintenance	500	-	500
Maintenance and Repairs - Vehicles	15,000	24,780	(9,780)
Miscellaneous Services	15,500	14,882	618
Recycling Promotion and Education	1,000	465	535
Trash Disposal Costs	310,000	281,538	28,462
Recycling Disposal Costs	1,500	-	1,500
	<hr/>	<hr/>	<hr/>
<b>Totals - Sanitation</b>	1,056,300	1,030,940	25,360
	<hr/>	<hr/>	<hr/>
<b>Administration:</b>			
Salaries and Wages	319,901	349,515	(29,614)
Office Supplies	500	129	371
Miscellaneous Supplies	500	471	29
Office Equipment	1,000	288	712
Computer Hardware	1,000	-	1,000
Computer Software	1,000	-	1,000
Mosquito Control Services	7,000	3,780	3,220
Engineering Services	70,000	32,015	37,985
Other Professional Consultants	-	600	(600)
Telephone	2,000	2,566	(566)
Postage, Mailing, and Delivery	1,350	1,040	310
Radio Equipment Maintenance	500	248	252
Printing and Advertising	1,200	1,056	144
Maintenance and Repairs - Equipment	500	-	500
Miscellaneous Services	1,000	-	1,000
Dues, Subscriptions, and Memberships	500	60	440
Training and Seminars	500	-	500
Miscellaneous Charges	500	-	500
	<hr/>	<hr/>	<hr/>
<b>Totals - Administration</b>	\$ 408,951	\$ 391,768	\$ 17,183
	<hr/>	<hr/>	<hr/>

(Continued)

**PLYMOUTH TOWNSHIP**  
**Comparison of Budgeted and Actual Expenditures and Other Financing Uses**  
**General Fund**  
**For the Year Ended December 31, 2014**

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
<b>Street Maintenance:</b>			
Salaries and Wages	\$ 68,800	\$ 68,674	\$ 126
Street Signs	1,000	528	472
Street Maintenance Materials and Supplies	500	383	117
Street Paving Materials	500	192	308
Storm Sewer Materials and Supplies	2,000	1,578	422
Vehicle and Equipment Repair Parts	1,000	-	1,000
Miscellaneous Supplies	5,500	3,862	1,638
Small Tools and Equipment	2,000	4,806	(2,806)
Communications Equipment	-	1,019	(1,019)
Construction Contractors	10,000	4,050	5,950
Maintenance and Repairs - Equipment	3,000	3,354	(354)
Rental of Equipment	1,000	-	1,000
Miscellaneous Services	4,500	1,817	2,683
	<hr/>	<hr/>	<hr/>
<b>Totals - Street Maintenance</b>	99,800	90,263	9,537
	<hr/>	<hr/>	<hr/>
<b>Highway Services:</b>			
Salaries and Wages	104,000	127,298	(23,298)
Branch Collection Materials and Supplies	1,000	-	1,000
Small Tools and Equipment	1,000	-	1,000
Miscellaneous Supplies	1,000	-	1,000
Leaf Collection Equipment	1,000	-	1,000
Electricity	128,000	128,519	(519)
Maintenance and Repairs - Street Lighting	40,000	33,388	6,612
Maintenance and Repairs - Equipment	22,500	16,656	5,844
Maintenance and Repairs - Traffic Signals	-	2,696	(2,696)
Miscellaneous Services	2,000	-	2,000
	<hr/>	<hr/>	<hr/>
<b>Totals - Highway Services</b>	300,500	308,557	(8,057)
	<hr/>	<hr/>	<hr/>
<b>Equipment Maintenance and Purchases:</b>			
Salaries and Wages	181,000	185,843	(4,843)
Gasoline, Oil, and Grease	43,000	55,337	(12,337)
Maintenance Garage Materials and Supplies	15,000	8,965	6,035
Tires and Tubes	8,000	21,690	(13,690)
Vehicle and Equipment Repair Parts	25,000	37,281	(12,281)
Miscellaneous Supplies	1,000	327	673
Small Tools and Equipment	2,000	-	2,000
Communications Equipment	5,000	-	5,000
Maintenance and Repairs - Equipment	15,000	8,515	6,485
Maintenance and Repairs - Vehicles	10,000	4,067	5,933
Miscellaneous Services	-	969	(969)
	<hr/>	<hr/>	<hr/>
<b>Totals - Equipment Maintenance and Purchases</b>	305,000	322,994	(17,994)
	<hr/>	<hr/>	<hr/>
<b>Totals - Public Works</b>	\$ 2,170,551	\$ 2,144,522	\$ 26,029
	<hr/>	<hr/>	<hr/>

(Continued)

**PLYMOUTH TOWNSHIP**  
**Comparison of Budgeted and Actual Expenditures and Other Financing Uses**  
**General Fund**  
**For the Year Ended December 31, 2014**

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
<b>CULTURE AND RECREATION:</b>			
<b>Buildings and Grounds:</b>			
Salaries and Wages	\$ 499,974	\$ 510,338	\$ (10,364)
Clothing Allowance	2,400	2,400	-
Office Supplies	1,500	4,459	(2,959)
Groundkeeping and Agricultural Supplies	22,250	18,290	3,960
Gasoline, Oil, and Grease	15,000	13,138	1,862
Clothing and Uniforms	800	1,494	(694)
Tires and Tubes	2,000	1,673	327
Vehicle and Equipment Repair Parts	6,000	7,869	(1,869)
Small Tools and Equipment	1,500	938	562
Miscellaneous Equipment and Tools	2,500	1,776	724
Telephone	7,000	5,951	1,049
Printing and Advertising	750	752	(2)
Electricity	31,000	36,951	(5,951)
Water	15,000	23,590	(8,590)
Maintenance and Repairs - Vehicles	3,000	1,855	1,145
Maintenance and Repairs - Buildings	9,000	8,192	808
Maintenance and Repairs - Grounds	12,000	12,717	(717)
Rental of Equipment	2,000	1,568	432
Miscellaneous Services	42,320	46,243	(3,923)
Park Donation Expense	-	611	(611)
Miscellaneous Charges	1,000	80	920
Building System - Replacement and Improvement	-	3,100	(3,100)
	\$ 676,994	\$ 703,985	\$ (26,991)
<b>Totals - Buildings and Grounds</b>			

(Continued)

**PLYMOUTH TOWNSHIP**  
**Comparison of Budgeted and Actual Expenditures and Other Financing Uses**  
**General Fund**  
**For the Year Ended December 31, 2014**

	Original and Final <u>Budget</u>	Actual <u>Expenditures</u>	Favorable (Unfavorable) <u>Variance</u>
<b>Parks and Recreation:</b>			
Salaries and Wages	\$ 173,987	\$ 166,297	\$ 7,690
Office Supplies	1,050	1,046	4
Recreation Program Supplies	3,820	3,931	(111)
Clothing and Uniforms	440	-	440
Vehicle Repair Parts	250	-	250
Minor Equipment	300	-	300
Computer Hardware	3,930	3,529	401
Computer Software	300	-	300
Maintenance and Support - Computer	2,465	1,765	700
Telephone	2,400	1,374	1,026
Postage, Mailing, and Delivery	7,285	6,622	663
Entertainers	8,100	8,050	50
Contracted Instructors	22,587	9,970	12,617
Automobile	100	-	100
Printing and Advertising	13,030	12,445	585
Rental of Equipment	915	915	-
Miscellaneous Services	1,625	1,457	168
4th of July Program	350	-	350
Plymouth Township Day	20,275	16,726	3,549
Tickets - PA Rec. Society	103,000	111,588	(8,588)
Bus Trips, Admission to Rec. Facility	19,620	18,900	720
Dues, Subscriptions, and Memberships	1,280	1,299	(19)
Donation	-	96	(96)
Training and Seminars	3,435	1,187	2,248
Contributions to Sports Organizations	30,850	26,037	4,813
Harriet Wetherill Park	178,923	161,705	17,218
Memorial	-	3,289	(3,289)
	<hr/>	<hr/>	<hr/>
<b>Totals - Parks and Recreation</b>	600,317	558,228	42,089
	<hr/>	<hr/>	<hr/>
<b>Totals - Culture and Recreation</b>	1,277,311	1,262,213	15,098
	<hr/>	<hr/>	<hr/>
<b>EMPLOYEE BENEFITS:</b>			
Social Security Taxes	771,735	786,851	(15,116)
Transfer to Police Pension	1,501,525	1,501,525	-
Transfer to Non-Uniformed Employees' Pension	555,386	555,386	-
	<hr/>	<hr/>	<hr/>
<b>Totals - Employee Benefits</b>	2,828,646	2,843,762	(15,116)
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING USES:</b>			
Transfer to Health and Welfare Fund for Employees' Insurances	3,737,090	3,737,090	-
Transfer to Capital Reserve Fund	200,000	200,000	-
	<hr/>	<hr/>	<hr/>
<b>Totals - Other Financing Uses</b>	3,937,090	3,937,090	-
	<hr/>	<hr/>	<hr/>
<b>Total Budgeted and Actual Expenditures and Other Financing Uses</b>	<u>\$ 21,021,288</u>	<u>\$ 21,403,423</u>	<u>\$ (382,135)</u>

**PLYMOUTH TOWNSHIP**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Greater Plymouth Community Center**  
**For the Year Ended December 31, 2014**

**OPERATING REVENUES:**

Charges for Services:		
Program Services	\$ 1,117,597	
Membership Revenue	529,271	
Daily Admissions	140,647	
Rental Revenues	194,753	
Pro Shop Sales	8,486	
General Services	77,286	
Other	<u>(28,592)</u>	
Total Operating Revenues		\$ 2,039,448

**OPERATING EXPENSES:**

Wages	1,559,805	
Office Supplies	6,467	
Recreation Program Supplies	56,292	
Pool Supplies	20,688	
Computer Supplies	2,449	
Building Maintenance Supplies	5,071	
Janitorial Supplies	30,276	
Clothing and Uniforms	1,621	
Miscellaneous Supplies	4,987	
Minor Tools and Equipment	78	
Minor Recreation Program Equipment	24,354	
Minor Building Improvements	1,138	
Pool System Components	7,519	
Minor Computer Hardware and Software	3,123	
Miscellaneous Equipment and Tools	192	
Maintenance and Support - Computer	4,731	
Telephone	17,918	
Postage, Mailing, and Delivery	8,387	
Internet Services	930	
Contracted Instructors	30,506	
Automobile Allowances	23	
Printing and Advertising	25,446	
Utilities	252,160	
Maintenance and Repairs	45,293	
Rental of Equipment	6,452	
Miscellaneous Services	19,399	
Dues, Subscriptions, Memberships	330	
Training - Seminars	2,628	
Bus Trips	42,077	
Depreciation Expense	260,856	
Other Expenses	<u>1,212</u>	
Total Operating Expenses		<u>2,442,408</u>
Operating (Loss)		(402,960)

**NONOPERATING REVENUE:**

Interest Income	<u>5,661</u>
(Loss) before Transfers	(397,299)

**CONTRIBUTIONS FROM GOVERNMENTAL FUNDS**

**TRANSFERS OUT**

	513,541
	<u>(100,000)</u>
Change in Net Position	16,242

<b>Total Net Position - Beginning of Year</b>	<u>10,542,120</u>
<b>Total Net Position - End of Year</b>	<u><u>\$ 10,558,362</u></u>



**PLYMOUTH TOWNSHIP**  
**Combining Statement of Net Position**  
**Component Units**  
**December 31, 2014**

	Plymouth Township Parks Recreation and Facilities <u>Fund</u>	Greater Plymouth Community Center <u>Fund</u>	Harmonville Fire Company <u>Company</u>	Plymouth Fire Company <u>Company</u>	<u>Total</u>
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ -	\$ -	\$ 270,652	\$1,093,518	\$ 1,364,170
Equity in Pooled Cash and Investments	7,815	-	-	-	7,815
Investments	<u>-</u>	<u>-</u>	<u>2,028,111</u>	<u>-</u>	<u>2,028,111</u>
Total Current Assets	<u>7,815</u>	<u>-</u>	<u>2,298,763</u>	<u>1,093,518</u>	<u>3,400,096</u>
Other Assets:					
Capital Assets:					
Land and Improvements	-	-	100,001	40,000	140,001
Other Capital Assets, Net of Depreciation	<u>-</u>	<u>-</u>	<u>947,009</u>	<u>1,750,441</u>	<u>2,697,450</u>
Total Capital Assets	<u>-</u>	<u>-</u>	<u>1,047,010</u>	<u>1,790,441</u>	<u>2,837,451</u>
Total Assets	<u>\$ 7,815</u>	<u>\$ -</u>	<u>\$ 3,345,773</u>	<u>\$2,883,959</u>	<u>\$ 6,237,547</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Payroll Taxes Payable	<u>-</u>	<u>-</u>	<u>2,414</u>	<u>2,520</u>	<u>4,934</u>
Total (Current) Liabilities	<u>-</u>	<u>-</u>	<u>2,414</u>	<u>2,520</u>	<u>4,934</u>
<b>NET POSITION</b>					
Invested in Capital Assets, Net of Related Debt			1,047,010	1,790,441	2,837,451
Unrestricted	<u>\$ 7,815</u>	<u>\$ -</u>	<u>2,296,349</u>	<u>1,090,998</u>	<u>3,395,162</u>
Total Net Position	<u>7,815</u>	<u>-</u>	<u>3,343,359</u>	<u>2,881,439</u>	<u>6,232,613</u>
Total Liabilities and Net Position	<u>\$ 7,815</u>	<u>\$ -</u>	<u>\$ 3,345,773</u>	<u>\$2,883,959</u>	<u>\$ 6,237,547</u>

**PLYMOUTH TOWNSHIP**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Component Units**  
**For the Year Ended December 31, 2014**

	Plymouth Township Parks Recreation and Facilities <u>Fund</u>	Greater Plymouth Community Center <u>Fund</u>	Harmonville Fire Company	Plymouth Fire Company	<u>Total</u>
<b>OPERATING REVENUES</b>					
Charges for Services	\$ -	\$ -	\$ 6,540	\$ -	\$ 6,540
Rental Income	-	-	-	18,005	18,005
Grants and Contributions:					
Primary Government	-	-	348,706	326,322	675,028
Other	7,485	-	107,654	70,003	185,142
	<u>7,485</u>	<u>-</u>	<u>462,900</u>	<u>414,330</u>	<u>884,715</u>
Total Operating Revenues	<u>7,485</u>	<u>-</u>	<u>462,900</u>	<u>414,330</u>	<u>884,715</u>
<b>OPERATING EXPENSES</b>					
	<u>732</u>	<u>-</u>	<u>505,517</u>	<u>450,771</u>	<u>957,020</u>
Operating Income (Loss)	<u>6,753</u>	<u>-</u>	<u>(42,617)</u>	<u>(36,441)</u>	<u>(72,305)</u>
<b>NON-OPERATING REVENUES</b>					
Investment Earnings	49	-	52,821	948	53,818
Miscellaneous Income	-	-	21,289	5,894	27,183
	<u>49</u>	<u>-</u>	<u>74,110</u>	<u>6,842</u>	<u>81,001</u>
Total Non-operating Revenue	<u>49</u>	<u>-</u>	<u>74,110</u>	<u>6,842</u>	<u>81,001</u>
Change in Net Position	6,802	-	31,493	(29,599)	8,696
<b>Total Net Position - Beginning of Year</b>	<u>1,013</u>	<u>-</u>	<u>3,311,866</u>	<u>2,911,038</u>	<u>6,223,917</u>
<b>Total Net Position - End of Year</b>	<u>\$ 7,815</u>	<u>\$ -</u>	<u>\$ 3,343,359</u>	<u>\$2,881,439</u>	<u>\$ 6,232,613</u>