

# **Springettsbury Township York, Pennsylvania**

## **Basic Financial Statements And Supplemental Information**

**December 31, 2018**

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## INDEPENDENT AUDITORS' REPORT

Board of Supervisors  
Springettsbury Township  
York, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Springettsbury Township as of, and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditors' 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.

## INDEPENDENT AUDITORS' REPORT - continued

### ***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 unit, each major fund, and the aggregate remaining fund information of Springettsbury Township as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 14, the budgetary comparison schedules on pages 60 through 62, the schedules of funding progress and employer contributions - police pension plan on page 63, schedule of changes in the Township's net pension liability on page 64 and the schedule of Township's other post-employment benefits liability on page 65 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 Springettsbury Township's basic financial statements. The combining capital projects fund and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

**INDEPENDENT AUDITORS' REPORT - continued**

***Other Matters*** - continued

*Other Information* - continued

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

*Stambaugh Ness, Inc.*

York, Pennsylvania  
June 20, 2019

SPRINGETTSBURY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
DECEMBER 31, 2018

The Township prepares its financial reports in accordance with the Governmental Accounting Standards Board Statement 34. Statement 34 includes the Basic Financial presentations as well as this narrative referred to as the Management's Discussion and Analysis.

The discussion and analysis of Springettsbury Township's financial performance that follows provides a general presentation of the Township's financial performance for the fiscal year ending December 31, 2018.

The Management's Discussion and Analysis is designed to assist the reader in the following areas:

1. Focus upon significant financial issues
2. Provide an overview of the Township's financial activities
3. Identify changes in the Township's financial position
4. Identify any material deviations from the financial plan and
5. Identify individual fund issues/concerns

Readers can also review the Independent Auditors' Report, the statements, and the various notes to gain a more complete understanding of the Township's financial performance.

#### FINANCIAL HIGHLIGHTS

- The total assets and deferred outflows of the Township are \$104,130,219. Of this amount, \$59,880,372 represents the Township's business-type activities (sewer fund) and \$44,249,847 general governmental activities.
- The expenses of all Township functions/programs totaled \$24,781,984. These functions/programs are presented on page 17 of the financial statements.
- The General Fund Revenues were budgeted at \$14,161,800 and Actual Revenue was reported at \$15,258,049 for a positive variance of \$1,096,249.
- General Fund Expenditures were budgeted at \$13,755,697 and Actual Expenditures of \$12,921,794 for a positive variance of \$833,903.
- General Fund Other Financing Sources (Uses) were budgeted at (\$308,000). Actual results were (\$31,915), for a positive variance of \$276,085.
- Total General Fund budget versus actual results were a positive \$2,206,237 variance.

Most of the Township's basic services are reported in the Governmental Funds Statement which focuses on how money flows into and out of those funds and the balances left at year end that are available for future spending. As reported on page 20 of the audit report, the primary operating fund and most significant fund, the General Fund, had a fund balance of \$4,096,350 on January 1, 2018 and ended on December 31, 2018 with a fund balance of \$6,400,690, an increase of \$2,304,340. The total General Fund Revenues equaled \$15,258,049, Expenditures of \$12,921,794 and Other Financing Uses of (\$31,915).

The Statement of Net Position listed on pages 15 and 16 discloses that Total Current Assets for Governmental and Business Activities totals \$12,639,458 and Total Assets and Deferred Outflows of Resources at \$104,130,219. It also shows, Total Current Liabilities of \$3,461,892 and Total Liabilities and Deferred Inflows of Resources of \$33,248,683.

SPRINGETTSBURY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
DECEMBER 31, 2018

FINANCIAL HIGHLIGHTS - continued

Fiduciary Funds

Net Position at December 31, 2018 for other restricted funds was as follows:

• Non Uniform Pension Fund	\$ 9,187,105
• Police Pension Fund	\$16,017,024
• Library Fund	\$ 192,201
• Schenck Memorial Fund	\$ 86,924

The Township's Escrow Fund had \$262,570 of cash and cash equivalents at December 31, 2018.

FINANCIAL STATEMENTS

The Discussion and Analysis is intended to serve as an introduction to the Township's basic financial statements. These statements include 1) government overall financial statements, 2) fund level statements, 3) notes to the financial statements, and 4) supplementary information.

The Statement of Net Position and Statement of Activities provide information about the activities of the Township as a whole. Fund financial statements beginning on page 18 show how services have been financed. Fund financial statements also report the Township's operations in more detail by providing information about the Township's most significant funds.

One of the most important questions asked about the Township's finances can be stated as, "Is the Township as a whole better off or worse off as a result of the year ending results?" The Statement of Net Position and the Statement of Activities report information about the Township in a way that assists in answering the question. These statements include all assets and liabilities using the accrual basis of accounting. This accounting is used in most private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two primary statements report the Township's net position and changes in them. One can think of the Township's net position - the difference between assets, deferred outflows and liabilities - as one way to measure the Township's financial health or financial position. Over periods of time, increases or decreases in the Township's net position is an important indicator of whether its financial health is improving or deteriorating. One can also consider other non-financial factors such as changes in the property tax base and the condition of Township infrastructure in order to more accurately assess the overall condition of the Township.

In the Statement of Net Position and the Statement of Activities the Township is basically divided into two kinds of activities.

Governmental Activities - Most of the Township's basic services are reported here. This includes administration, community development, finance, fire, police, public works, and recreation. Property and Earned Income taxes, Licenses/Permits, Fines, and Intergovernmental revenues support most of these activities.

SPRINGETTSBURY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
DECEMBER 31, 2018

FINANCIAL STATEMENTS - continued

Business-type Activities - The Township charges a fee to its sewer utility customers to cover the cost of the sewer utility services the Township provides. Therefore, the Township's Sewer Utility operations are reported as the sole Business-type Activity. The Township services both the Township residents and other municipal users.

MOST SIGNIFICANT FUNDS

The fund financial statements provide detailed information about the most significant funds of the Township. While some funds are required to be established by Township code, the Township Supervisors establish other funds to appropriate and manage Township expenditures for particular purposes (the Township's road maintenance program as part of the capital projects fund) or to demonstrate that the Township is meeting legal responsibilities for using specific Township monies (Liquid Fuels, Petitioned Street Lighting). 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 these funds and the balances left at year end. These funds are reported using an accounting method referred to as modified accrual accounting. This method 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 being provided.

Proprietary Funds - When the Township charges customers for services, these services are reported in proprietary funds. Proprietary funds are reported on the accrued basis which is the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

THE TOWNSHIP AS TRUSTEE

Springettsbury Township as the local government entity is the trustee, or fiduciary, for the Police Pension and Non-Uniformed Pension fund; as well as a Private Purpose Trust Library Fund and the Schenck (Recreation) Trust as well as an Agency (Escrow) Fund. These fiduciary activities are reported in separate Statements of Fiduciary Net Position and changes in Fiduciary Net Position as shown on pages 25 and 26. These statements are excluded from the Township's other financial statements because the Township cannot use these assets to support its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their specific stated purposes.

SPRINGETTSBURY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
DECEMBER 31, 2018

THE TOWNSHIP OVERALL

For the year ending 2018, a comprehensive analysis of Government-wide financial information is being presented to compare 2017 and 2018 financial results.

Government-Wide Statements

Statement of Net Position

The Township's combined net position for 2018 amounted to \$70,881,536. The net position for Business-type activities (sewer utility operations) amounted to \$42,032,141. The Township's unrestricted net position for governmental activities stood at (\$1,317,389).

The following table reflects the condensed Statement of Net Position:

	Primary Government 2017			Primary Government 2018		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Current and Other Assets	\$ 4,933,169	\$ 13,481,482	\$ 18,414,651	\$ 7,812,996	\$ 13,105,614	\$ 20,918,610
Capital Assets, Net	34,315,339	48,071,557	82,386,896	33,719,973	46,672,275	80,392,248
Deferred Outflows	1,274,950	113,976	1,388,926	2,716,878	102,483	2,819,361
<b>Total Assets and Deferred Outflows</b>	<b>\$ 40,523,458</b>	<b>\$ 61,667,015</b>	<b>\$ 102,190,473</b>	<b>\$ 44,249,847</b>	<b>\$ 59,880,372</b>	<b>\$ 104,130,219</b>
Current Liabilities	\$ 1,368,179	\$ 1,857,148	\$ 3,225,327	\$ 1,417,410	\$ 2,044,482	\$ 3,461,892
Other (Non-Current)	9,704,237	17,251,568	26,955,805	13,186,682	15,803,749	28,990,431
Deferred Inflows	1,015,633	-	1,015,633	796,360	-	796,360
<b>Total Liabilities</b>	<b>12,088,049</b>	<b>19,108,716</b>	<b>31,196,765</b>	<b>15,400,452</b>	<b>17,848,231</b>	<b>33,248,683</b>
Invested in Capital Assets	29,525,339	29,256,525	58,781,864	29,149,973	29,287,224	58,437,197
Restricted	389,311	7,654,851	8,044,162	1,016,811	8,279,152	9,295,963
Unrestricted	(1,479,241)	5,646,923	4,167,682	(1,317,389)	4,465,765	3,148,376
<b>Total Net Position</b>	<b>28,435,409</b>	<b>42,558,299</b>	<b>70,993,708</b>	<b>28,849,395</b>	<b>42,032,141</b>	<b>70,881,536</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 40,523,458</b>	<b>\$ 61,667,015</b>	<b>\$ 102,190,473</b>	<b>\$ 44,249,847</b>	<b>\$ 59,880,372</b>	<b>\$ 104,130,219</b>

For more detailed information please refer to pages 15 and 16, Statement of Net Position.

Fund Level Financial Statements

Statement of Revenues and Expenditures and Changes in Fund Balance

For the year ended December 31, 2018, the governmental activities had program revenues of \$4,251,758, general revenues of \$12,601,512; expenses of \$15,142,276, resulting in an increase in net position of \$1,710,994. The business activities had program revenues of \$9,153,352; losses on investments and sale of equipment (\$39,802); expenses of \$9,639,708, resulting in a decrease in net position of \$526,158.

The following charts present the Township's revenues and expenditures by fund type. They are shown in more detail on page 20 of the financial statements:

SPRINGETTSBURY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
DECEMBER 31, 2018

THE TOWNSHIP OVERALL - continued

Fund Level Financial Statements - continued

Statement of Revenues and Expenditures and Changes in Fund Balance

	2017			2018		
	General Fund	Other Funds	Governmental Funds	General Fund	Other Funds	Governmental Funds
<b>Revenues:</b>						
Real Estate Taxes and Penalties	\$ 2,323,424	\$ -	\$ 2,323,424	\$ 3,444,837	\$ -	\$ 3,444,837
Other Taxes	7,964,426	87,237	8,051,663	8,287,344	87,745	8,375,089
Intergovernmental Revenues	955,309	818,908	1,774,217	920,039	858,205	1,778,244
Charges for Services	1,796,443	-	1,796,443	1,809,213	-	1,809,213
Other	774,700	13,888	788,588	796,616	19,786	816,402
<b>Total Revenues</b>	<b>13,814,302</b>	<b>920,033</b>	<b>14,734,335</b>	<b>15,258,049</b>	<b>965,736</b>	<b>16,223,785</b>
<b>Expenditures:</b>						
General Government	1,173,385	-	1,173,385	1,219,868	134,723	1,354,591
Public Safety	7,355,878	-	7,355,878	6,214,044	34,028	6,248,072
Highways and Streets	933,851	1,767,814	2,701,665	1,101,706	489,698	1,591,404
Culture and Recreation	717,397	449,793	1,167,190	881,268	48,491	929,759
Debt Service	-	333,950	333,950	29,189	332,190	361,379
Employee Benefits, Insurances and Other	3,459,402	-	3,459,402	3,475,719	-	3,475,719
<b>Total Expenditures</b>	<b>13,639,913</b>	<b>2,551,557</b>	<b>16,191,470</b>	<b>12,921,794</b>	<b>1,039,130</b>	<b>13,960,924</b>
<b>Other Financing Uses:</b>						
Interfund Transfers	(847,844)	847,844	-	(674,950)	674,950	-
Refunds Expenditures/Revenues	275,524	-	275,524	582,045	-	582,045
Sale of Capital Assets	-	-	-	60,990	-	60,990
Refinancing of Long-term Debt	-	-	-	-	-	-
Proceeds from Debt Financing	-	-	-	-	-	-
<b>Total Other Financing Uses</b>	<b>(572,320)</b>	<b>847,844</b>	<b>275,524</b>	<b>(31,915)</b>	<b>674,950</b>	<b>643,035</b>
<b>Net Changes in Fund Balances</b>	<b>(397,931)</b>	<b>(783,680)</b>	<b>(1,181,611)</b>	<b>2,304,340</b>	<b>601,556</b>	<b>2,905,896</b>
<b>Fund Balances:</b>						
January 1,	4,494,281	412,682	4,906,963	4,096,350	(370,998)	3,725,352
December 31,	\$ 4,096,350	\$ (370,998)	\$ 3,725,352	\$ 6,400,690	\$ 230,558	\$ 6,631,248

GOVERNMENTAL FUNDS

The net change in the fund balance for the General Fund was an increase of \$2,304,340. The actual General Fund balance for 2018 is \$6,400,690.

SPRINGETTSBURY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
DECEMBER 31, 2018

BUSINESS-TYPE ACTIVITIES

Changes in Net Position

Outlined below is the Statement of Revenues and Expenditures for the Business-type Activities (Proprietary Funds) of the Township - "Sewer Fund":

	2017*	2018
Charges for Services	\$ 8,528,257	\$ 8,310,309
Other	39,966	141,525
<b>Total Operating Revenues</b>	<b>8,568,223</b>	<b>8,451,834</b>
Operating Expenses:		
Cost of Services	5,343,172	5,434,110
Administration	325,000	335,000
Amortization and Depreciation	3,057,069	3,033,757
<b>Total Operating Expenses</b>	<b>8,725,241</b>	<b>8,802,867</b>
Operating Income (Loss)	(157,018)	(351,033)
Non Operating Revenues (Expenses):		
Tapping Fees	28,248	482,304
Investment Income (Loss)	130,591	(37,857)
Bond Interest	(882,314)	(826,260)
Amortization	(10,581)	(10,581)
Gain or Loss on Sale of Assets	7,057	(1,945)
Build America Bonds - Interest Subsidy	229,702	219,214
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(497,297)</b>	<b>(175,125)</b>
Change in Net Position	(654,315)	(526,158)
<b>Total Net Position - January 1</b>	<b>43,212,614</b>	<b>42,558,299</b>
<b>Total Net Position - December 31</b>	<b>\$ 42,558,299</b>	<b>\$ 42,032,141</b>

\*The prior period adjustment (Note P) has been reflected in the 2017 financial information above.

The change in net position for the Sewer Fund business-type activities was a decrease of \$526,158. Page 23 highlights these activities by specific numbers and analysis.

SPRINGETTSBURY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
DECEMBER 31, 2018

## THE TOWNSHIP'S FUNDS

### Governmental and Business-Type Funds

As of December 31, 2018, the governmental funds (refer to page 18) reported a combined fund balance of \$6,631,248. For the proprietary business-type funds at year end, the business-type fund (Sewer Fund) reported the net position at \$42,032,141 (refer to page 23).

### Capital Assets, Debt Administration and Pension Liability

#### Capital Assets

At the close of 2018, the Township had \$33,719,973 net invested in a broad range of capital assets. They include the Police Department Building, Public Works Facilities, Administration Building, Police and Public Works equipment, along with Park and Recreational land. More detail is shown in the notes to the financial statements as summarized on page 42.

The Sewer fund at the close of 2018 had net capital assets of \$46,672,275. These capital assets are summarized in the Notes to the Financial Statements and are shown on page 42.

#### Debt

At December 31, 2018, the Governmental long-term debt (bonds and notes) stood at \$4,570,000 and the sewer fund debt at \$17,323,600. See Note H in the Notes to the Financial Statements regarding Township debt paid and issued during 2018.

#### Pension Liability

The pension liability at December 31, 2018 was \$4,283,583. See Note J for further information regarding the Township's pension liability.

## BUDGET AND ECONOMIC HIGHLIGHTS

Over the course of the fiscal year, the Township Budget adapts to and sustains some necessary changes to its expenditure plans. This is achieved based upon the Township's continuing revenue resources and constant expenditure monitoring by departmental staff.

Future concerns that the Township must consider are the rising cost of health care and the effects of the Federal Affordable Care Act. The Township has benefitted from being a prosperous community with ample development and low taxes in recent decades, but as the community is near being built out and the expectations of services continue, decisions have to be made as to how to continue these services, while meeting the contractual and mandated expectations that are being proposed for local governments.

SPRINGETTSBURY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
DECEMBER 31, 2018

**BUDGET AND ECONOMIC HIGHLIGHTS - continued**

The Township's elected officials considered many factors when approving the Township Budget, the tax rate, fee schedules, and overall expenditure programs and plans for the new fiscal year. The prevailing economic conditions in the Township are always a major budgetary consideration due to the commercial base the Township maintains. Springettsbury Township has an economy concentrated in manufacturing, retail and service industries. Employment has been relatively stable compared to other areas in the Commonwealth. Business growth has been maintained. Continued business viability is anticipated. The trend in building permits issued remains positive and is an indicator of the steady economic development in the Township and the York area.

In addition, Springettsbury Township has experienced an increase in population growth from 21,564 in 1990 to 23,883 in 2000 to 26,668 in 2010. This continuing growth factor strengthens the vitality of the Township as a commercial center. An additional 200 dwelling units were planned and approved for development which will accommodate future residential growth. Commercial growth is shifting from a new "green field" development to a focus on a development of existing properties. One significant redevelopment project in the planning phase is the re-use of a retail space at the Galleria Mall for a Pennsylvania Category 4 Casino which will permit up to 750 slot machines and 30 table games. This business would represent a significant increase in tax revenues to the Township.

Increasing costs in the Township are due in large part to the rapidly growing costs of compliance with Federal and State mandates, contractual wage increases and investments in infrastructure construction, maintenance, repair and replacement. Township Supervisors are evaluating appropriate revenue sources through taxation and fees to offset the expenses for new projects that must be undertaken to comply with State and Federal mandates.

The Township's 2018 budget was adopted prior to the adoption of a tax increase for the same year; therefore, the 2018 budget approved showed a use of fund balance, with the adopted tax increase in 2018, it is expected that further use of the fund balance will not be necessary in coming years.

**CONTACTING TOWNSHIP FINANCIAL MANAGEMENT**

This financial report is designed to present to our residents, taxpayers, customers, investors and creditors a general overview of Township finances. Our effort is to demonstrate the Township's accountability for the monies it receives and expends. If you have any questions about this report or need additional information, please contact Benjamin Marchant, Township Manager, 1501 Mount Zion Road, York, Pennsylvania 17402 or by telephone at (717) 757-3521.

**SPRINGETTSBURY TOWNSHIP**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Development Authority
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 3,519,815	\$ 86,988	\$ 3,606,803	\$ 75,331
Investments	3,195,961	3,773,094	6,969,055	-
Taxes receivable, net	803,637	-	803,637	-
Internal balance	-	264,017	264,017	-
Accounts receivable	261,564	657,602	919,166	-
Other receivables	2,856	937	3,793	-
Prepaid expenses	29,163	43,824	72,987	-
<b>Total Current Assets</b>	<b>7,812,996</b>	<b>4,826,462</b>	<b>12,639,458</b>	<b>75,331</b>
<b>NONCURRENT ASSETS</b>				
<b>Other Assets</b>				
Restricted assets - cash and cash equivalents	-	779,659	779,659	-
Restricted assets - investments	-	7,499,493	7,499,493	-
<b>Total Other Assets</b>	<b>-</b>	<b>8,279,152</b>	<b>8,279,152</b>	<b>-</b>
<b>Capital Assets</b>				
Land and right of ways	4,414,547	1,826,785	6,241,332	-
Buildings	11,696,215	-	11,696,215	-
Construction in progress	26,882	-	26,882	-
Improvements (other than buildings)	5,926,336	-	5,926,336	-
Machinery and equipment	3,399,110	33,166,596	36,565,706	-
Infrastructure assets	52,112,602	-	52,112,602	-
Collection lines	-	56,720,568	56,720,568	-
Treatment plant	-	4,065,832	4,065,832	-
Less accumulated depreciation	(43,855,719)	(49,107,506)	(92,963,225)	-
<b>Total Capital Assets, Net</b>	<b>33,719,973</b>	<b>46,672,275</b>	<b>80,392,248</b>	<b>-</b>
<b>Total Noncurrent Assets</b>	<b>33,719,973</b>	<b>54,951,427</b>	<b>88,671,400</b>	<b>-</b>
<b>Total Assets</b>	<b>41,532,969</b>	<b>59,777,889</b>	<b>101,310,858</b>	<b>75,331</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts from pensions	2,492,516	-	2,492,516	-
Deferred amounts from other post-employment benefits	224,362	-	224,362	-
Bond refinancing charges	-	102,483	102,483	-
<b>Total deferred outflows of resources</b>	<b>2,716,878</b>	<b>102,483</b>	<b>2,819,361</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 44,249,847</b>	<b>\$ 59,880,372</b>	<b>\$ 104,130,219</b>	<b>\$ 75,331</b>

See accompanying notes.

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Development Authority
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Internal balance	\$ 106,543	\$ -	\$ 106,543	\$ -
Accounts payable	575,886	446,012	1,021,898	153
Retainage payable	88,334	-	88,334	-
Current portion of long-term debt	225,000	1,458,400	1,683,400	-
Current portion of capital lease liability	56,749	-	56,749	-
Accrued salaries and wages	262,245	70,476	332,721	-
Payroll deductions and withholdings	14,210	-	14,210	-
Other current liabilities	88,443	69,594	158,037	2,856
<b>Total current liabilities</b>	<b>1,417,410</b>	<b>2,044,482</b>	<b>3,461,892</b>	<b>3,009</b>
<b>NONCURRENT LIABILITIES</b>				
Notes payable	-	6,158,000	6,158,000	-
Bonds payable	4,345,000	9,707,200	14,052,200	-
Bond discount (Net of accumulated amortization)	-	(61,451)	(61,451)	-
Capital lease liability	151,690	-	151,690	-
Pension liability	4,283,583	-	4,283,583	-
Other post-employment benefits liability	4,406,409	-	4,406,409	-
<b>Total noncurrent liabilities</b>	<b>13,186,682</b>	<b>15,803,749</b>	<b>28,990,431</b>	<b>-</b>
<b>Total liabilities</b>	<b>14,604,092</b>	<b>17,848,231</b>	<b>32,452,323</b>	<b>3,009</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts from pensions	796,360	-	796,360	-
<b>Total deferred inflows of resources</b>	<b>796,360</b>	<b>-</b>	<b>796,360</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>15,400,452</b>	<b>17,848,231</b>	<b>33,248,683</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	29,149,973	29,287,224	58,437,197	-
Restricted for:				
Highways	1,016,811	-	1,016,811	-
Sewer capital	-	8,279,152	8,279,152	-
Unrestricted	(1,317,389)	4,465,765	3,148,376	72,322
<b>Total net position</b>	<b>28,849,395</b>	<b>42,032,141</b>	<b>70,881,536</b>	<b>72,322</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 44,249,847</b>	<b>\$ 59,880,372</b>	<b>\$ 104,130,219</b>	<b>\$ 75,331</b>

**SPRINGETTSBURY TOWNSHIP**  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total	Development Authority
<b>Governmental Activities</b>								
General government	\$ 1,430,456	\$ 611,657	\$ 110,710	\$ -	\$ (708,089)	\$ -	\$ (708,089)	\$ -
Public safety	6,423,213	1,772,267	113,339	-	(4,537,607)	-	(4,537,607)	-
Sanitation	-	-	72,165	-	72,165	-	72,165	-
Highways and streets	2,243,315	4,402	858,205	-	(1,380,708)	-	(1,380,708)	-
Culture and recreation	830,648	159,390	1,550	-	(669,708)	-	(669,708)	-
Employee benefits, insurance and other	4,073,265	-	548,073	-	(3,525,192)	-	(3,525,192)	-
Debt service	141,379	-	-	-	(141,379)	-	(141,379)	-
<b>Total governmental activities</b>	<b>15,142,276</b>	<b>2,547,716</b>	<b>1,704,042</b>	<b>-</b>	<b>(10,890,518)</b>	<b>-</b>	<b>(10,890,518)</b>	<b>-</b>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Sewer	9,639,708	8,934,138	-	219,214	-	(486,356)	(486,356)	-
<b>Total primary government</b>	<b>\$ 24,781,984</b>	<b>\$ 11,481,854</b>	<b>\$ 1,704,042</b>	<b>\$ 219,214</b>	<b>(10,890,518)</b>	<b>(486,356)</b>	<b>(11,376,874)</b>	<b>-</b>
<b>COMPONENT UNIT</b>								
Springettsbury Township Development Authority	\$ 3,009	\$ -	\$ -	\$ -	-	-	-	-
<b>Total Component Unit</b>	<b>\$ 3,009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GENERAL REVENUES</b>								
Property taxes, levied for general purposes, net					3,431,286	-	3,431,286	-
Other taxes and franchise fees levied for specific purposes, net					8,375,088	-	8,375,088	-
Investment earnings (loss)					87,148	(37,857)	49,291	1,237
Miscellaneous income					64,955	-	64,955	-
Sale of capital assets					60,990	(1,945)	59,045	-
Refunds of prior year expenditures					582,045	-	582,045	-
<b>Total General Revenues</b>					<b>12,601,512</b>	<b>(39,802)</b>	<b>12,561,710</b>	<b>1,237</b>
<b>Change in Net Position</b>					<b>1,710,994</b>	<b>(526,158)</b>	<b>1,184,836</b>	<b>(1,772)</b>
NET POSITION - January 1, 2018 (originally stated)					28,435,409	43,012,801	71,448,210	74,094
Prior period adjustment (see Note P)					(1,297,008)	(454,502)	(1,751,510)	-
NET POSITION - January 1, 2018 (restated)					27,138,401	42,558,299	69,696,700	74,094
NET POSITION - December 31, 2018					<b>\$ 28,849,395</b>	<b>\$ 42,032,141</b>	<b>\$ 70,881,536</b>	<b>\$ 72,322</b>

See accompanying notes.

**SPRINGETTSBURY TOWNSHIP**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2018**

	<b>ASSETS</b>			
	Major Funds			Total Governmental Funds
	General Fund	Capital Projects Funds	Non-major Funds	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,294,686	\$ 65,174	\$ 1,159,955	\$ 3,519,815
Investments	2,808,841	110,385	276,735	3,195,961
Taxes receivable, net	802,450	-	1,187	803,637
Due from other funds	770,593	4,425	-	775,018
Accounts receivable	261,564	-	-	261,564
Due from other governments	2,856	-	-	2,856
Prepaid expenditures	29,163	-	-	29,163
<b>Total Assets</b>	<b>\$ 6,970,153</b>	<b>\$ 179,984</b>	<b>\$ 1,437,877</b>	<b>\$ 8,588,014</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other funds	\$ 4,425	\$ 874,766	\$ 2,370	\$ 881,561
Accounts payable	154,053	136,291	285,542	575,886
Retainage payable	-	88,334	-	88,334
Accrued salaries and wages	262,245	-	-	262,245
Payroll deductions and withholdings	14,210	-	-	14,210
Other liabilities	88,443	-	-	88,443
<b>Total Liabilities</b>	<b>523,376</b>	<b>1,099,391</b>	<b>287,912</b>	<b>1,910,679</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	46,087	-	-	46,087
<b>Total Deferred Inflows of Resources</b>	<b>46,087</b>	<b>-</b>	<b>-</b>	<b>46,087</b>
<b>FUND BALANCES (Deficit)</b>				
Nonspendable	29,163	-	-	29,163
Restricted	-	102,594	1,016,811	1,119,405
Assigned	729,463	-	133,154	862,617
Unassigned	5,642,064	(1,022,001)	-	4,620,063
<b>Total fund balances (deficit)</b>	<b>6,400,690</b>	<b>(919,407)</b>	<b>1,149,965</b>	<b>6,631,248</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,970,153</b>	<b>\$ 179,984</b>	<b>\$ 1,437,877</b>	<b>\$ 8,588,014</b>

See accompanying notes.

**SPRINGETTSBURY TOWNSHIP**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 6,631,248</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Deferred outflows related to the Township's pension liability are not current financial resources and, therefore, are not reported in the governmental funds.	2,492,516
Deferred inflows related to the Township's pension liability are not current financial resources and, therefore, are not reported in the governmental funds.	(796,360)
Deferred outflows related to the Township's other post-employment benefits liability are not current financial resources and, therefore, are not reported in the governmental funds.	224,362
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$77,575,692 and the accumulated depreciation is \$43,855,719.	33,719,973
Property taxes receivable will be collected, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds, net of allowance.	46,087
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Long-term liabilities at year end consist of:	
Bonds/notes payable	(4,570,000)
Capital lease liability	(208,439)
Pension liability	(4,283,583)
Other post-employment benefits	(4,406,409)
	<u>(13,468,431)</u>
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 28,849,395</u></b>

See accompanying notes.

**SPRINGETTSBURY TOWNSHIP**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) -  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2018

	Major Funds			Total Governmental Funds
	General Fund	Capital Projects Fund	Non- Major Funds	
<b>REVENUES</b>				
Real estate taxes and penalties	\$ 3,444,837	\$ -	\$ -	\$ 3,444,837
Other taxes	8,287,344	-	87,745	8,375,089
Licenses and permits	446,959	-	-	446,959
Fines and forfeits	215,792	-	-	215,792
Interest, rents and royalties	68,912	1,838	16,398	87,148
Intergovernmental revenues	920,039	-	858,205	1,778,244
Charges for services	1,809,213	-	-	1,809,213
Miscellaneous	64,953	-	-	64,953
Contributions from private sources	-	-	1,550	1,550
<b>Total revenues</b>	<b>15,258,049</b>	<b>1,838</b>	<b>963,898</b>	<b>16,223,785</b>
<b>EXPENDITURES</b>				
General government	1,219,868	134,723	-	1,354,591
Public safety	6,214,044	34,028	-	6,248,072
Highways and streets	1,101,706	159,080	330,618	1,591,404
Other public works	224,138	-	-	224,138
Culture and recreation	657,130	45,393	3,098	705,621
Debt service	29,189	332,190	-	361,379
Employee benefits, insurance and other	3,475,719	-	-	3,475,719
<b>Total expenditures</b>	<b>12,921,794</b>	<b>705,414</b>	<b>333,716</b>	<b>13,960,924</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,336,255</b>	<b>(703,576)</b>	<b>630,182</b>	<b>2,262,861</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	(674,950)	674,950	-	-
Sale of capital assets	60,990	-	-	60,990
Refunds of prior years expenditures	582,045	-	-	582,045
<b>Total other financing sources (uses)</b>	<b>(31,915)</b>	<b>674,950</b>	<b>-</b>	<b>643,035</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,304,340</b>	<b>(28,626)</b>	<b>630,182</b>	<b>2,905,896</b>
<b>FUND BALANCE (DEFICIT) - January 1, 2018</b>	<b>4,096,350</b>	<b>(890,781)</b>	<b>519,783</b>	<b>3,725,352</b>
<b>FUND BALANCE (DEFICIT) - December 31, 2018</b>	<b>\$ 6,400,690</b>	<b>\$ (919,407)</b>	<b>\$ 1,149,965</b>	<b>\$ 6,631,248</b>

See accompanying notes.

**SPRINGETTSBURY TOWNSHIP**  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED DECEMBER 31, 2018

**TOTAL NET CHANGE IN FUND BALANCES -  
 GOVERNMENTAL FUNDS** \$ 2,905,896

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

Capital outlays are reported in governmental funds as  
 expenditures. However, in the Statement of Activities, the cost  
 of these assets is allocated to expenses over their estimated  
 useful lives as depreciation expense.

Depreciation expense	(1,303,095)	
Capital outlays	<u>707,729</u>	(595,366)

Several of the capital asset additions were purchased via a lease  
 agreement, which is considered a capital lease. In the governmental funds,  
 this activity is recorded as an expense; however, in the Statement of  
 Activities, the capital lease obligation is recorded as a liability.

New capital lease liability	(231,296)	
Payments on capital lease liability	<u>22,857</u>	(208,439)

Because some property taxes will not be collected for  
 several months after the Township's fiscal year ends, they are not  
 considered as "available" revenues in the governmental funds.  
 Deferred tax revenues increased by this amount this year.

(13,551)

Repayment of bonds/notes principal is an expenditure  
 in the governmental funds, but the repayment reduces  
 long-term liabilities in the Statement of Net Position.

220,000

Some expenses reported in the Statement of Activities do not require  
 the use of current financial resources and, therefore, are not reported as  
 expenditures in governmental funds:

Increase in net pension liability		(1,838,821)
Increase in deferred outflows related to pension		1,217,566
Decrease in deferred inflows related to pension		219,273

Some expenditures reported in the governmental funds do not require  
 the use of current financial resources and, therefore, are not reported as  
 expenditures in governmental funds:

Increase in net other post-employment benefits liability		(419,926)
Increase in deferred outflows related to other post-employment benefits		<u>224,362</u>

**Change in net position of governmental activities** \$ 1,710,994

See accompanying notes.

**SPRINGETTSBURY TOWNSHIP**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUND**  
**DECEMBER 31, 2018**

	Business-Type Activities <u>Sewer</u> <u>Fund</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 86,988
Investments	3,773,094
Due from other funds	678,635
Accounts receivable	657,602
Other receivables	937
Prepaid expenses	<u>43,824</u>
Total current assets	<u>5,241,080</u>
<b>NONCURRENT ASSETS</b>	
<b>OTHER ASSETS</b>	
Restricted assets - cash	779,659
Restricted assets - investments	<u>7,499,493</u>
Total other assets	<u>8,279,152</u>
<b>CAPITAL ASSETS</b>	
Land and right of ways	1,826,785
Machinery and equipment	33,166,596
Collection lines	56,720,568
Treatment plant	4,065,832
Less accumulated depreciation	<u>(49,107,506)</u>
Total capital assets, net	<u>46,672,275</u>
Total noncurrent assets	<u>54,951,427</u>
<b>TOTAL ASSETS</b>	<u>60,192,507</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Bond refinancing charges	<u>102,483</u>
Total assets and deferred outflows of resources	<u>\$ 60,294,990</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 446,012
Accrued salaries and wages	70,476
Other accrued liabilities	69,594
Due to other funds	414,618
Current portion of long-term debt	<u>1,458,400</u>
Total current liabilities	<u>2,459,100</u>
<b>NONCURRENT LIABILITIES</b>	
Bonds and notes payable, net of current portion	15,865,200
Bond discount, net of accumulated amortization	<u>(61,451)</u>
Total noncurrent liabilities	<u>15,803,749</u>
Total Liabilities	<u>18,262,849</u>
<b>NET POSITION</b>	
Net investment in capital assets	29,287,224
Restricted	8,279,152
Unrestricted	<u>4,465,765</u>
Total net position	<u>42,032,141</u>
Total liabilities and net position	<u>\$ 60,294,990</u>

See accompanying notes.

**SPRINGETTSBURY TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET POSITION - PROPRIETARY FUND**  
**YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities
	Sewer Fund
<b>OPERATING REVENUES</b>	
Charges for services	\$ 4,943,214
Charges for services - intergovernmental	3,367,095
Refund of prior year expenses	141,525
	8,451,834
<b>OPERATING EXPENSES</b>	
Cost of services	5,434,110
Administration	335,000
Depreciation	3,033,757
	8,802,867
	(351,033)
<b>OPERATING INCOME (LOSS)</b>	
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Tapping fees	482,304
Investment loss	(37,857)
Interest expense	(826,260)
Amortization	(10,581)
Net loss on sale of capital assets	(1,945)
Federal Build America Bonds - interest subsidy	219,214
	(175,125)
	(526,158)
<b>CHANGE IN NET POSITION</b>	
	43,012,801
Prior period adjustment (see Note P)	(454,502)
	42,558,299
	\$ 42,032,141
	\$ 42,032,141

See accompanying notes.

**SPRINGETTSBURY TOWNSHIP**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities
	Sewer Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from users	\$ 8,307,088
Cash payments to employees for services	(2,126,708)
Cash payments to suppliers for goods and services	(3,029,626)
Net cash from operating activities	3,150,754
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition, construction and improvement of capital assets	(1,628,597)
Tapping fees received	482,304
Principal payments	(1,419,400)
Debt interest payments	(831,412)
Federal interest subsidy	219,214
Net cash from capital and related financing activities	(3,177,891)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income	626,536
Purchase of investments	(800,000)
Net cash from investing activities	(173,464)
Net change in cash and cash equivalents	(200,601)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	287,589
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 86,988
Operating income (loss)	\$ (351,033)
Adjustment to reconcile operating income (loss) to net cash from operating activities:	
Depreciation	3,033,757
Increase in accounts receivable	(139,037)
Decrease in prepaid expenses	14,739
Increase in accounts payable	222,574
Increase in accrued salaries and benefits	8,532
Decrease in due from other funds	8,000
Increase in due to other funds	353,222
Total adjustment	3,501,787
Net cash from operating activities	\$ 3,150,754

See accompanying notes.

**SPRINGETTSBURY TOWNSHIP**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2018**

	<u>Pension Funds</u>		<u>Private Purpose Trust Funds</u>		<u>Agency Fund</u>
	<u>Non-Uniform Pension Fund</u>	<u>Police Pension Fund</u>	<u>Library Fund</u>	<u>Schenck Trust Fund</u>	<u>Escrow Fund</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 1,257,189	\$ 8,984	\$ 20,819	\$ 262,570
Investments	<u>9,187,105</u>	<u>14,759,835</u>	<u>183,217</u>	<u>66,105</u>	<u>-</u>
Total assets	<u>\$ 9,187,105</u>	<u>\$ 16,017,024</u>	<u>\$ 192,201</u>	<u>\$ 86,924</u>	<u>\$ 262,570</u>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 157,474
Due to developers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,096</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,570</u>
<b>NET POSITION</b>					
Restricted for:					
Pension benefits	9,187,105	16,017,024	-	-	-
Other purposes	<u>-</u>	<u>-</u>	<u>192,201</u>	<u>86,924</u>	<u>-</u>
Total net position	<u>9,187,105</u>	<u>16,017,024</u>	<u>192,201</u>	<u>86,924</u>	<u>-</u>
Total liabilities and net position	<u>\$ 9,187,105</u>	<u>\$ 16,017,024</u>	<u>\$ 192,201</u>	<u>\$ 86,924</u>	<u>\$ 262,570</u>

See accompanying notes.

**SPRINGETTSBURY TOWNSHIP**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**DECEMBER 31, 2018**

	<u>Pension Trust</u>		<u>Private Purpose Trust Fund</u>	
	<u>Non-Uniform Pension Fund</u>	<u>Police Pension Fund</u>	<u>Library Fund</u>	<u>Schenck Trust Fund</u>
<b>ADDITIONS</b>				
State Contributions - Act 205	\$ -	\$ 548,073	\$ -	\$ -
Municipal contributions	247,299	177,242	-	-
Employee contributions	58,927	148,382	-	-
Miscellaneous income	-	-	-	650
Investment income (loss)	<u>(474,776)</u>	<u>(754,600)</u>	<u>(574)</u>	<u>(164)</u>
Total additions	(168,550)	119,097	(574)	486
<b>DEDUCTIONS</b>				
Distributions and benefit payments	768,407	872,466	-	-
Miscellaneous expenses	<u>1,445</u>	<u>53,461</u>	<u>-</u>	<u>-</u>
Total deductions	<u>769,852</u>	<u>925,927</u>	<u>-</u>	<u>-</u>
Changes in net position	(938,402)	(806,830)	(574)	486
Net position - January 1, 2018	<u>10,125,507</u>	<u>16,823,854</u>	<u>192,775</u>	<u>86,438</u>
Net position - December 31, 2018	<u>\$ 9,187,105</u>	<u>\$ 16,017,024</u>	<u>\$ 192,201</u>	<u>\$ 86,924</u>

See accompanying notes.

**SPRINGETTSBURY TOWNSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Springettsbury Township have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The significant accounting policies are as follows:

Reporting Entity

Springettsbury Township ("Township"), of the County of York, is a municipality located in York, Pennsylvania. It is a township of the second class based upon its population per square mile. The accompanying financial statements present the Township's primary government and a component unit over which the Township exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Township's Board of Supervisors (as distinct from legal relationships).

Control by, dependence on, or financial accountability to the Township is determined on the basis of budget adoption, taxing authority, outstanding debt collateralized by revenues or general obligations of the Township, obligations of the township, obligation of the Township to finance any deficits that may occur, or receipt of significant subsidies from the Township.

The financial statements of the component unit have been included in the financial reporting entity as a discretely presented component unit.

Discretely Presented Component Unit

The Township has one component unit: the Springettsbury Township Development Authority, which has been reported in the component unit's column. Discretely presented component units are reported in a separate column to emphasize that they are legally separate from the Township. Audited financial statements of the Authority are available at the Township office.

Joint Venture

Springettsbury Township and Spring Garden Township created York Area United Fire and Rescue (YAUFR), a joint venture, in 2008. Springettsbury Township funds 60% and Spring Garden Township funds 40% of operating costs for fire services. The joint venture is not a component unit of Springettsbury Township. Audited financial statements for YAUFR are available at the Fire Company's office located at 50 Commons Drive, York, Pennsylvania 17402. As of January 1, 2018, Manchester Township joined YAUFR. Manchester Township funds 38%, Springettsbury Township funds 37% and Spring Garden Township funds 25% of operating costs for fire services.

**SPRINGETTSBURY TOWNSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

Fund Accounting

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent.

Basis of Presentation

**Government-wide financial statements** (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Township. As a general rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately in the government-wide financial statements from business-type activities, which rely, to a significant extent on fees and charges for support.

The Statement of Activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the Township's governmental activities. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund financial statements** are also provided in the report for all of the governmental funds, proprietary fund, and the fiduciary funds of the Township. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise fund include sewer treatment and transportation from cost sharing by the Township and other user municipalities. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

**SPRINGETTSBURY TOWNSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Basis of Presentation - continued

The Township reports the following major governmental funds:

General Fund - It is the Township's primary operating fund. It accounts for all financial resources except those required to be in another fund.

Capital Projects Fund - This fund is used to account for financial resources related to capital asset acquisitions, construction, and improvements. This fund includes the capital improvement fund and the storm water reserve fund.

Sewer Fund - This fund is the Township's one enterprise fund and accounts for the activities of the Township's sewer treatment plant operation.

Additionally, the Township reports the following Nonmajor governmental funds:

Special Revenue Funds - These funds account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The funds included in this category are:

- State Liquid Fuels Fund
- Petitioned Street Lighting Fund
- Subdivision Recreation Fund

Fiduciary Funds - These funds are used to account for the assets held by the Township as a trustee or agent for individuals, private organizations and/or governmental units. The funds included in this category are:

Pension Trust Funds - These funds provide benefits for Township employees and employees of certain other related governmental agencies. The principal revenue sources for these funds are state contributions and employer and employee contributions. The funds included in this category are the Non-Uniform Pension Fund and the Police Pension Fund.

Private Purpose Trust Funds - These funds are used to account for the assets held by the Township in a trustee capacity. These funds include the Library Fund and the Schenck Trust Fund. The Library Fund was created to provide resources to the library of the Township. The Schenck Trust Fund was established for the maintenance of park improvements.

Escrow Agency Fund - This fund is used to account for escrows held by the Township for developers. The escrows are used to cover engineering and other costs for the submission and review of developer plans.

**SPRINGETTSBURY TOWNSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Measurement of Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements regardless of measurement focus.

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) is used as a practical measure of economic resources and the Statement of Activities includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the Statement of Net Position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period, net of any allowance for uncollectible amounts. Revenue from federal, state and other grants designated for payment of specific expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as unearned revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

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

In June 2011, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that is included in FASB and AICPA pronouncements issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

**SPRINGETTSBURY TOWNSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Budgets and Budgetary Accounting

An operating budget is adopted each year for the General Fund, Special Revenue Funds and the Capital Projects Funds on a modified accrual basis of accounting.

Appropriations lapse at the end of the year. In order to preserve a portion of an appropriation for which an expenditure has been committed by purchase order, contract, or other form of commitment, an encumbrance is recorded. Encumbrances outstanding at year-end would be reported as assigned fund balances. As of December 31, 2018, the Township had no encumbrances.

The Board of Supervisors may make new appropriations, supplementary appropriations and transfers from one appropriation to another during the fiscal year, provided it is within the current year's revenues or from funds made available from additional borrowings or available fund balance.

Cash, Cash Equivalents and Investments

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less.

All investments are stated at cost including accrued interest and unrealized gains, which approximates fair value.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items (consumption method) in both the government-wide and fund financial statements.

Restricted Assets

Restricted assets consist of cash and investments reserved in accordance with an intermunicipal agreement between the Township and Dallastown Borough, Manchester Township, Red Lion Borough, Spring Garden Township, Windsor Township, Windsor Borough, Yoe Borough and York Township for the purchase and/or replacement of capital assets associated with the operations of the Township's Waste Water Treatment Plant.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or value at the date of donation. Infrastructure assets of the governmental activities acquired before January 1, 2003 were estimated by the Township engineer and projected at estimated historical cost by the Township.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15 to 60
Improvements (other than buildings)	15 to 40
Machinery and equipment	3 to 20
Collection lines	5 to 50
Treatment plant	5 to 50
Transportation equipment	5 to 15
Furniture and fixtures	5 to 15
Infrastructure assets	20 to 75

Capital assets are recorded as expenditures at the time of purchase in the governmental funds. Accordingly, no depreciation has been provided on the fixed assets in those funds.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**SPRINGETTSBURY TOWNSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activity columns in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

Compensated Absences

Full-time, permanent employees and part-time employees, on a pro-rata basis, are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Township. Sick leave accrues to full-time, permanent employees and part-time employees, on a pro-rata basis, to specified maximums. Non-uniform and Teamsters employees receive none of their accumulated sick leave balance upon termination. Police officers are not entitled to their proportionate sick leave balance until they retire. However, these employees historically remain with the Township until retirement. Normal retirement age for police officers is age 50 and having 25 years of service. Police officer sick leave is paid at the officer's standard daily rate times the number of sick days, with a maximum of 19.5 days. The Township implemented a policy in 2005 to report a liability for those police officers that are within 5 years of retirement.

All vested vacation benefits attributable to the Township's governmental and proprietary funds are considered to be payable in the next fiscal year. Accordingly, vested vacation benefits are recorded as a liability in the respective funds. The sick leave termination benefit is included in the government-wide financial statements because benefits are recorded as a liability when there is an estimation made by management based on anticipated retirement of the employee.

**SPRINGETTSBURY TOWNSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Government-wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position is divided into three components:

- Net investment in capital assets - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted - consists of resources that are restricted by the Township for a specific purpose.
- Unrestricted - all other resources are reported in this category.

Fund Balance Policy

The Township implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to address issues related to how fund balance was being reported. GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

Nonspendable - amounts that are not in spendable form (such as prepaid expenses) or required to be legally or contractually maintained intact,

Restricted - amounts that can be spent only for the specific purposes stipulated; through constitution, external resource providers, or through enabling legislation,

Committed - amounts that can be used only for the specific purposes determined by a formal action of the Board of Supervisors (the Township's highest level of decision making authority). The Board of Supervisors is required to also take formal action to modify or rescind the commitment,

Assigned - amounts intended to be used by the Township for specific purposes that are neither restricted nor committed. Assignments can be made by the governing body itself or by its designee,

Unassigned - residual classification for the Township's General Fund and includes all spendable amounts not contained in the other classifications. Negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

Committed Fund Balance Policy

The Township's committed fund balance are amounts required to be reported by the Board of Supervisors, either because of Township Policy or because of motions that passed at Board of Supervisor meetings. As of December 31, 2018, the Township did not have any committed fund balances.

**SPRINGETTSBURY TOWNSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Minimum Fund Balance

The Township has adopted a formal minimum fund balance policy. The Township will strive to maintain an unassigned General Fund balance of not less than ten percent (10%) of the budgeted expenditures for the year.

If the unassigned portion of the fund balance falls below the threshold of ten percent (10%) of the budgeted expenditures, the Board will pursue options of increasing revenue and decreasing expenditures, or a combination of both until the ten percent (10%) is attained.

Interfund Transactions

During the course of normal operations, the Township has numerous transactions between funds, including expenditures and transfers of resources to provide services and service debt. Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through various due from and due to accounts.

Memorandum Only Columns

Total columns on the combined statements are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Upcoming Pronouncements

In June of 2017, GASB issued Statement No. 87, *Leases*. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or outflows of resources. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. This Statement is effective for periods beginning after December 15, 2019. The Township's management has not determined the impact, if any, of the implementation of this Statement on the Township's financial statements.

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Upcoming Pronouncements - continued

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement improves information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement is effective for periods beginning after June 15, 2018. The Township's management has not determined the impact, if any, of the implementation of this statement on the Township's financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement is effective for periods beginning after December 15, 2019. The Township's management has not determined the impact, if any, of the implementation of this statement on the Township's financial statements.

**NOTE B - DEPOSITS AND INVESTMENTS**

Governmental and Business-Type Activities

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including obligations of (1) the United States of America or any of its agencies or instrumentalities backed by full faith and credit of the United States of America, (2) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (3) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Commercial paper, bankers' acceptances, negotiable certificates of deposits and bank deposits are also authorized to the extent that such accounts are so insured and, for any amounts above the insured maximum, are covered by collateral pledged by the depository as provided by the law.

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE B - DEPOSITS AND INVESTMENTS - continued**

Governmental and Business-Type Activities - continued

Cash and Cash Equivalents

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The Township does not have a policy for custodial credit risk. As of December 31, 2018, none of the Township's bank balance of \$4,412,928 was exposed to custodial credit risk:

Covered by Federal Depository Insurance (FDIC)	\$ 500,000
Covered by Securities Investor Protection Corporation (SIPC)	250,000
Secured by pooled collateral as permitted by Act 72 of the Commonwealth of Pennsylvania	<u>3,662,928</u>
Total - bank balances	<u>\$ 4,412,928</u>

Reconciliation to Financial Statements

Bank balance, above	\$ 4,412,928
Plus: deposits in transit	50,582
Less: outstanding checks	<u>(78,148)</u>
Carrying amount - book balances	4,385,362
Petty cash	<u>1,100</u>
Total cash per financial statements	<u>\$ 4,386,462</u>

Investments

As of December 31, 2018, the Township had the following investments:

<u>Investments</u>	<u>Maturity Term Range</u>	<u>Fair Value</u>
Certificates of Deposit	1 - 20 years	\$14,468,548

Interest Rate Risk

The Township does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Management does monitor rates of return for investments on a weekly basis.

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE B - DEPOSITS AND INVESTMENTS - continued**

Governmental and Business-Type Activities - continued

Credit Risk

The Township has an investment policy that limits its investment choices to certain credit ratings.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. As of December 31, 2018, all of the Township's investments were covered by SIPC and Act 72.

Concentration of Credit Risk - Deposits and Investments

The Township's deposits and investments are held at the following financial institutions:

<u>Financial Institution</u>	<u>Deposits and/or Investments</u>	<u>Concentration Percentage</u>
Morgan Stanley	\$ 15,240,416	80.72%
York Traditions Bank	2,328,972	12.33%
Fulton Bank	1,304,297	6.91%
PLGIT	<u>7,791</u>	<u>0.04%</u>
	<u>\$ 18,881,476</u>	<u>100.00%</u>

Trust and Agency Funds

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. As of December 31, 2018, none of the Township's trust and agency funds bank balances of \$1,549,562 were exposed to custodial risk. These funds are covered by either FDIC, SIPC or Act 72.

Credit Risk

The Township does have an investment policy that limits its investment choices to certain credit ratings.

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE B - DEPOSITS AND INVESTMENTS - continued**

Trust and Agency Funds - continued

Investments

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Township's trust and agency funds had investments as of December 31, 2018 as follows:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ICMA Retirement Corporation				
Stable Value/Cash Management	\$ 2,120,145	\$ -	\$ -	\$ 2,120,145
Bonds	259,553	-	-	259,553
Balanced/Asset Allocation	3,651,109	-	-	3,651,109
U.S. Stock	2,843,021	-	-	2,843,021
International/Global Stock	276,277	-	-	276,277
Specialty	-	36,997	-	36,997
FNB Wealth Management				
Common Stocks	1,562,512	-	-	1,562,512
Equity Funds	6,444,441	-	-	6,444,441
Fixed Income	6,752,885	-	-	6,752,885
Morgan Stanley				
Certificates of deposit	-	249,322	-	249,322
	<u>\$23,909,943</u>	<u>\$286,319</u>	<u>\$ -</u>	<u>\$24,196,262</u>

The above investments include money market mutual funds, equity common trust funds, fixed income trust funds, U.S. government notes & bonds, corporate bonds, common stocks, and certificates of deposit. The Township's investments with Morgan Stanley are held by Depository Trust Corporation (DTC).

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE B - DEPOSITS AND INVESTMENTS - continued**

Trust and Agency Funds - continued

Investments - continued

Concentration of Credit Risk - Deposits and Investments

The Township's deposits and investments are held at the following financial institutions:

<u>Financial Institution</u>	<u>Deposits and/or Investments</u>	<u>Concentration Percentage</u>
FNB Wealth Management	\$ 16,017,024	62.22%
ICMA Retirement Corp	9,187,105	35.68%
Morgan Stanley	279,125	1.08%
First National Bank	<u>262,570</u>	<u>1.02%</u>
	<u>\$ 25,745,824</u>	<u>100.00%</u>

**NOTE C - RESTRICTED ASSETS- PROPRIETARY FUND**

Capital Improvement Reserve - Sewer - cash	\$ 779,659
Capital Improvement Reserve - Sewer - investments	<u>7,499,493</u>
Total restricted assets	<u>\$ 8,279,152</u>

The capital improvement reserve consists of investments reserved in accordance with an intermunicipal agreement for capital necessary for the purchase and/or replacement of capital assets associated with the operations of Springettsbury Township Waste Water Treatment Plant. The capital improvement reserve is accumulated from a depreciation charge to the connecting municipalities along with a 5% surcharge on transportation, shared pumping station expenses and debt service costs.

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE D - PROPERTY AND SPECIAL ASSESSMENT TAXES**

Based upon assessed valuations provided by the County, property taxes are collected by the elected tax collector. Springgettsbury Township's tax rate for the year ended December 31, 2018 was 1.70 mills (\$1.70 per \$1,000 assessed valuation). The Township levies assessments for street light usage to various areas of the Township. The assessments are based on a flat rate and are collected by the elected tax collector.

The schedule of property taxes and special assessment taxes levied for 2018 was as follows:

February 15	Levy Date
February 16 to April 17	2% Discount Period
April 17 to June 14	Face Payment Period
Beginning June 15	10% Penalty Period
January 15	Lien Date

Springgettsbury Township, in accordance with accounting principles generally accepted in the United States of America, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by management. A portion of the net amount to be collectible, which was measurable and available within 60 days, was recognized as revenue and the balance is unavailable revenue. The balances at December 31, 2018 are as follows:

	<u>Taxes Receivable</u>	<u>Tax Revenue Recognized</u>	<u>Unavailable Revenue Taxes</u>
Earned income	\$ 610,170	\$ 610,170	\$ -
Local services	122,896	122,896	-
Real estate	49,074	2,987	46,087
Mercantile and business privilege	<u>21,497</u>	<u>21,497</u>	<u>-</u>
	<u>\$ 803,637</u>	<u>\$ 757,550</u>	<u>\$ 46,087</u>

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE E - CHANGES IN CAPITAL ASSETS**

A summary of capital assets of the Business-type Activities as of December 31, 2018, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Land and Right of Ways	\$ 1,826,785	\$ -	\$ -	\$ 1,826,785
Collection Lines	32,002,094	1,265,007	(100,505)	33,166,596
Treatment Plant	56,579,390	351,973	(210,795)	56,720,568
Machinery and Equipment	4,054,215	11,617	-	4,065,832
<b>Total Capital Assets</b>	<b>94,462,484</b>	<b>1,628,597</b>	<b>(311,300)</b>	<b>95,779,781</b>
Less: Accumulated Depreciation				
Collection Lines	13,619,949	678,317	(92,562)	14,205,704
Treatment Plant	29,393,894	2,249,380	(209,811)	31,433,463
Machinery and Equipment	3,377,084	91,255	-	3,468,339
<b>Total Accumulated Depreciation</b>	<b>46,390,927</b>	<b>3,018,952</b>	<b>(302,373)</b>	<b>49,107,506</b>
<b>Total Capital Assets (Business-Type Activities), Net</b>	<b><u>\$ 48,071,557</u></b>	<b><u>\$ (1,390,355)</u></b>	<b><u>\$ (8,927)</u></b>	<b><u>\$ 46,672,275</u></b>
	Beginning Balance	Increase	Decrease	Ending Balance
Land and Right of Ways	\$ 4,414,547	\$ -	\$ -	4,414,547
Buildings	11,577,743	118,472	-	11,696,215
Construction in Progress	-	26,882	-	26,882
Improvements (Other than Buildings)	5,926,336	-	-	5,926,336
Machinery and Equipment	3,009,961	533,558	(144,409)	3,399,110
Infrastructure	52,083,785	28,817	-	52,112,602
<b>Total Capital Assets</b>	<b>77,012,372</b>	<b>707,729</b>	<b>(144,409)</b>	<b>77,575,692</b>
Less: Accumulated Depreciation				
Buildings	4,059,898	283,801	-	4,343,699
Improvements (Other than Buildings)	2,700,064	218,189	-	2,918,253
Machinery and Equipment	2,031,345	214,358	(144,409)	2,101,294
Infrastructure	33,905,726	586,747	-	34,492,473
<b>Total Accumulated Depreciation</b>	<b>42,697,033</b>	<b>1,303,095</b>	<b>(144,409)</b>	<b>43,855,719</b>
<b>Total Capital Assets (Governmental Activities), Net</b>	<b><u>\$ 34,315,339</u></b>	<b><u>\$ (595,366)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 33,719,973</u></b>

A summary of capital assets of the Governmental Activities as of December 31, 2018, is as follows:

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE E - CHANGES IN CAPITAL ASSETS - continued**

Depreciation expense was charged to functions/programs of the Township as follows:

Governmental activities:	
General government	\$ 117,279
Public safety	234,557
Highways and streets	677,610
Culture and recreation	<u>273,650</u>
Total depreciation expense - governmental activities	<u>\$ 1,303,096</u>
Business-type activities:	
Sewer	<u>\$ 3,033,757</u>

**NOTE F - RESTRICTED NET POSITION**

Business-type activities restricted net position represents amounts restricted in accordance with an intermunicipal agreement for the purchase and replacement of capital assets related to the operations of the Township's Waste Water Treatment Plant.

**NOTE G - FUND BALANCE**

Restricted Fund Balance

The Township's restricted fund balances are amounts restricted by outside parties. As of December 31, 2018, the Township's restricted fund balance was \$1,119,405; of which \$1,016,811 was restricted for use by the Commonwealth of Pennsylvania for Highway Aid purposes and \$102,594 was restricted for future capital purposes.

Deficit Fund Balance

The Township has a deficit unassigned fund balance in the capital projects fund. The deficit is to be funded from future transfers from the General Fund.

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE H - LONG-TERM DEBT- BONDS/NOTES PAYABLE**

	<u>Governmental Funds</u>	<u>Enterprise Fund</u>
Balance as of January 1, 2018	\$ 4,790,000	\$18,743,000
Principal retirements	<u>220,000</u>	<u>1,419,400</u>
Balance as of December 31, 2018	<u>\$ 4,570,000</u>	<u>\$ 17,323,600</u>

The payments of long-term debt are to be funded by the capital projects fund and the sewer fund.

General Obligation Bonds 2010 - Series A

On March 1, 2010, the Township issued general obligation bonds in the amount of \$18,175,000. The proceeds of the Series A bonds were to finance sewer system improvements and to pay the costs and expenses related to the issuance of the Series A Bonds. The bonds bear interest rates ranging from 1.30% to 5.92% with principal maturities from November 2011 through November 2029. The balance outstanding at December 31, 2018 was \$11,710,000.

The Series A Bond qualifies as a Build America Bonds under the American Recovery and Reinvestment Act of 2009. The Township is eligible to receive a cash subsidy from the United States Treasury equal to 35% of the interest paid on the Series A Bonds. The Township received a cash subsidy of \$219,214 in 2018.

General Obligation Note, Series of 2014

On November 18, 2014, the Township issued general obligation notes in the amount of \$7,403,500. The proceeds of the note were to advance refund the General Obligations Bonds, Series AA of 2010, and pay the costs of issuing the note. The note bears a fixed rate of interest of 2.67% per annum and is scheduled to mature in November 2027. This advance refunding was undertaken to reduce total debt service payments over the next thirteen years by \$326,560 and resulted in an economic gain of \$320,008. The balance outstanding at December 31, 2018 was \$5,613,600.

General Obligation Bond, Series of 2016

On May 31, 2016, the Township issued a general obligation bond in the amount of \$5,150,000. The proceeds of the bond were to refinance the General Obligation Note, Series of 2015, to pay the costs of issuing the bond, and for capital projects. The bond bears a fixed rate of interest of 2.35% per annum and is scheduled to mature in June 2035. The balance outstanding at December 31, 2018 was \$4,570,000.

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE H - LONG-TERM DEBT- BONDS/NOTES PAYABLE - continued**

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2018 are as follows:

Enterprise Fund

Year ended December 31,	General Obligation Bond 2010, Series A			General Obligation Note 2014		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 900,000	\$ 625,954	\$ 1,525,954	\$ 558,400	\$ 149,884	\$ 708,284
2020	925,000	583,744	1,508,744	576,800	134,974	711,774
2021	955,000	538,050	1,493,050	588,600	119,574	708,174
2022	990,000	490,872	1,480,872	605,300	103,856	709,156
2023	1,020,000	441,966	1,461,966	621,700	87,696	709,396
2024-2027	4,445,000	1,211,448	5,656,448	2,662,800	180,040	2,842,840
2028-2031	2,475,000	219,896	2,694,896	-	-	-
	<u>\$ 11,710,000</u>	<u>\$ 4,111,930</u>	<u>\$ 15,821,930</u>	<u>\$ 5,613,600</u>	<u>\$ 776,024</u>	<u>\$ 6,389,624</u>

Governmental Funds

Year ended December 31,	General Obligation Bond 2016		
	Principal	Interest	Total
2019	\$ 225,000	\$ 105,590	\$ 330,590
2020	230,000	101,090	331,090
2021	235,000	96,490	331,490
2022	240,000	91,790	331,790
2023	245,000	86,990	331,990
2024-2027	1,030,000	297,960	1,327,960
2028-2031	1,120,000	203,190	1,323,190
2032-2035	1,245,000	82,030	1,327,030
	<u>\$ 4,570,000</u>	<u>\$ 1,065,130</u>	<u>\$ 5,635,130</u>

Bond Refinancing Charges

In the event that advance refunding of debt results in a defeasance, full accrual basis of accounting requires that the amounts deposited in escrow in excess of the net carrying amount of the old debt are to be amortized over the life of the old debt or the life of the new debt, whichever is shorter. The amortization of this charge will be recognized as a component of interest expense. The Township has one bond refinancing charge that is amortizing, utilizing the straight-line method, with amortization through 2027. For the year ended December 31, 2018, the Township amortized \$10,581 as a component of interest expense.

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE I - CAPITAL LEASE**

During 2017, the Township entered into a capital lease agreement for multiple fleet vehicles. Eight vehicles under this agreement were received between April and August 2018. Three of the vehicles have a lease term of thirty-six months and the other five vehicles have a term of sixty months. Monthly principal payments range from \$398 to \$839. Total principal payments on these vehicles during the year ending December 31, 2018 was \$22,857. The outstanding liability for these vehicles at December 31, 2018 is \$208,439.

Following are the future minimum payments on the above leases (including principal and interest):

<u>Year</u>	<u>Payments</u>
2019	\$ 72,156
2020	72,156
2021	61,683
2022	40,736
2023	<u>22,020</u>
	<u>\$ 268,751</u>

**NOTE J - PENSION PLANS**

The Township has included in these financial statements the two pension funds as pension trust funds. The Township pension plans have not issued any additional financial statements.

POLICE PENSION PLAN

Plan Description

Springettsbury Township currently has a single-employer defined benefit police pension plan for full-time police employees. The Police Pension Plan was established by and enrolled in the Pennsylvania Municipal Ordinance Retirement Law, Act of February 1, 1974, P.L. 34, No. 15.

Eligibility Requirements and Benefits Descriptions

All full-time members of the police force of Springettsbury Township are eligible to join the Plan upon employment. A participant is eligible for normal retirement after attainment of age 50 and completion of 25 years of service. A participant's benefits vest upon completion of 12 years of service. The vested benefit is a deferred pension beginning at normal retirement equal to the benefit accrued to the date of termination.

**SPRINGETTSBURY TOWNSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE J - PENSION PLANS** - continued

POLICE PENSION PLAN - continued

The normal retirement pension is payable monthly during the participant's lifetime, with payments continuing after the participant's death to the surviving spouse equal to 50% of the amount payable to the participant. The amount of monthly pension is equal to 50% of average monthly pay plus \$50 per year for each year of service in excess of 25 years of service subject to a maximum increment of \$100.

Average monthly pay is based upon the last 36 months of employment. Pay is defined as wages as reported on a federal W-2, excluding officer in charge pay.

If a participant is disabled in the line of duty, he is eligible for disability pension. The disability pension is equal to 50% of the member's average monthly pay at the time of disability, offset by any Social Security disability payments.

Contributions and Funding Policy

The plan is funded through state allocations from the General Municipal Pension System State Aid Program, public contributions and through member contributions. Based on the actuarial report, the plan is currently underfunded and the member contribution rate is 5%.

"Contributions required" are estimates prepared by municipal officials. The estimated contributions may contain immaterial errors which will not affect the long-term funding of the plan. The minimum funding requirements are based on the results of the most recent actuarial valuation report updated to reflect changes in payroll and expenses.

Plan Membership

Membership of the plan as of December 31, 2018 consisted of:

Inactive members or beneficiaries currently receiving benefits	22
Inactive members entitled to but not yet receiving benefits	3
Active members	<u>32</u>
Total Members	<u>57</u>

Net Pension Liability

The net pension liability was measured as of December 31, 2018, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2017. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE J - PENSION PLANS** - continued

POLICE PENSION PLAN - continued

Actuarial Assumptions

The total pension liability in the January 1, 2017 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

Inflation	3.00%	
Salary increases	5.00%	(average, including inflation)
Investment rate of return	7.25%	(including inflation)
Postretirement cost of living increase	3.00%	

Mortality rates were based on the IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvement.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	43.00%	5.50% - 7.50%
International Equity	11.00%	4.50% - 6.50%
Fixed Income	42.00%	1.00% - 3.00%
Cash	4.00%	0.00% - 1.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. 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. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE J - PENSION PLANS - continued**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/17	\$ 19,268,248	\$ 16,823,486	\$ 2,444,762
Service Cost	502,580	-	502,580
Interest Cost	1,401,762	-	1,401,762
Contributions - employer	-	725,315	(725,315)
Contributions - member	-	148,371	(148,371)
Net Investment Income	-	(808,165)	808,165
Benefit Payments, including refunds of member contributions	(872,351)	(872,351)	-
Net Changes	1,031,991	(806,830)	1,838,821
Balances at 12/31/18	<u>\$ 20,300,239</u>	<u>\$ 16,016,656</u>	<u>\$ 4,283,583</u>

Changes in Net Pension Liability

Deferred outflows of resources for the governmental funds at December 31, 2018 were \$2,492,516, which represents contributions subsequent to the measurement date. Deferred inflows of resources for the governmental funds at December 31, 2018 were \$796,360, which represents receipts subsequent to the measurement date.

The difference between projected and actual investment earnings was \$2,027,916 and will be recognized over five years. All differences are accumulated with prior year differences. These differences will be recognized as follows:

Years ended December 31:

2019	\$ 591,077
2020	591,077
2021	346,184
2022	435,788
2023	435,788
2024	<u>30,206</u>
Total	<u>\$ 2,430,120</u>

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE J - PENSION PLANS - continued**

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

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.25%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Plan's Net Pension Liability	<u>\$ 6,992,508</u>	<u>\$ 4,283,583</u>	<u>\$ 2,031,965</u>

NON-UNIFORMED PENSION PLAN

The Non-uniformed Plan, a single employer defined contribution plan, was established in 1985 by Township Resolution 85-09. The Township has delegated the authority to manage certain plan assets to International City Management Association (ICMA). The Plan is to be funded through state and employer contributions and employee wage deductions.

Non-uniformed employees over the age of 21 are eligible to participate after 6 months of service. A participant is eligible for normal retirement after attainment of age 59.5. Participants become 20% vested in the Township's contributions after three years of employment. An additional 20% is vested for each additional year of employment. A participant becomes fully vested after seven years of employment. Each participant is required to contribute 2% of gross pay. Employer contributions equal 9.0% of employee's gross pay for non-teamster members, and 9.5% for employees that are teamster members. For the year ended December 31, 2018, the Township contributed \$247,299 to the Non-Uniformed Pension Plan.

**NOTE K - DEFERRED COMPENSATION PLAN**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan 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 unforeseeable emergency.

**SPRINGETTSBURY TOWNSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE L - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

Plan Description

The Township has implemented Governmental Accounting Standards Board Statement No.75, "Accounting and Financial Reporting by Employees for Post-employment Benefits Other Than Pensions," for certain post-employment healthcare benefits provided by the Township.

The Township's post-employment healthcare plan is a single-employer defined benefit healthcare plan. The Township provides certain health care benefits to retired police and certain retired fire employees as required by union contracts. Medical (until age 65), dental, vision and prescription benefits require 50% co-pay by the retiree. The cost of retiree's retirement benefit is recognized as an expenditure at the time premiums are paid. Types of OPEB provided are governed by the respective Collective Bargaining Agreements of the police and the firefighters. The Township has not established a separate OPEB Plan Fund and is on the pay-as-you-go basis. The defined benefits OPEB plan is included in the Township's basis financial statements.

The Township transferred its OPEB plan for current firefighters to the York Area United Fire and Rescue (YAUFR) effective January 1, 2011. The Township maintains an OPEB plan for all former firefighters that retired prior to the formation of YAUFR.

POLICE OFFICERS

Eligibility Requirements and Benefits Descriptions

An officer is eligible for coverage after attainment of age 50 and completion of 25 years of service or upon becoming permanently disabled as a result of work-related injury. An officer will be eligible for coverage upon early retirement after 20 years of service; however, the officer must pay 105% of the premiums. An eligible officer may receive medical (PPO), dental, prescription drug and vision benefits currently provided to active officers. For pre-January 1, 2005 retirees, medical coverage ceases upon Medicare eligibility; however, prescription drug, dental and vision benefits can continue for life. For post-January 1, 2005 retirees, all coverage ceases at an earlier of ten years or Medicare eligibility, but the coverage can continue until Medicare eligibility if the retiree pays 105% of the premium. Benefits are available to the retiree, spouse, and eligible dependents.

For post-January 1, 2005 retirees, the retiree or disabled officer must pay the Township an amount equal to 20% of the cost of any insurance premiums. If a retiree or disabled officer elects prescription drug coverage only, then they must pay an amount equal to 75% of the cost of any insurance premium. After 10 years of benefits received, the retiree or disabled officer must pay 105% of any insurance premiums to continue coverage. All benefits cease at Medicare eligibility for post-January 1, 2005 retirees. Retirees who retired prior to January 1, 2005 must pay the Township an amount equal to 50% of the cost of any insurance premiums until Medicare age. If a retiree or disabled officer elects prescription drug coverage only, then they must pay an amount equal to 75% of any insurance premium.

**SPRINGETTSBURY TOWNSHIP**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE L - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS -**  
continued

POLICE OFFICERS - continued

Eligibility Requirements and Benefits Descriptions - continued

A retired officer shall not be eligible for medical, dental, prescription and/or vision coverage if the officer and/or spouse has comparable coverage elsewhere. If a retired officer loses their eligibility due to having comparable coverages and later loses the comparable coverages, the retired officer will be eligible to participate in the Township's postretirement benefits if the retiree pays 25% (50% for pre-January 1, 2005 retirees) of the cost of any insurance premiums. Upon death of a retired or disabled officer, the spouse and dependents may continue to be covered as described above. Spouse coverage shall cease upon remarriage.

Benefits Payable Upon Death of a Police Officer on Active Duty

The spouse and eligible dependents of an active Police Officer Killed in the Line of Duty may receive medical, dental, prescription drug, and vision benefits, provided they pay to the Township the same amount of cost sharing as active police officers. As the health benefits and obligations/requirements for active officers change, the benefits and obligations/requirements for the spouse shall likewise change correspondingly. The spouse may continue coverage until remarriage, death or Medicare eligibility. Dependent coverage will continue until they are no longer eligible as a dependent under the current insurance plan.

PAID FIREMEN

Eligibility Requirements and Benefits Descriptions

All former firefighters that retired prior to the formation of YAUFRA are eligible. A retired firefighter may receive medical (PPO), dental, and prescription drug benefits currently provided to active firefighters. Medical coverage (PPO) ceases upon Medicare eligibility or if the retiree obtains coverage elsewhere; however, prescription drug, dental, and vision benefits can continue for life. Benefits are available to the retiree, spouse, and eligible dependents. Upon death of a retiree, benefits continue to the spouse and eligible dependents.

Cost Sharing: The retiree must pay the Township an amount equal to 50% of the cost of any insurance premiums. When the retiree reaches Medicare eligibility, the spouse may continue in the Medical (PPO) plan until the spouse reaches Medicare eligibility if the spouse contributes the COBRA rate for coverage.

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE L - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS -**  
 continued

Actuarial Methods and Assumptions

- Discount rate - Based on S&P Municipal Bond 20-Year High Grade Rate Index at January 1, 2018.
- Salary - An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases were assumed to be 5.0%.
- Withdrawal - sample rates are as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	5.50%	35	2.50%	50	0.00%
25	5.00%	40	1.00%	55	0.00%
30	4.00%	45	0.50%	60	0.00%

- Mortality - IRS 2017 Static Combined Table for Small Plans. 25% of deaths of police are killed-in-service. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvement.
- Disability - SOA 1987 Group LTD Table - Males, 6-month elimination. Sample rates are as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	0.0764%	35	0.1242%	50	0.5396%
25	0.0854%	40	0.1760%	55	0.9770%
30	0.0986%	45	0.2944%	60	1.4774%

- Retirement - Latest of age 53, age at the completion of 25 years of service, or age on valuation date
- Percent of Eligible Retirees Electing Coverage in Plan
  - Police - Before age 62, 60% of eligible retirees are assumed to elect medical, prescription drug, dental and vision coverage on retiring. Upon attainment of age 62-65, 100% of eligible retirees are assumed to elect medical, dental, prescription drug, and vision coverage. Vested Former Members are assumed to elect coverage at age 62 or age at valuation date, if later.
  - Paid Firemen - Not applicable.
- Percent Married at Retirement and Spouse Age at Retirement - 80% are assumed to be married and have a spouse covered at retirement. Wives are assumed to be 2 years younger than their husbands.
- Non-spouse Dependents - none assumed.
- Per Capita Claims Cost - The per capita claims cost for medical and prescription drug is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets. Dental and vision costs are assumed to not vary with age or gender. Post-65 claims only include prescription drug coverage, since retirees cannot continue medical coverage past age 65. The resulting costs are as follows:

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE L - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS -**  
 continued

Actuarial Methods and Assumptions - continued

	<b><u>Medical and Prescription</u></b>	
	<b><u>Drug Combined</u></b>	
<b><u>Age</u></b>	<b><u>Males</u></b>	<b><u>Females</u></b>
45-49	\$ 9,281	\$ 13,404
50-54	\$ 12,292	\$ 15,149
55-59	\$ 14,971	\$ 15,851
60-64	\$ 19,536	\$ 18,209
65+	\$ 1,890	\$ 1,890

- Retiree Contributions - Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.
- Health Care Cost Trend Rate - 6.0% in 2018, and 5.5% in 2019 through 2021. Rate gradually decrease from 5.4% in 2022 to 3.8% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
- Actuarial Value of Assets - equal to the market value of assets.
- Actuarial Cost Method - Entry Age Normal - Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.
- Participant Data - Based on census information as of January 1, 2018.

Changes in Assumptions

The discount rate changed from 3.71% to 3.16%.

Plan Membership

Membership of the plan as of December 31, 2018 consisted of:

	<b><u>Police</u></b>	<b><u>Paid Firemen</u></b>
Active participants	31	-
Vested former participants	4	-
Retired participants	<u>12</u>	<u>3</u>
	<u>47</u>	<u>3</u>

Annual payroll for active Police is \$2,786,631. There are no active firemen.

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE L - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS -**  
 continued

Deferred Outflows of Resources

As of December 31, 2018, \$224,362 is reported as deferred outflows of resources related to the Township's OPEB plan resulting from changes in assumptions (\$155,410) and benefit payments subsequent to the measurement date (\$68,952). The subsequent benefit payments will be recognized as of the reduction of the net post-employment benefits in subsequent years. The changes in assumptions reported as deferred outflows of resources will be recognized in post-employment expense over seven years as follows, when combined with the deferred outflows from previous years:

Year ended December 31:

2019	\$ 22,202
2020	22,202
2021	22,202
2022	22,202
2023	22,202
Thereafter	<u>44,400</u>
 Total	 <u>\$ 155,410</u>

Deferred Inflows of Resources

There are no deferred inflows of resources related to the Township's OPEB plan.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(4.16%)</u>	<u>(3.16%)</u>	<u>(2.16%)</u>
Plan's Net OPEB Liability	\$4,015,377	\$4,406,409	\$4,840,455

Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current rates:

	1% Decrease	Current Rate	1% Increase
	<u></u>	<u></u>	<u></u>
Plan's Net OPEB Liability	\$5,028,005	\$4,406,409	\$3,879,271

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE M - DUE TO/FROM OTHER FUNDS**

The interfund receivables and payables balances at December 31, 2018 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 770,593	\$ 4,425
Capital Improvements Fund	4,425	874,766
Recreation Fund	-	2,370
Enterprise Fund	678,635	414,618
Escrow Fund	-	157,474
	\$ 1,453,653	\$ 1,453,653

**NOTE N - CONTINGENCIES**

Litigation

In the normal course of operations, the Township is involved in various civil disputes. Management is of the opinion that any unfavorable outcome resulting from these actions would not have a material effect on the Township's financial position and/or would be covered by the Township's insurance.

Grant Programs

The Township participates in various federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Township is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Health Insurance

The Township is a member of the Intergovernmental Insurance Cooperative (IIC) through which it self-insures for employee health claims. These claims are administered by Highmark Blue Shield. During the year ended December 31, 2015, the Township remitted their contracted monthly amount to IIC who pays the funds directly to Highmark Blue Shield. Under the shared pooling agreement with IIC, the Township's claims may exceed their monthly contributions and no additional payments are required to cover their underpayment. The Township was limited to liability for 2018 claims to \$50,000 individually and approximately \$1,120,000 in the aggregate.

Employee contributions are recorded as reimbursements in the respective funds. Township contributions for monthly claims liability are shown in the General and Sewer funds for the year ended December 31, 2018. As of December 31, 2018, there are no additional assessments relating to the health plan.

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE N - CONTINGENCIES** - continued

Workers' Compensation

The Township participates in the Susquehanna Municipal Trust, which is a cooperative voluntary trust arrangement for 66 member municipalities. This agreement states that the Township pays an annual premium to the Trust for the purpose of seeking prevention or lessening of claims due to injuries of employees of the members and pooling workers' compensation and occupational disease insurance risks, reserves, claims, and losses and providing self-insurance and re-insurance thereof.

It is the intent of the members of the Trust that the Trust will utilize funds contributed by the members to provide self-insurance and reimbursement to the members for their obligations to pay compensation as required under the Workers' Compensation Act and the Pennsylvania Occupational Disease Act and to purchase excess and aggregate insurance. The Trust is limited in liability up to \$1,000,000 for a claim over its life. As of December 31, 2018, the Township is not aware of any additional assessments relating to the Trust.

The Township is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Township has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous year. During the year ended December 31, 2018, no settlements exceeded insurance coverage.

**NOTE O - COMMITMENTS**

The Township entered into a commitment with the City of York to purchase 4.8 million gallons per day of additional sewer capacity for an indefinite period of time. Beginning in 2002, the Township began making annual payments of \$230,000 to the City for a period of twenty years and an annual payment of \$30,000 for 3 years beginning in 2022. In addition, the Township also makes semi-annual payments of \$300,500 to the City to pay toward the City's future lease rental cost for the wastewater treatment facility until 2018, and an annual payment of \$76,000 for 3 years beginning in 2019. An additional sewage treatment charge is paid by the Township based on the Township's share of actual net operating expenses of the facility. Minimum payments to the City of York under this agreement are as follows:

	4.8 MGD Capacity	Lease Rental Plant	Total
2019	\$ 230,000	\$ 76,000	\$ 306,000
2020	230,000	76,000	306,000
2021	230,000	76,000	306,000
2022	30,000	-	30,000
2023	30,000	-	30,000
2024	30,000	-	30,000
	<u>\$ 780,000</u>	<u>\$ 228,000</u>	<u>\$ 1,008,000</u>

**SPRINGETTSBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE P - PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was made to the beginning 2018 balances of the capital assets of the Sewer Fund (Business-Type Activities). This adjustment was the result of errors found in the prior year supporting schedules and calculations. This prior period adjustment resulted in an overall decrease in the January 1, 2018 Net Position of \$454,502.

The Township implemented GASB #75 for the year ended December 31, 2018, which calculated and recorded the Township's full liability related to its other post-employment benefit (OPEB) plan on its Statement of Net Position. This adjustment resulted in a decrease to the beginning net position of the Governmental Activities in the amount of \$1,297,008.

**NOTE Q - SUBSEQUENT EVENTS**

In May 2019, the Township received another vehicle under its capital lease agreement (Note I). The terms related to this vehicle are sixty monthly payments of \$416, including principal and interest.

Management has evaluated subsequent events through the date of the Independent Auditors' report, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SPRINGETTSBURY TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Real estate taxes and penalties	\$ 3,542,000	\$ 3,542,000	\$ 3,444,837	\$ (97,163)
Other taxes	7,785,000	7,785,000	8,287,344	502,344
Licenses and permits	454,500	454,500	446,959	(7,541)
Fines and forfeits	213,000	213,000	215,792	2,792
Interest, rents, and royalties	25,000	25,000	68,912	43,912
Intergovernmental revenues	808,300	808,300	920,039	111,739
Charges for services	1,329,000	1,329,000	1,809,213	480,213
Miscellaneous	5,000	5,000	64,953	59,953
<b>Total revenues</b>	<b>14,161,800</b>	<b>14,161,800</b>	<b>15,258,049</b>	<b>1,096,249</b>
<b>EXPENDITURES</b>				
General government	2,846,659	2,846,659	1,219,868	1,626,791
Public safety	8,059,401	8,059,401	6,214,044	1,845,357
Highways and streets	1,520,708	1,520,708	1,101,706	419,002
Culture and recreation	692,570	692,570	881,268	(188,698)
Debt service	333,950	333,950	29,189	304,761
Employee benefits, insurance and other	302,409	302,409	3,475,719	(3,173,310)
<b>Total expenditures</b>	<b>13,755,697</b>	<b>13,755,697</b>	<b>12,921,794</b>	<b>833,903</b>
Excess of revenues over expenditures	406,103	406,103	2,336,255	1,930,152
<b>OTHER FINANCING SOURCES (USES)</b>				
Use of fund balance	(98,103)	-	-	-
Transfers out	(333,000)	(333,000)	(674,950)	(341,950)
Other financing sources	25,000	25,000	60,990	35,990
Refund of prior year revenues	-	-	582,045	582,045
<b>Total other financing sources (uses)</b>	<b>(406,103)</b>	<b>(308,000)</b>	<b>(31,915)</b>	<b>276,085</b>
Changes in fund balance	-	98,103	2,304,340	2,206,237
<b>Fund balances - January 1, 2018</b>	<b>3,202,301</b>	<b>3,202,301</b>	<b>4,096,350</b>	<b>894,049</b>
<b>Fund balances - December 31, 2018</b>	<b>\$ 3,202,301</b>	<b>\$ 3,300,404</b>	<b>\$ 6,400,690</b>	<b>\$ 3,100,286</b>

**SPRINGETTSBURY TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - CAPITAL PROJECTS FUNDS**  
**YEAR ENDED DECEMBER 31, 2018**

	<u>Capital Improvement Fund</u>		<u>Storm Water Reserve Fund</u>	
	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>				
Interest, rents and royalties	\$ 2,000	\$ 762	\$ 125	\$ 1,076
Total revenues	<u>2,000</u>	<u>762</u>	<u>125</u>	<u>1,076</u>
<b>EXPENDITURES</b>				
Public safety	-	34,028	-	-
Highways and streets	335,000	293,803	-	-
Culture and recreation	-	45,393	-	-
Other public works	-	-	125	-
Debt service	<u>333,950</u>	<u>332,190</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>668,950</u>	<u>705,414</u>	<u>125</u>	<u>-</u>
(Deficiency) of revenues over expenditures	<u>(666,950)</u>	<u>(704,652)</u>	<u>-</u>	<u>1,076</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	<u>666,950</u>	<u>674,950</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>666,950</u>	<u>674,950</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(29,702)	-	1,076
<b>FUND BALANCE (DEFICIT) - January 1, 2018</b>	<u>(992,299)</u>	<u>(992,299)</u>	<u>101,518</u>	<u>101,518</u>
<b>FUND BALANCE (DEFICIT) - December 31, 2018</b>	<u>\$ (992,299)</u>	<u>\$ (1,022,001)</u>	<u>\$ 101,518</u>	<u>\$ 102,594</u>

**SPRINGETTSBURY TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2018**

	State Liquid Fuels Fund		Petitioned Street Lighting Fund		Subdivision Recreation Fund	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
	<b>REVENUES</b>					
Other taxes	\$ -	\$ -	\$ 84,000	\$ 87,745	\$ -	\$ -
Interest, rents and royalties	500	14,166	150	1,572	20	660
Intergovernmental revenue	828,020	858,205	-	-	-	-
Other (use of fund balance)	-	-	-	-	2,980	-
Contributions from private sources	-	-	-	-	2,000	1,550
<b>Total revenues</b>	<b>828,520</b>	<b>872,371</b>	<b>84,150</b>	<b>89,317</b>	<b>5,000</b>	<b>2,210</b>
<b>EXPENDITURES</b>						
Highways and streets	819,760	244,871	84,000	85,747	-	-
Culture and recreation	-	-	-	-	5,000	3,098
<b>Total expenditures</b>	<b>819,760</b>	<b>244,871</b>	<b>84,000</b>	<b>85,747</b>	<b>5,000</b>	<b>3,098</b>
<b>Net change in fund balances</b>	<b>8,760</b>	<b>627,500</b>	<b>150</b>	<b>3,570</b>	<b>-</b>	<b>(888)</b>
<b>FUND BALANCE - January 1, 2018</b>	<b>389,311</b>	<b>389,311</b>	<b>118,713</b>	<b>118,713</b>	<b>11,759</b>	<b>11,759</b>
<b>FUND BALANCE (DEFICIT) - December 31, 2018</b>	<b>\$ 398,071</b>	<b>\$ 1,016,811</b>	<b>\$ 118,863</b>	<b>\$ 122,283</b>	<b>\$ 11,759</b>	<b>\$ 10,871</b>

**SPRINGETTSBURY TOWNSHIP**  
**SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS -**  
**POLICE PENSION PLAN**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2005	\$ 8,084,958	\$ 9,433,418	\$(1,348,460)	85.71%	\$1,720,759	-78.36%
1/1/2006	8,438,716					
1/1/2007	9,193,690	10,563,398	(1,369,708)	87.03%	2,059,773	-66.50%
1/1/2008	9,713,696					
1/1/2009	8,226,888	11,397,557	(3,170,669)	72.18%	2,183,363	-145.22%
1/1/2010	9,459,981					
1/1/2011	10,385,336	12,474,307	(2,088,971)	83.25%	2,585,412	-80.80%
1/1/2012	10,749,550					
1/1/2013	11,934,025	14,321,869	(2,387,844)	83.33%	2,692,132	-88.70%
1/1/2014	13,513,767					
1/1/2015	14,168,828	17,116,690	(2,947,862)	82.78%	2,617,369	-112.63%
1/1/2016	14,872,625					
1/1/2017	16,823,486	19,268,248	(2,444,762)	87.31%	2,787,651	-87.70%
1/1/2018	16,016,656	20,300,239	(4,283,583)	78.90%	2,889,962	-148.22%

Schedule of Contributions from Employer

Year	Annual Required Contribution	Contributions From Employer <sup>(1)</sup>	Percentage Contributed
2005	\$ 432,744	\$ 442,580	102.27%
2006	398,808	406,308	101.88%
2007	466,890	466,890	100.00%
2008	474,384	474,384	100.00%
2009	500,711	500,711	100.00%
2010	488,431	488,431	100.00%
2011	696,041	696,041	100.00%
2012	612,225	612,225	100.00%
2013	620,661	620,661	100.00%
2014	640,060	640,060	100.00%
2015	719,203	719,203	100.00%
2016	707,491	770,318	108.88%
2017	728,359	728,359	100.00%
2018	725,315	725,315	100.00%

<sup>(1)</sup> Includes general municipal pension system state aid.

**SPRINGETTSBURY TOWNSHIP**  
**SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET PENSION LIABILITY**  
**DECEMBER 31, 2018**

TOTAL PENSION LIABILITY	
Service cost	\$ 502,580
Interest	1,401,762
Changes for experience	-
Changes in assumptions	-
Benefit payments	<u>(872,351)</u>
NET CHANGES IN TOTAL PENSION LIABILITY	1,031,991
TOTAL PENSION LIABILITY - beginning of year	<u>19,268,248</u>
TOTAL PENSION LIABILITY - end of year	<u>20,300,239</u>
PLAN FIDUCIARY NET POSITION	
Contributions - employer	725,315
Contributions - plan members	148,371
Net investment income	(808,165)
Benefit payments	(872,351)
Administrative expense	<u>-</u>
NET CHANGES IN PLAN FIDUCIARY NET POSITON	(806,830)
PLAN FIDUCIARY NET POSITION - beginning of year	<u>16,823,486</u>
PLAN FIDUCIARY NET POSITION - end of year	<u>16,016,656</u>
TOWNSHIP'S NET PENSION LIABILITY	<u><u>\$4,283,583</u></u>

**SPRINGETTSBURY TOWNSHIP**  
**SCHEDULE OF TOWNSHIP'S OPEB LIABILITY**  
**YEAR ENDED DECEMBER 31, 2018**

	Police	Paid Firemen	Total
Total OPEB liability	\$ 4,268,159	\$ 138,250	\$ 4,406,409
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 4,268,159</u>	<u>\$ 138,250</u>	<u>\$ 4,406,409</u>
Deferred Outflows of Resources	<u>\$ 211,878</u>	<u>\$ 12,484</u>	<u>\$ 224,362</u>
OPEB Expense	<u>\$ 393,748</u>	<u>\$ 5,768</u>	<u>\$ 399,516</u>
Beginning liability	\$ 3,849,016	\$ 137,467	\$ 3,986,483
Service cost	223,825	-	223,825
Interest	148,615	4,874	153,489
Changes in assumptions	170,460	7,152	177,612
Benefit payments	<u>(123,757)</u>	<u>(11,243)</u>	<u>(135,000)</u>
Net changes	<u>419,143</u>	<u>783</u>	<u>419,926</u>
Ending liability	<u>\$ 4,268,159</u>	<u>\$ 138,250</u>	<u>\$ 4,406,409</u>
Covered-employee payroll	\$ 2,786,631	\$ -	\$ 2,786,631
Total OPEB liability as a % of covered-employee payroll	153.17%	N/A	158.13%

**SUPPLEMENTARY INFORMATION**

**SPRINGETTSBURY TOWNSHIP**  
**COMBINING BALANCE SHEETS -**  
**CAPITAL PROJECTS FUND**  
**DECEMBER 31, 2018**

	Capital Improvement Fund	Storm Water Reserve Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 72,965	\$ 102,594	\$ 175,559
Due from other funds	4,425	-	4,425
	<b>\$ 77,390</b>	<b>\$ 102,594</b>	<b>\$ 179,984</b>
<b>LIABILITIES</b>			
Due to other funds	\$ 874,766	\$ -	\$ 874,766
Accounts payable	136,291	-	136,291
Retainage payable	88,334	-	88,334
	<b>1,099,391</b>	<b>-</b>	<b>1,099,391</b>
<b>FUND BALANCES (DEFICITS):</b>			
Restricted	-	102,594	102,594
Unassigned	(1,022,001)	-	(1,022,001)
	<b>(1,022,001)</b>	<b>102,594</b>	<b>(919,407)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 77,390</b>	<b>\$ 102,594</b>	<b>\$ 179,984</b>

**SPRINGETTSBURY TOWNSHIP**  
**BINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFI**  
**CAPITAL PROJECTS FUND**  
**YEAR ENDED DECEMBER 31, 2018**

	Capital Improvement Fund	Storm Water Reserve Fund	Total
<b>REVENUES</b>			
Interest, rents and royalties	\$ 762	\$ 1,076	\$ 1,838
Total revenues	762	1,076	1,838
<b>EXPENDITURES</b>			
General government	134,723	-	134,723
Public safety	34,028	-	34,028
Highways and streets	159,080	-	159,080
Culture and recreation	45,393	-	45,393
Debt service	332,190	-	332,190
Total expenditures	705,414	-	705,414
Excess (deficit) of revenues over expenditures	(704,652)	1,076	(703,576)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	674,950	-	674,950
Total other financing sources (uses)	674,950	-	674,950
<b>NET CHANGE IN FUND BALANCES</b>	(29,702)	1,076	(28,626)
<b>FUND BALANCE (DEFICIT) - January 1, 2018</b>	(992,299)	101,518	(890,781)
<b>FUND BALANCE (DEFICIT) - December 31, 2018</b>	<u>\$ (1,022,001)</u>	<u>\$ 102,594</u>	<u>\$ (919,407)</u>

**SPRINGETTSBURY TOWNSHIP**  
**COMBINING BALANCE SHEETS -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2018**

	State Liquid Fuels Fund	Petitioned Street Lighting Fund	Subdivision Recreation Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,032,983	\$ 126,972	\$ 276,735	\$ 1,436,690
Taxes receivable, net	-	1,187	-	1,187
<b>Total Assets</b>	<b>\$ 1,032,983</b>	<b>\$ 128,159</b>	<b>\$ 276,735</b>	<b>\$ 1,437,877</b>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ 2,370	\$ 2,370
Other current liabilities	16,172	5,876	263,494	285,542
<b>Total Liabilities</b>	<b>16,172</b>	<b>5,876</b>	<b>265,864</b>	<b>287,912</b>
<b>FUND BALANCES</b>				
Restricted	1,016,811	-	-	1,016,811
Assigned	-	122,283	10,871	133,154
<b>Total fund balances</b>	<b>1,016,811</b>	<b>122,283</b>	<b>10,871</b>	<b>1,149,965</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,032,983</b>	<b>\$ 128,159</b>	<b>\$ 276,735</b>	<b>\$ 1,437,877</b>

**SPRINGETTSBURY TOWNSHIP**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2018**

	State Liquid Fuels Fund	Petitioned Street Lighting Fund	Subdivision Recreation Fund	Total
<b>REVENUES</b>				
Other taxes	\$ -	\$ 87,745	\$ -	\$ 87,745
Interest, rent and royalties	14,166	1,572	660	16,398
Intergovernmental revenue	858,205	-	-	858,205
Contributions from private sources	-	-	1,550	1,550
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	872,371	89,317	2,210	963,898
<b>EXPENDITURES</b>				
Highways and streets	244,871	85,747	-	330,618
Culture and recreation	-	-	3,098	3,098
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	244,871	85,747	3,098	333,716
<b>NET CHANGE IN FUND BALANCES</b>	627,500	3,570	(888)	630,182
<b>FUND BALANCE - January 1, 2018</b>	<hr/>	<hr/>	<hr/>	<hr/>
	389,311	118,713	11,759	519,783
<b>FUND BALANCE - December 31, 2018</b>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,016,811	\$ 122,283	\$ 10,871	\$ 1,149,965