

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PENNSYLVANIA  
Financial Report  
December 31, 2020**

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PENNSYLVANIA**  
**December 31, 2020**

**Table of Contents**

	Page
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis (Unaudited)	3 - 13
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15 - 16
Fund Financial Statements	
Balance Sheet - Governmental Funds	17 - 18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20 - 21
Reconciliation of the Net Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position - Proprietary Funds	23
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25
Statement of Fiduciary Net Position	26
Statement of Changes in Fiduciary Net Position	27
Notes to Financial Statements	28 - 61

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PENNSYLVANIA**  
**December 31, 2020**

**Table of Contents**

	Page
Required Supplementary Information (Unaudited)	
Schedule of Changes in the Township's Net Pension Liability and Related Ratios	62 - 65
Schedule of Township Contributions	66 - 67
Schedule of Investment Returns	68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	69
Notes to Schedules of Budget to Actual Comparisons	70
Other Supplementary Information	
Combining Balance Sheet - Nonmajor Governmental Funds	71 - 72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	73 - 74

## **Independent Auditors' Report**

To the Board of Supervisors  
Plumstead Township  
Plumsteadville, Pennsylvania

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plumstead Township, Bucks County, Pennsylvania, as of December 31, 2020, and for the year then ended, and the related notes to the financial statements, which collectively comprise the basic financial statements of Plumstead Township's primary government as listed in the table of contents.

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

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

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

## **Opinions**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plumstead Township, Bucks County, Pennsylvania as of December 31, 2020, 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 and other required information on pages 3-13 and 62-70 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 evidence sufficient to express an opinion or provide any assurance.

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*DunlapSLK, PC*

Chalfont, Pennsylvania  
August 3, 2021

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (unaudited)**  
**Year Ended December 31, 2020**

Our discussion and analysis of Plumstead Township's financial performance provides an overview of the Township's financial activities for the year ended December 31, 2020. Please read it in conjunction with the Township's financial statement, which begins on page 14.

### **FINANCIAL HIGHLIGHTS**

- The Township's total net position increased by \$1,847,975 or 4.69%, as a result of this year's operations.
- The total cost of all Township programs for the year ended December 31, 2020, was \$9,182,261 compared to \$9,359,972 for 2019.
- The Township bid, awarded and started the construction of the Summer Hill Well #5 Iron and Manganese Filter Project. The Township had received a PA Small Water and Sewer Grant in the amount of \$339,746 to cover the construction costs. This project will be finalized in 2021.
- The Township also received an Automatic Red-Light Enforcement Grant in the amount of \$646,128 and a Multimodal Transportation Grant in the amount of \$607,175. These grants are for Pedestrian Improvements at the intersection of Easton Road/Wawa/Shopping Center the intersection of Easton Road/Stump. Engineering moved forward in 2020 with bidding and construction anticipated in 2021.
- The township was awarded a PCCD JAG Grant in 2020 for the purchase of new police software. The grant was a joint application with Tinicum Township and Dublin Borough for a total grant award amount of \$92,538 of which \$49,251 is for Plumstead Township. Software will be fully implemented in 2021.

### **USING THIS REPORT**

This report consists of a series of financial statements. The statement of Net Position and the Statement of Activities (on pages 14-16) provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements start on page 17. For governmental activities, these statements tell how the Township services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's major funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

#### **Reporting on the Township as a Whole**

The statement of Net Position and Statement of Activities reports information about the Township as a whole, and about its activities in a way that helps answer the question of whether or not the Township is better or worse off, as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. These statements report the Township's net position and changes in them. The Township's net position (the difference between the assets and liabilities) provide a measurement of the Township's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the Township's financial health is improving or deteriorating.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (unaudited)**  
**Year Ended December 31, 2020**

**USING THIS REPORT** (Continued)

**Reporting Significant Funds**

The fund financial statements begin on page 17 and provide detailed information about the most significant funds, not the Township as a whole. Some funds are required to be established by State law. However, the Board of Supervisors established other funds to help it control or manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

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

**The Township as a Trustee**

The Township is the trustee or fiduciary, for its employees' pension plans. It is also responsible for escrow deposits received from developers, businesses, and individuals for legal and engineering fees. All of the Township fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 26 and 27. These activities are excluded from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**THE TOWNSHIP AS A WHOLE**

The Statement of Net Position provides an overview of the Township's assets, liabilities, and net position. Over time, this statement will provide a good indicator of the Township's fiscal health. Two years of data are presented in the following tables. During 2020, we continued to update the valuation calculations for capital assets such as land, buildings, vehicles, equipment, furniture, traffic signals, storm sewers, and drainage structures. Management has also updated five-year capital plans for Police, Public Works, Parks and Recreation and the Township buildings.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (unaudited)**  
**Year Ended December 31, 2020**

**THE TOWNSHIP AS A WHOLE (continued)**

**Table 1**  
**Statement of Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Capital Assets	\$41,586,298	\$41,184,445	\$ 7,820,287	\$ 7,734,705	\$49,406,585	\$48,919,150
Current and Other Assets	8,486,294	8,542,301	2,622,901	1,267,020	11,109,195	9,809,321
Total Assets	<u>50,072,592</u>	<u>49,726,746</u>	<u>10,443,188</u>	<u>9,001,725</u>	<u>60,515,780</u>	<u>58,728,471</u>
Net Deferred Outflows/Inflows	<u>(719,870)</u>	<u>(88,585)</u>	<u>0</u>	<u>0</u>	<u>(719,870)</u>	<u>(88,585)</u>
Long-Term Liabilities	14,700,219	16,389,425	1,781,785	702,615	16,482,004	17,092,040
Other Liabilities	650,007	1,152,588	1,342,795	922,129	1,992,802	2,074,717
Total Liabilities	<u>15,350,226</u>	<u>17,542,013</u>	<u>3,124,580</u>	<u>1,624,744</u>	<u>18,474,806</u>	<u>19,166,757</u>
Net Position						
Invested in Capital Assets,						
Net of Debt	25,499,709	23,822,249	5,617,672	6,639,048	31,117,381	30,461,297
Restricted	5,469,928	5,995,913	0	0	5,469,928	5,995,913
Unrestricted	<u>3,032,859</u>	<u>2,277,986</u>	<u>1,700,936</u>	<u>737,933</u>	<u>4,733,795</u>	<u>3,015,919</u>
Total Net Position	<u>\$34,002,496</u>	<u>\$32,096,148</u>	<u>\$ 7,318,608</u>	<u>\$ 7,376,981</u>	<u>\$41,321,104</u>	<u>\$39,473,129</u>

The total net position of the Township shown above is \$41,321,104. Net position increased by 4.69% in 2020.



**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (unaudited)**  
**Year Ended December 31, 2020**

**THE TOWNSHIP AS A WHOLE (continued)**

**Table 2**  
**Statement of Activities**

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
<b>Program Revenues</b>						
Charges for Services	\$ 716,257	\$ 599,815	\$ 1,367,620	\$ 1,288,267	\$ 1,894,130	\$ 1,888,082
Operating Grants/Contributions	842,227	933,963	0	0	842,227	933,963
Capital Grants and Contributions	15,000	0	0	1,223,185	15,000	1,223,185
<b>General Revenues</b>						
Real Estate Taxes	3,226,543	3,226,627	0	0	3,226,543	3,226,627
Transfer Taxes	543,669	583,786	0	0	543,669	583,786
Earned Income & Local Service Taxes	3,998,800	3,914,607	0	0	3,998,800	3,914,607
Grants and Contributions Not Restricted to Specific Programs	66,443	43,500	0	0	66,443	43,500
Investment Earnings	137,537	214,630	4,655	16,234	142,192	230,864
Gain (Loss) on Sale of Capital Assets	(3,401)	3,857	(1,245)	(4,591)	(4,646)	(734)
Miscellaneous	116,131	24,601	0	0	305,878	24,601
<b>Total Revenues</b>	<b>\$ 9,659,206</b>	<b>\$ 9,545,386</b>	<b>\$ 1,371,030</b>	<b>\$ 2,523,095</b>	<b>\$11,030,236</b>	<b>\$12,068,481</b>
<b>Program Expenses</b>						
General Government	\$ 1,204,506	\$ 1,136,694	\$ 0	\$ 0	\$ 1,204,506	\$ 1,136,694
Professional Services	125,877	228,701	0	0	125,877	228,701
Public Safety	3,448,067	3,718,250	0	0	3,448,067	3,718,250
Code Enforce/Zoning	328,658	292,030	0	0	328,658	292,030
Public Works	1,639,932	1,608,088	0	0	1,639,932	1,608,088
Water System	0	0	1,429,403	1,419,365	1,429,403	1,419,365
Parks and Recreation	495,264	514,696	0	0	495,264	514,696
Conservation and Development	11,847	839	0	0	11,847	839
Interest Expense	498,707	441,309	0	0	498,707	441,309
<b>Total Expenses</b>	<b>\$ 7,752,858</b>	<b>\$ 7,940,607</b>	<b>\$ 1,429,403</b>	<b>\$ 1,419,365</b>	<b>\$ 9,182,261</b>	<b>\$ 9,359,972</b>
Changes in Net Position	\$ 1,906,348	\$ 1,604,779	\$ (58,373)	\$ 1,103,730	\$ 1,847,975	\$ 2,708,509
Net Position, Beginning of Year	32,096,148	30,491,369	7,376,981	6,273,251	39,473,129	36,764,620
Net Position, End of Year	<u>\$34,002,496</u>	<u>\$32,096,148</u>	<u>\$ 7,318,608</u>	<u>\$ 7,376,981</u>	<u>\$41,321,104</u>	<u>\$39,473,129</u>

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Management's Discussion and Analysis (unaudited)  
Year Ended December 31, 2020**

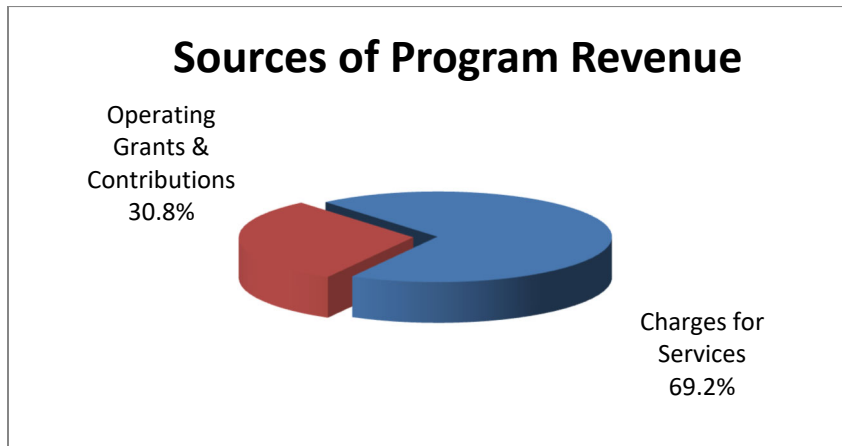
**THE TOWNSHIP AS A WHOLE (continued)**

**Revenue Overview**

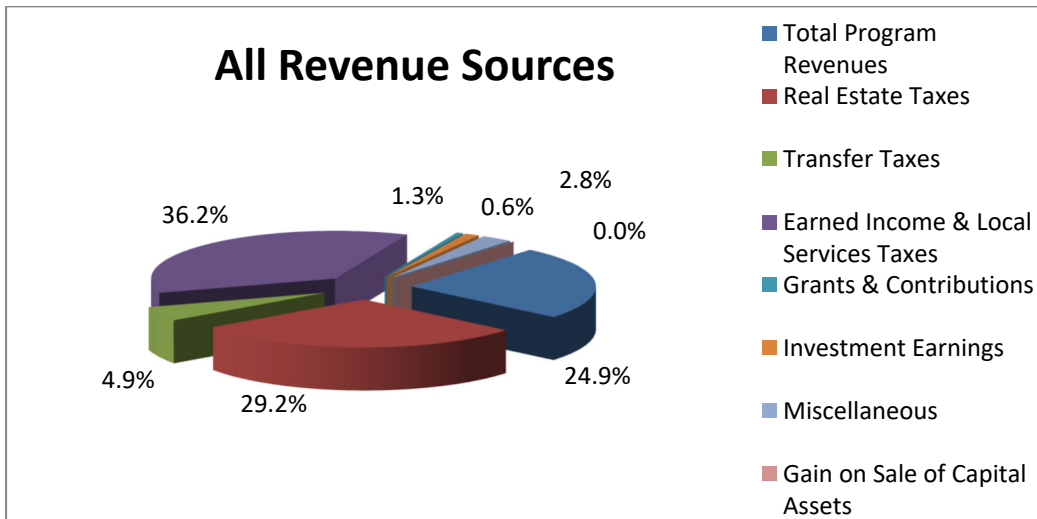
Total revenue from all sources was \$11,030,236. Real estate taxes remained at 14.94 mils for 2020. Earned income tax (EIT) continues to be the Township's most important revenue source and saw a 3% increase in The Township continues to annually collect a \$52 Local Services tax. This tax is assessed on individuals working in the Township who earn more than \$12,000 per year. This tax generated \$279,126 in revenue which was designated and continues to be used for capital expenditures relating to the Police Department and Public Works Department infrastructure projects. These expenditures are all permitted under the state law tax-enabling act.

Total revenues decreased \$1,038,245 (8.6%) from the prior year. This was due to the impact COVID19 had on Township revenue, as our revenue for building permits, earned income tax, local service tax, fines and interest reduced compared to the normal increase we would see annually.

**Figure 1**



**Figure 2**



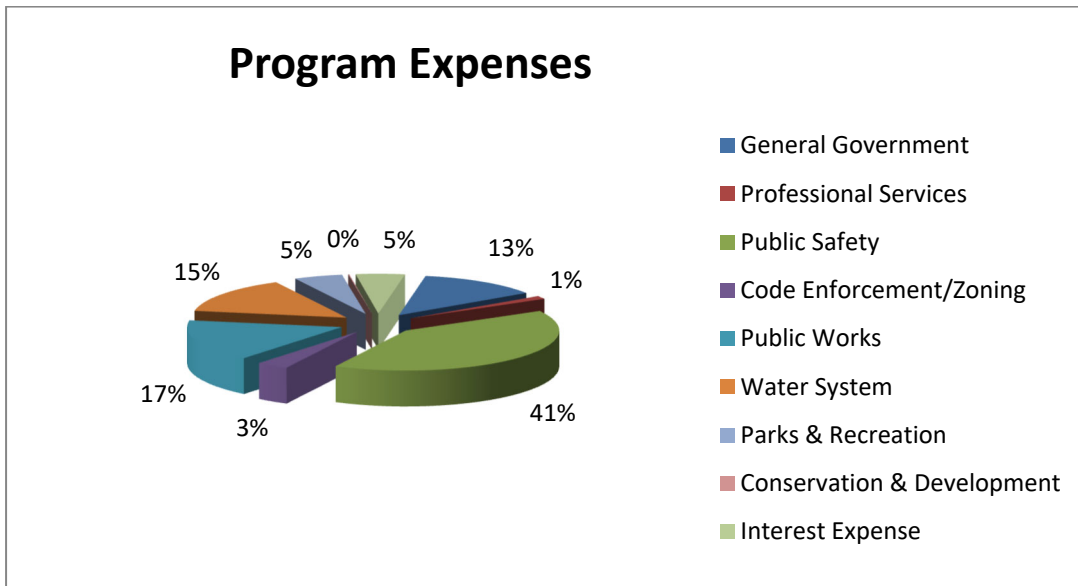
**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Management's Discussion and Analysis (unaudited)  
Year Ended December 31, 2020**

**THE TOWNSHIP AS A WHOLE (continued)**

**Expense Overview**

Total expenses in all categories were \$9,182,261, a \$177,711 decrease (1.9%) over 2019.

**Figure 3**



**GENERAL FUND BUDGETARY HIGHLIGHTS**

The statement comparing the Township's budget and actual results for the General Fund can be found on page 70 of this report.

Taxes were 5% under budget as a result of COVID-19 having an impact on earned income tax revenue. Earned Income Tax came in 9% under budget due to residents not working during the COVID-19 pandemic. Real Estate transfer tax came in 1% higher due to continued increase in property sales. The cable franchise fees came in 5% lower due to more residents now taking advantage of other options over traditional cable providers. Real Estate property tax came in 4% over budget due to steady growth of new development.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (unaudited)**  
**Year Ended December 31, 2020**

**ITEMS OF GENERAL INTEREST**

**Water**

Residents and businesses of the Township are served by the Plumstead Township Water Department, Doylestown Township Municipal Authority (DTMA), and on-lot water systems. The Township has no financial or management control of the water companies other than the Township's Water Department. The Township purchases bulk water from DTMA and the water customers supplied with it are customers of the Township's Water Department. Only expenses relating to the public water systems are paid out of the Township's Water Fund. In 2019 the Township executed an agreement with North Wales Water Authority to install a new interconnection for the southern system providing an alternate and supplemental supply of water for the southern part of the Township. In 2020 the Township took advantage of the low interest rates and took out a water loan in the amount of \$1,500,000 to pay for the interconnection project with North Wales Water Authority.

**Fire and Ambulance**

Residents and businesses of the Township are served by the Plumsteadville Volunteer Fire Company and the Point Pleasant Volunteer Fire Company in designated districts. There are mutual aid agreements and central dispatching by the County 911 system throughout the area. The Point Pleasant/Plumsteadville EMS provides ambulance services utilizing some paid professionals. The Township distributed 1.5 mils of real estate taxes between the two fire companies and the ambulance squad and continues to maintain this dedicated millage in 2020. Central Bucks EMS also services roughly 15% of the Township and starting in 2019 they started to receive 15% of the RE Tax collection that is allocated to Ambulance Companies.

**Public Facilities**

The Township owns seven parks of varying size along with smaller open space parcels, some located within residential subdivisions. The Joseph E. Hanusey III Community Park, dedicated in 2014, is the largest and contains a community building used for Township programs and available for rent. It also includes a public Works maintenance building for the storage of equipment used to maintain the park and sports fields. In 2020 the Township received a donation in the amount of \$126,717 to be used at the Jennifer Schweitzer Township Park. The original portion of the Township Municipal Building, formerly one of 13 one-room schoolhouses in the Township, is 160 years old. An addition was constructed 25 years ago, with the original portion of the building being converted to the public meeting room. It is a modern, functional site for local government operations. It is equipped with a generator to ensure continuation of power during prolonged power outages and to serve as a comfort station for residents who may lose power. Public works is located on a separate site with a pole barn for equipment storage and a service garage that houses staff quarters and offices. These buildings are in good condition, regularly maintained and annually evaluated for future building-related repairs and expenditures.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (unaudited)**  
**Year Ended December 31, 2020**

**ANALYSIS OF INDIVIDUAL FUNDS**

The revenues in the General Fund exceeded the expenditures resulting in a surplus of \$375,633. The Township continued its practice of developing realistic, but conservative revenue projections in 2020. However, based on 2020 actual revenue received the 2021 budget was revised to be more in line with those receipts, particularly the earned income tax. Overall, expenditures came in \$336,577 under budget (5%) primarily due to a delay in spending due to the pandemic. The Township continues to take a conservative approach with its spending, with Department Heads and the Township Manager monitoring the various line items on a monthly basis and presenting reports to the Board of Supervisors each month.

**Other Funds**

This category includes the Capital Reserves Fund, Open Space Fund, Park and Recreation Fund, Water Fund, Local Services Tax Fund, Emergency Services Fund, State Liquid Fuels Fund and the Debt Service Fund. The Debt Service Fund is comprised of the following issuances: 2013 General Obligation Bond, 2015 General Obligation Bond, a PA Infrastructure Loan and two 2016 General Obligation Notes. The Township Board approved the refunding of their 2013 Bond Series at the end of 2019, that was planned for 2020. In 2020 the Township refunded their 2013 Bond Series and their 2015 Bond Series to take advantage of a significant savings in interest. The Township also did a rate adjustment on one of their General Obligation Note's to reduce the interest rate and increase savings.

**Open Space Fund**

This fund is a holding account for the proceeds of General Obligation bond proceeds to be used to purchase open space and conservation easements. A small amount of real estate tax millage is designated to this fund to pay for annual monitoring and inspections of conservation easements previously acquired by the Township.

**Debt Service Fund**

**2013 General Obligation Bond**

This issuance refunded part of the 2009 General Obligation Bond, paid off the loan for the roof replacement on the public meeting room portion of the Township building and provided funding for parks and future road improvements. This was refunded in 2020 and is now the 2020 G.O. Bond. The refunding reduced the future debt service payments by \$522,050.

**2015 General Obligation Bond**

This issuance refunded part of the 2010 General Obligation Bond and paid off the 2014 General Obligation Note. This was refunded in 2020 and is now the 2020A G.O. Bond. This refunding reduced the future debt service payments by \$394,264.

**2016 General Obligation Note**

This issuance provided a current refunding of the 2010 General Obligation Bond. The refunding reduced future debt service payments by \$170,938. This debt will mature in 2022.

**2016 General Obligation Note**

This issuance through TD Bank will pay for three bridge projects planned. With two being completed in 2017 and one completed in 2020. A rate reset was performed on this loan reducing the interest for the remainder of the 1<sup>st</sup> 10 years.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (unaudited)**  
**Year Ended December 31, 2020**

**ANALYSIS OF INDIVIDUAL FUNDS (continued)**

**Debt Service Fund (continued)**

**2020 General Obligation Bonds**

This issuance through TD Bank of Series 2020 and 2020A General Obligation Bonds was used for the current refunding of the 2013 and 2015 General Obligation Bonds. The refunding reduced future debt service payments by \$947,303. This debt has various maturity dates ranging from December 15, 2020 to December 15, 2033.

**Water Fund**

This fund receives revenue from charges for water service. This fund operated at a small deficit of \$40,909, however after nonoperating revenues (expenses) the Township has a (\$58,373) change in net position (page 24). As part of a rate increase in 2015, the Board of Supervisors has established a reserve for capital improvements with the amount designated each year representing the annual depreciation expense. The water fund has a fund balance of \$702,615 as of 12/31/20. Rates continue to be evaluated to ensure revenue can continue to meet the annual expenditures.

**State Liquid Fuels Fund**

This fund receives revenue from the Commonwealth of Pennsylvania from motor vehicle fuel taxes. This fund had routine and unremarkable results in 2020 and the fund balance of \$388,262 is in place to cover unexpected costs relating to road repairs or snow removal in the early part of the following year before the 2021 allocation is received. It will also be used to augment the 2021 allocation to pay for approved road improvement expenditures.

**Pension Plans**

Full-time Township employees are also members of the Police or Non-Uniformed pension plans. The Police Pension plan is 105.9% actuarially funded, and the non-uniformed plan is 92.3% actuarially funded. The Township is eligible for Act 205 assistance in the form of state aid. The Non-Uniform plan is administered by Pennsylvania Municipal Retirement System. The Uniform plan is administered by Haverford Trust in accordance with Pennsylvania Act 600 and Township Ordinance.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The Township has \$31,117,381 invested in Capital Assets, Net of Related Debt. GASB 34 was adopted during the 2004 fiscal year; during 2004 valuation calculations were made for almost 68 miles of Township streets and roads, as well as traffic signals, storm sewers, and other drainage structures.

Significant capital events during the year included the milling/paving of several roads, replacement of a bridge and the micro surfacing of roads within one residential development.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management’s Discussion and Analysis (unaudited)**  
**Year Ended December 31, 2020**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)**

**Discussion of Future Plans**

In 2015 the Township acquired a conservation easement on one final farm utilizing the remaining bond proceeds from a voter-approved referendum to preserve open space. A separate referendum authorizing the Township to borrow up to \$4.5 million for the acquisition of land to develop Township parks that would contain both active and passive recreation for all ages was also approved, and the Township used part of this money in 2013 to acquire two parcels of land adjacent to each other and one of the Township parks, turning a 26-acre park into 100 acres of natural areas. In early 2015, the Board of Supervisors formed a Trails Steering Subcommittee for the purpose of developing a Master Trail Plan for the Township. This plan was presented to the public, amended based on residents’ feedback and adopted by the Board of Supervisors in 2017. The Township will pursue grant opportunities and also require potential developers to include components of the plan when they come before the Township for consideration.

In 2009, the Township developed a five-year capital program to fund public safety, public works/parks and public water system capital expenses. As part of this program, the Township has developed a standard replacement plan for police vehicles. Road maintenance and roadway construction plans, and park improvements along with Public Works equipment needs were again reevaluated in late 2020 as part of preliminary planning in advance of the next budget season. The Board of Supervisors will continue to look to this plan when determining acceptable levels of expenditures in the coming years, as well as determining the need for borrowing funds to achieve the goals of the roadway improvement program. The Township will continue to utilize available technology where practical to increase efficiency, including investigating “green” alternatives for its various operations. As a customer of PECO Energy, the Township saw its rate cap expire at the end of 2010. The Township executed a new four-year contract with Patriot Energy Group locking in an attractive rate until the end of 2021. In 2017 the Township along with 33 other municipalities in Bucks County began negotiations with Verizon for a new cable franchise agreement, which are to be finalized in 2021. In 2018 the Township once again joined with other Bucks County municipalities to begin negotiations, this time with Comcast for a new cable franchise agreement. New agreements are anticipated to be executed and in place in 2021.

**Debt**

The Township’s General Long-Term Debt decreased by 8.7% in 2020. The Township has maintained its Aa2 rating from Standard and Poor’s.

**Table 3**  
**General Long-Term Debt**

	Balance 1/1/20	Additions	Reductions	Balance 12/31/20
<b>Governmental Activities</b>				
2013 General Obligation Bonds	\$ 8,545,000	\$ 0	\$ 8,545,000	\$ 0
Pennsylvania Infrastructure Loan	70,857	0	70,857	0
2015 General Obligation Bonds	4,645,000	0	4,645,000	0
2016 General Obligation Notes	1,598,164	0	573,305	1,024,859
2016 General Obligation Notes	2,215,600	0	97,630	2,117,970
2020 General Obligation Bonds	0	8,550,000	450,000	8,100,000
2020 General Obligation Bonds A	0	4,665,000	330,000	4,335,000
Subtotal	<u>\$17,074,621</u>	<u>\$13,215,000</u>	<u>\$14,711,792</u>	<u>\$15,577,829</u>

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (unaudited)**  
**Year Ended December 31, 2020**

**ECONOMIC FORECAST**

As discussed above, the Township has four major sources of revenue:

- Earned Income Tax
- Real Estate Tax
- Local Services Tax
- Real Estate Transfer Tax

Due to the COVID-19 pandemic earned income tax did not exceed or meet assumptions in 2020, and this amount in the 2020 budget was modified to reflect actual revenue received. During the budget discussion for 2018 the Board of Supervisors voted to increase the real estate tax rate from 13.94 mills to 14.94 mills, which continues to help the Township keep pace with rising costs associated with its basic operations.

The Township continues to strive to offer services expected of a local municipality, while practicing fiscal responsibility as it pertains to its expenditures. The Township will evaluate increasing staff levels in individual departments only when warranted, recognizing that the needs of our community change through the years.

**CONTACTING THE TOWNSHIP FINANCIAL MANAGEMENT TEAM**

This Management Discussion and Analysis is intended to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of important financial matters in a format that is both comprehensive and understandable in nature.

For questions relating to the Management Discussion and Analysis, please contact Angela P. Benner, the Township Manager at 5186 Stump Road, Pipersville, Pennsylvania 18947, call (215)766-8914 or visit our website at [www.plumstead.org](http://www.plumstead.org).



**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Statement of Net Position**  
**December 31, 2020**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalents	\$ 6,717,843	\$ 2,294,104	\$ 9,011,947
Taxes Receivables	1,393,468	-	1,393,468
Accounts Receivable	-	328,797	328,797
Prepaid Expenses and Other Receivables	37,816	-	37,816
<b>Total Current Assets</b>	<b>8,149,127</b>	<b>2,622,901</b>	<b>10,772,028</b>
Noncurrent Assets			
Net Capital Assets	41,586,298	7,820,287	49,406,585
Net Pension Asset	337,167	-	337,167
<b>Total Noncurrent Assets</b>	<b>41,923,465</b>	<b>7,820,287</b>	<b>49,743,752</b>
<b>Total Assets</b>	<b>50,072,592</b>	<b>10,443,188</b>	<b>60,515,780</b>
<b>Deferred Outflows of Resources</b>			
Deferred Pension Outflows	866,898	-	866,898
<b>Liabilities</b>			
Current Liabilities			
Current Portion of General Obligation Notes and Bonds	1,359,190	75,000	1,434,190
Current Portion of Capital Lease Payable	97,825	-	97,825
Accounts Payable and Accrued Expenses	88,333	103,060	191,393
Accrued Wages and Payroll Taxes	98,261	8,346	106,607
Accrued Interest Payable	14,205	2,093	16,298
Internal Balances	(1,154,296)	1,154,296	-
Customer Deposits	146,489	-	146,489
<b>Total Current Liabilities</b>	<b>650,007</b>	<b>1,342,795</b>	<b>1,992,802</b>
Noncurrent Liabilities			
General Obligation Notes and Bonds Payable	14,428,772	1,425,000	15,853,772
Capital Lease Payable	200,802	-	200,802
Internal Balances	(356,785)	356,785	-
Compensated Absences	427,430	-	427,430
<b>Total Noncurrent Liabilities</b>	<b>14,700,219</b>	<b>1,781,785</b>	<b>16,482,004</b>
<b>Total Liabilities</b>	<b>15,350,226</b>	<b>3,124,580</b>	<b>18,474,806</b>
<b>Deferred Inflows of Resources</b>			
Deferred Pension Inflows	1,586,768	-	1,586,768
<b>Net Position</b>			
Invested in Capital Assets, Net of Related Debt	25,499,709	5,617,672	31,117,381
Restricted for			
Capital Projects	1,130,581	-	1,130,581
Debt Service	3,300,303	-	3,300,303
Other	1,039,044	-	1,039,044
Unrestricted	3,032,859	1,700,936	4,733,795
<b>Total Net Position</b>	<b>\$ 34,002,496</b>	<b>\$ 7,318,608</b>	<b>\$ 41,321,104</b>

See notes to financial statements.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Statement of Activities**  
**Year Ended December 31, 2020**

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government				
Legislative	\$ 36,528	\$ -	\$ -	\$ -
Executive	106,797	-	-	-
Finance and Tax Collection	245,787	-	-	-
Professional Fees	125,877	-	-	-
General Government	815,394	303,060	75,000	-
Public Safety				
Police	2,891,374	81,674	174,357	-
Fire/EMS	556,693	30,986	118,931	-
Code Enforcement and Zoning	328,658	151,911	-	-
Highways				
Highway Maintenance	1,580,551	2,299	473,939	15,000
Snow and Ice Removal	9,515	-	-	-
Street Lighting	49,866	-	-	-
Park and Recreation	495,264	146,327	-	-
Conservation and Development	11,847	-	-	-
Interest Expense	498,707	-	-	-
Total Governmental Activities	<u>7,752,858</u>	<u>716,257</u>	<u>842,227</u>	<u>15,000</u>
<b>Business-Type Activities</b>				
Water	1,429,403	1,367,620	-	-
Total	<u>\$ 9,182,261</u>	<u>\$ 2,083,877</u>	<u>\$ 842,227</u>	<u>\$ 15,000</u>

General Revenues  
Real Estate Taxes  
Real Estate Transfer Taxes  
Earned Income and Local Services Taxes  
Grants and Contributions  
Investment Income and Rents  
Miscellaneous  
Loss on Disposal of Capital Assets  
Total General Revenues

Change in Net Position

Net Position

Beginning of Year

End of Year

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (36,528)	\$ -	\$ (36,528)
(106,797)	-	(106,797)
(245,787)	-	(245,787)
(125,877)	-	(125,877)
(437,334)	-	(437,334)
(2,635,343)	-	(2,635,343)
(406,776)	-	(406,776)
(176,747)	-	(176,747)
(1,089,313)	-	(1,089,313)
(9,515)	-	(9,515)
(49,866)	-	(49,866)
(348,937)	-	(348,937)
(11,847)	-	(11,847)
(498,707)	-	(498,707)
<u>(6,179,374)</u>	<u>-</u>	<u>(6,179,374)</u>
-	(61,783)	(61,783)
<u>(6,179,374)</u>	<u>(61,783)</u>	<u>(6,241,157)</u>
3,226,543	-	3,226,543
543,669	-	543,669
3,998,800	-	3,998,800
66,443	-	66,443
137,537	4,655	142,192
116,131	-	116,131
(3,401)	(1,245)	(4,646)
<u>8,085,722</u>	<u>3,410</u>	<u>8,089,132</u>
1,906,348	(58,373)	1,847,975
<u>32,096,148</u>	<u>7,376,981</u>	<u>39,473,129</u>
<u>\$ 34,002,496</u>	<u>\$ 7,318,608</u>	<u>\$ 41,321,104</u>

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2020**

	General Fund	Capital Reserve Fund	Debt Service Fund
<b>Assets</b>			
Cash and Cash Equivalents	\$ 2,842,740	\$ 1,021,424	\$ 1,765,410
Taxes Receivable	1,273,695	-	38,017
Note Receivable from Water Fund	-	-	702,615
Due from (to) Other Funds	-	-	808,466
Prepaid Expenses and Other Receivables	37,816	-	-
	<b>Total Assets</b>	<b>Total Assets</b>	<b>Total Assets</b>
	<b>\$ 4,154,251</b>	<b>\$ 1,021,424</b>	<b>\$ 3,314,508</b>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	\$ 66,509	\$ 18,264	\$ -
Accrued Wages and Payroll Taxes	98,261	-	-
Customer Deposits	146,489	-	-
Total Liabilities	311,259	18,264	-
 <b>Deferred Inflows of Resources</b>			
Deferred Tax Receipts	609,017	-	29,080
 <b>Fund Balances</b>			
Nonspendable	30,649	-	702,615
Restricted	-	-	2,582,813
Committed	-	-	-
Assigned	-	1,003,160	-
Unassigned	3,203,326	-	-
Total Fund Balances	3,233,975	1,003,160	3,285,428
	<b>Total Liabilities and Fund Balances</b>	<b>Total Liabilities and Fund Balances</b>	<b>Total Liabilities and Fund Balances</b>
	<b>\$ 4,154,251</b>	<b>\$ 1,021,424</b>	<b>\$ 3,314,508</b>

See notes to financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,088,269	\$ 6,717,843
81,756	1,393,468
-	702,615
-	808,466
-	37,816
\$ 1,170,025	\$ 9,660,208

\$ 3,560	\$ 88,333
-	98,261
-	146,489
3,560	333,083

10,408	648,505
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-	733,264
763,220	3,346,033
392,837	392,837
-	1,003,160
-	3,203,326
1,156,057	8,678,620
\$ 1,170,025	\$ 9,660,208

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Position of Governmental Activities**  
**December 31, 2020**

Total Governmental Fund Balances	\$ 8,678,620
Amounts Reported for Governmental Activities in the Statement of Net Position Are Different Because	
Capital Assets Used in Governmental Activities Are Not Financial Resources and, Therefore, Not Reported in Funds, Net of Accumulated Depreciation of \$12,501,619.	41,586,298
Other Long-Term Assets Are Not Available to Pay Current Period Expenditures, and Therefore Are Deferred in the Funds.	
Taxes Receivable	648,505
Net Pension Asset	337,167
Deferred Pension Outflows of Resources Are Not Available in the Current Period	866,898
Long-Term Liabilities Are Not Due and Payable in the Current Period, and, Therefore, Are Not Reported in the Funds.	
General Obligation Notes Payable	(15,787,962)
Capital Lease Payable	(298,627)
Accrued Interest Payable	(14,205)
Compensated Absences	(427,430)
Deferred Pension Inflows of Resources Are Not Available in the Current Period	<u>(1,586,768)</u>
Net Position of Governmental Activities	<u><u>\$ 34,002,496</u></u>

See notes to financial statements.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2020**

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Debt Service Fund</u>
Revenues			
Taxes	\$ 5,351,610	\$ -	\$ 1,776,148
Intergovernmental	379,136	75,915	-
Charges for Services	199,972	-	-
Fines, Licenses and Permits	310,979	-	-
Interest Income and Rents	110,131	18,713	5,709
Miscellaneous Revenues	174,050	-	-
Total Revenues	<u>6,525,878</u>	<u>94,628</u>	<u>1,781,857</u>
Expenditures			
General Government	797,622	-	-
Public Safety	3,849,382	-	-
Public Works	845,815	-	-
Parks and Recreation	388,711	9,594	-
Conservation and Development	-	315	-
Debt Service - Principal	38,194	-	14,711,792
Debt Service - Interest	4,062	-	397,341
Capital Expenditures	41,682	956,546	-
Miscellaneous Governmental	184,777	-	3,190
Total Expenditures	<u>6,150,245</u>	<u>966,455</u>	<u>15,112,323</u>
Excess (Deficiency) of Revenues Over Expenditures	375,633	(871,827)	(13,330,466)
Other Financing Sources (Uses)			
Proceeds from Refunding Bonds	-	-	13,215,000
Proceeds from Bond Premium	-	-	226,297
Debt Issuance Costs	-	-	(105,073)
Operating Transfers In (Out)	(131,664)	-	-
Total Other Financing Sources (Uses)	<u>(131,664)</u>	<u>-</u>	<u>13,336,224</u>
Net Change in Fund Balances	243,969	(871,827)	5,758
Fund Balances			
Beginning of Year	<u>2,990,006</u>	<u>1,874,987</u>	<u>3,279,670</u>
End of Year	<u>\$ 3,233,975</u>	<u>\$ 1,003,160</u>	<u>\$ 3,285,428</u>

See notes to financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 643,333	\$ 7,771,091
473,939	928,990
-	199,972
-	310,979
2,984	137,537
142,068	316,118
<u>1,262,324</u>	<u>9,664,687</u>
4,926	802,548
335,151	4,184,533
477,041	1,322,856
-	398,305
11,088	11,403
69,315	14,819,301
9,314	410,717
153,522	1,151,750
-	187,967
<u>1,060,357</u>	<u>23,289,380</u>
201,967	(13,624,693)
-	13,215,000
-	226,297
-	(105,073)
131,664	-
<u>131,664</u>	<u>13,336,224</u>
333,631	(288,469)
822,426	8,967,089
<u>\$ 1,156,057</u>	<u>\$ 8,678,620</u>



**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Reconciliation of the Net Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**Year Ended December 31, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (288,469)

Amounts Reported for Governmental Activities in the Statement of Activities Are Different Because

Governmental Funds Report Capital Outlays As Expenditures. However, in the Statement of Activities, the Cost of Those Assets is Allocated Over Their Estimated Useful Lives as Depreciation Expense. This is the Amount By Which Capital Outlays of \$1,151,750 Exceeded Depreciation Expense of \$746,495 and Net Book Value of Assets Sold of \$3,402 in the Current Year. 401,853

Revenues in the Statement of Revenues, Expenditures and Changes in Fund Balances That Do Not Provide Current Financial Resources Are Not Reported As Revenues in the Statement of Activities. (2,079)

Repayment of Notes Payable and Capital Lease Principal of \$14,819,301 Less Debt Amortization Costs of \$102,397 Is An Expenditure in the Governmental Funds, but the Repayment Reduces Liabilities in the Statement of Net Position. 14,716,904

Proceeds from Issuance of Long-Term Notes and Bond Premium Are Other Financing Sources in the Governmental Funds but the Proceeds Increase Long-Term Liabilities of the Statement of Net Position. (13,441,297)

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.

Accrued Interest Payable 6,865  
 Compensated Absences (27,322)

Pension Benefits Do Not Require the Use of Current Financial Resources and, Therefore, Are Not Reported as Revenues or Expenditures in Governmental Funds.

Deferred Pension Outflows (400,568)  
 Deferred Pension Inflows (230,717)  
 Net Pension Asset 1,171,178

Change in Net Position of Governmental Activities \$ 1,906,348

See notes to financial statements.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Statement of Net Position**  
**Proprietary Funds - Water Fund**  
**December 31, 2020**

**Assets**

Current Assets

Cash	\$ 2,294,104
Accounts Receivable	<u>328,797</u>
Total Current Assets	2,622,901

Noncurrent Assets

Net Capital Assets	<u>7,820,287</u>
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<b>Total Assets</b>	<b><u>10,443,188</u></b>
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**Liabilities**

Current Liabilities

Current Portion of Notes Payable	420,830
Accounts Payable	103,060
Accrued Wages and Payroll Taxes	8,346
Accrued Interest Payable	2,093
Due to Other Funds	<u>808,466</u>
Total Current Liabilities	1,342,795

Noncurrent Liabilities

Notes Payable	<u>1,781,785</u>
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<b>Total Liabilities</b>	<b><u>3,124,580</u></b>
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**Net Position**

Invested in Capital Assets, Net of Related Debt	5,617,672
Unrestricted	<u>1,700,936</u>

<b>Total Net Position</b>	<b><u><u>\$ 7,318,608</u></u></b>
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See notes to financial statements.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds - Water Fund**  
**Year Ended December 31, 2020**

Operating Revenues	
Charges and Fees	\$ 1,362,094
Miscellaneous	5,526
Total Operating Revenues	<u>1,367,620</u>
Operating Expenses	
Depreciation	351,386
Salaries, Wages and Benefits	344,587
Distribution Expense	233,661
Professional Fees	159,145
Contracted Services	75,038
Repairs and Maintenance	46,590
Utilities	46,105
Operating Material and Supplies	39,221
Other	36,491
Lab Expenses	34,464
Insurance	15,396
Telephone	13,349
Office Supplies and Expenses	13,096
Total Operating Expenses	<u>1,408,529</u>
Operating Loss Before Nonoperating Revenues (Expenses)	<u>(40,909)</u>
Nonoperating Revenues (Expenses)	
Interest Income	4,655
Interest Expense	(20,874)
Loss on Sale of Capital Assets	(1,245)
Total Nonoperating Revenue (Expenses)	<u>(17,464)</u>
Change in Net Position	(58,373)
Net Position	
Beginning of Year	<u>7,376,981</u>
End of Year	<u><u>\$ 7,318,608</u></u>

See notes to financial statements.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended December 31, 2020**

Cash Flows from Operating Activities	
Receipts from Customers	\$ 1,396,140
Payments to Suppliers	(714,056)
Payments to Employees	(343,251)
Net Cash Provided by Operating Activities	<u>338,833</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(438,213)
Proceeds from Issuance of General Obligation Note	1,500,000
Principal Paid on Note Payable	(393,042)
Due to Other Funds	393,042
Interest Paid on Note Payable	(20,874)
Net Cash Provided by Capital and Related Financing Activities	<u>1,040,913</u>
Cash Flows from Investing Activities	
Interest Income	<u>4,655</u>
Net Increase in Cash	1,384,401
Cash	
Beginning of Year	<u>909,703</u>
End of Year	<u>\$ 2,294,104</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Loss	\$ (40,909)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Depreciation Expense	351,386
Change in Net Assets and Liabilities	
Accounts Receivable	28,520
Accounts Payable	(3,593)
Accrued Interest Payable	2,093
Accrued Wages and Payroll Taxes	1,336
Net Cash Provided by Operating Activities	<u>\$ 338,833</u>

See notes to financial statements.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Statement of Fiduciary Net Position**  
**December 31, 2020**

	<u>Pension Trust Fund</u>	<u>Custodial Funds</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 97,333	\$ 873,746
Investments	10,757,535	-
Contributions Receivable	5,027	-
Accrued Interest Receivable	21,141	-
	<u>10,881,036</u>	<u>873,746</u>
<b>Total Assets</b>	<u>10,881,036</u>	<u>873,746</u>
<b>Liabilities</b>	<u>-</u>	<u>-</u>
<b>Net Position</b>		
Restricted for		
Held in Trust for Pension Benefits	10,881,036	-
Held for Individuals, Organizations and Others	<u>-</u>	<u>873,746</u>
<b>Total Net Position</b>	<u><u>\$ 10,881,036</u></u>	<u><u>\$ 873,746</u></u>

See notes to financial statements.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2020**

	Pension Trust Fund	Custodial Funds
Additions		
Contributions		
Plan Members	\$ 65,541	\$ -
State	174,357	-
Employer	202,303	-
Total Contributions	442,201	-
Escrow Deposits	-	375,473
Investment Earnings		
Net Appreciation in Fair Value of Investments	1,008,917	-
Interest and Dividends	190,835	3,231
	1,199,752	3,231
Less Investment Expense	(77,312)	-
Total Net Investment Earnings	1,122,440	3,231
Total Additions	1,564,641	378,704
Deductions		
Benefits	532,736	-
Administrative Expense	-	9,651
Professional Fees	-	193,919
Escrow Releases	-	240,146
Other Expenses	-	3,124
Total Deductions	532,736	446,840
Change in Net Position	1,031,905	(68,136)
Net Position, Held in Trust		
Beginning of Year	9,849,131	941,882
End of Year	\$ 10,881,036	\$ 873,746

See notes to financial statements.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Plumstead Township (the Township) was incorporated in 1725, in Bucks County, Pennsylvania. The Township is classified as a “Township of the Second Class” under the laws of the Commonwealth of Pennsylvania and provides the following services as authorized by its charter: public safety, highways and streets, culture-recreation, public improvements, planning and zoning, and general and administrative services. For financial reporting purposes, in accordance with Government Accounting Standards Board (GASB) Statement 14, the Township includes all funds that are part of the primary financial reporting entity.

The Township’s statements are prepared in compliance with GASB Statement No. 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments*. Significant aspects of the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Township’s overall financial position and changes in financial position.
- Financial statements prepared using full accrual accounting for all of the Township’s activities, including infrastructure (roads, bridges, etc.).
- A focus on major funds in the fund financial statements.

**A. Reporting Entity**

Government Accounting Standards Board (GASB) Statement No. 14, as amended by GASB 61, requires Plumstead Township to include all component units in its annual financial statements. A component unit is defined as any legally separate entity which is controlled by and is financially accountable to the Township. Financial accountability is present if the Township appoints a voting majority of a component unit’s governing body and has the ability to impose its will on the organization or if there is a potential for the organization to provide specific benefits to, or impose specific benefits on, the Township. Based upon the aforementioned criteria, there were no entities considered for inclusion in the reporting entity.

In addition, the Township provides some financial support to two fire companies and one ambulance company – the Plumsteadville and Point Pleasant Fire Companies and the Point Pleasant/Plumsteadville Ambulance Company. Since there is no fiscal dependency, financial benefit or burden relationship, these companies have been excluded from the reporting entity. The Township levies and collects real estate taxes designated for allocation among the companies. Additionally, on occasion the Township donates funds for various capital projects of the companies and pays certain expenses on their behalf. Annual appropriations totaled \$335,151 for the year ended December 31, 2020.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Presentation**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the reporting government as a whole. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Fiduciary funds are also excluded from the government-wide financial statements.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are allocated among the programs, functions, and segments using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Township.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue funds and the restrictions on their net position use.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.



**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Presentation (continued)**

**FUND FINANCIAL STATEMENTS**

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are organized into three major categories: governmental, proprietary and fiduciary.

Fund financial statements report detailed information about the Township. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. A fund is considered major if it is the primary operating fund of the Township or if it meets the following criteria:

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

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Presentation (continued)**

**FUND FINANCIAL STATEMENTS (continued)**

The funds of the financial reporting entity are described below.

**Governmental Funds**

**General Fund** - The General Fund is the general operating fund of the Township and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The reporting entity includes the following special revenue funds:

<u>Fund</u>	<u>Description</u>	<u>Major Fund?</u>
State Highway Aid	Accounts for revenues and expenditures of state liquid fuels grant funds	No
Park and Recreation	Accounts for revenues and expenditures of park and recreation tax funds	No
Emergency Services	Accounts for revenues and expenditures of fire protection and ambulance funds	No
Local Services Tax	Accounts for tax revenue received from local services tax	No
Open Space	Accounts for tax revenue received to be spent preserving open space in the Township	No

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Presentation (continued)**

**FUND FINANCIAL STATEMENTS (continued)**

**Governmental Funds** (Continued)

**Capital Projects Fund** - Capital projects funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The reporting entity includes the following capital projects funds:

<u>Fund</u>	<u>Description</u>	<u>Major Fund?</u>
Capital Reserve	Accounts for acquisition or construction of capital assets	Yes
Stormwater	Accounts for the grant revenue and expenses of stormwater maintenance	No

**Debt Service Fund** - This fund is used to account for financial resources that are restricted, committed or assigned to expenditure for principal and interest. This fund is a major fund.

**Proprietary Funds**

**Enterprise Fund** – Enterprise funds are used to account for business-type activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Water Fund.

**Fiduciary Funds**

**Pension Trust and Custodial Funds** – The Pension Trust Fund (which includes the Police Pension Plan) and Custodial Funds (which include the Developers Escrow Funds and other agency funds) are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Pension Trust Fund meets the criteria to be considered a component unit, and is presented as required by accounting standards in the Township’s Fiduciary Fund statements.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Measurement Focus and Basis of Accounting**

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

**Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

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

1. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities, whether current or noncurrent, associated with their activities are reported. Proprietary fund equity is classified as net position.
3. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Measurement Focus and Basis of Accounting (continued)**

**Basis of Accounting (continued)**

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

**D. Cash Equivalents**

For reporting purposes, the Township defines cash and cash equivalents as cash and investments that have a maturity value of less than three months.

**E. Investments and Fair Value**

Investments in debt and equity securities with readily determinable fair market values are recorded at fair value, as required by Government Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. Realized and unrealized gains and losses are recorded in the statement of activities, statement of revenues, expenditures, and changes in fund balances as revenue (governmental activities), and on the statement of changes in fiduciary net position (fiduciary funds).

**F. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 9 for details of interfund transactions, including receivables and payables at year-end.

**G. Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. No allowance for uncollectible accounts has been provided since management considers all accounts to be collectible. The Township is permitted to lien the resident’s property if the resident does not remit payment. Major receivable balances for the governmental activities include real estate taxes, earned income taxes, grants, and police fines. Business-type activities report water billings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as real estate tax, earned income tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund receivables consist of all revenues earned at year-end and not yet received.

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Capital Assets**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

**Government-wide Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost, except for infrastructure acquired before January 1, 2004, which is valued at estimated historical cost less accumulated depreciation. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

<u>Classifications</u>	<u>Years</u>
Land/Park Improvements	20 - 40
Buildings and Improvements	20 - 40
Water Systems	40
Vehicles	5 - 25
Machinery, Equipment and Furniture	3 - 20
Infrastructure	40

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**I. Long-Term Obligations**

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds and notes payable, capital leases, pension liabilities, and accrued compensated absences.

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

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Compensated Absences**

The Township employees accumulate sick time in accordance with their applicable contracts. Non-uniformed employees are granted 12 days sick leave per year with an accumulation of unused sick leave of 120 days. Upon retirement or termination, non-uniformed employees are paid at 40% of their pay rate for all sick days accumulated up to a maximum of 90 days.

Uniformed employees are granted 12 days sick leave per year with no limit on the accumulation of days. Upon retirement or termination, uniformed employees are paid at 60% of their pay rate for all sick days accumulated.

The Township's vacation policy for non-uniformed employees encourages the use of all vacation days during the calendar year. Uniformed employees may carry forward a maximum of 12 days' vacation time to the following year. Both uniformed and non-uniformed vacation allowances vary depending on length of service and, upon retirement or termination are paid at 100% of the respective employee's pay rate.

The Township is liable to employees in the amount of \$427,430 for vested sick and vacation pay at December 31, 2020.

**K. Equity Classifications**

**Government-Wide Statements**

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

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

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**K. Equity Classifications (continued)**

**Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable – includes amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be kept intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted – includes amounts that are restricted for specific purposes by constitutional provisions, enabling legislation, or externally imposed constraints. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – includes amounts that can only be used for specific purposes with constraints that are established by a formal action of the Board of Supervisors (the Board). The constraint can only be changed or removed by another formal action of the Board. The same formal action that imposed the constraint originally (e.g., resolution or ordinance), must be used to change or lift it.

Assigned – includes amounts that are constrained by the Township's intent to be used for specific purposes, but are neither restricted nor committed. Assigned balances include all remaining government fund amounts, other than the General Fund, that are not classified as nonspendable, restricted or committed, and are intended for a specific purpose. The intent is expressed by the Board, or an individual to whom the Board has designated authority.

Unassigned – this amount is the residual classification for the General Fund, and any negative fund balances in other governmental funds. Other governmental funds cannot report any positive unassigned amounts.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts, then unassigned amounts.

Proprietary fund equity is classified the same as in the government-wide statements.

**L. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflow 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 (expense/expenditure) until then. The Township has one type of this item that qualifies for reporting in this category.



**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. Deferred Outflows/Inflows of Resources (continued)**

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow 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 (revenue) until then. The Township has one type of this item that qualifies for reporting in this category in the government-wide statements. Additionally, the Township has one type of this item that qualifies for reporting in this category in the fund financial statements. Accordingly, this item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report *unavailable revenue* from three sources: property taxes, earned income taxes and local services taxes. The government wide statement does not report unavailable revenues.

**M. Stewardship, Compliance and Accountability**

**Budgetary Data**

The following procedures are used by the Township in establishing budgetary data which is reflected in the financial statements.

1. The Township prepares and advertises a proposed budget at least 20 days before the budget is adopted.
2. Public hearings are conducted to obtain comments from taxpayers regarding the proposed budget.
3. The taxes levied by the Township are fixed at such figure within the limit allowed by law, as with all other sources of revenues, and will meet and cover appropriations.
4. The budget is formally adopted by the Board of Supervisors prior to December 31.
5. Amendments may be made by the Board of Supervisors during the year.

**Excess of Expenditures Over Appropriations**

The Township has presented budget to actual comparisons for the General Fund. For the year ended December 31, 2020, General Fund expenditures exceeded appropriations in various categories in the amount of \$90,870. These excess expenditures were funded by lower than anticipated expenditures in other categories.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**N. Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character	Current (further classified by function)
	Debt Service
	Capital Outlay
Proprietary Fund - By Operating and Non-Operating	

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

**O. Interfund Transfers**

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

**P. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Q. COVID-19**

In March 2020, the World Health Organization declared that the outbreak of a novel coronavirus (COVID-19) constituted a “Public Health Emergency of International Concern”. This outbreak has led to a severe economic downturn worldwide. The extent of the impact of COVID-19 on the Township’s operational and financial performance depends on certain developments, including the duration and spread of the outbreak, impact on taxpayers, employees, and vendors all of which are uncertain and cannot be predicted. As of August 3, 2021, the extent to which COVID-19 may impact the Township’s financial condition or results of operations is uncertain.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**2. CASH AND INVESTMENTS**

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash	\$ 9,011,947
Statement of Fiduciary Net Position:	
Cash	971,079
Investments	<u>10,757,535</u>
Total Cash and Investments	<u>\$ 20,740,561</u>

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 9,885,693
Money Market Funds	97,333
Investments	<u>10,757,535</u>
Total Cash and Investments	<u>\$ 20,740,561</u>

**A. Cash Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township deposits are entirely insured or collateralized under a pooled asset program to secure public deposits, as required by Act 72 of the Commonwealth of Pennsylvania. As of December 31, 2020, \$9,861,797 of the Township's bank balance of \$10,114,535 was uninsured but collateralized by securities held by the bank or by its trust department or agent, but not in the Township's name.

**B. Investments**

At December 31, 2020, the Township's deposits and investments consisted of the following:

Fiduciary Funds:	
U.S. and Municipal Government Agencies	\$ 633,222
Common Stocks	7,310,610
Corporate Bonds	1,956,398
EMF/ETF Funds	644,736
Mutual Funds	129,544
Fixed Income Funds	<u>83,025</u>
Total Investments	<u>\$ 10,757,535</u>

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**2. CASH AND INVESTMENTS (continued)**

**B. Investments (continued)**

**Investments Authorized by Township Code**

The Township's Code authorizes the Township to invest in obligations of the U.S. Treasury, short-term obligations of the U.S. Government or its agencies or instrumentalities, obligations of the United States or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision, and shares of the Pennsylvania Local Government Investment Trust (PLGIT) which are composed solely of the obligations noted above.

In addition to the investments authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practices and state statutes.

The Township does not currently have an investment policy as all of their governmental funds are held in bank accounts or PLGIT accounts. The amount held in PLGIT accounts was \$2,875,290 at December 31, 2020, and is included in the governmental cash balance. Fiduciary investments are held and managed by the Haverford Trust (Police Pension) and PMRS (Non-Uniform Pension).

**Custodial Credit Risk**

Custodial credit risk for investments 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 securities that are in the possession of an outside party. With the exception of money market funds and certificates of deposit held in the fiduciary funds, all of the Township's investments are either invested in securities which are not subject to custodial credit risk because they do not involve a transferable financial instrument or are backed by the full faith and credit of the U.S. Government. The money market funds of \$97,333 are covered by Securities Investor Protection Corporation up to \$250,000.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating organizations such as Moody's Investor Services (Moody's) and Standard & Poor's (S&P). The Township does not currently have a policy with regard to credit risk. As of December 31, 2020, the Township's investment in the external investment pool was rated AAA by S&P. The Township's investment in bonds and bond mutual funds was rated AAA to BBB by Morningstar.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**2. CASH AND INVESTMENTS (continued)**

**B. Investments (continued)**

**Concentration of Credit Risk**

The investment policy of the Township contains no limitations on the amount that can be invested in any one issuer. The Township does not currently invest 5% of its assets in any one of its equities, corporate or international bond issuers.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Township's investments in corporate bonds and U.S. obligations have remaining maturity dates that range from the years 2021 to 2033. The securities with longer maturity dates are highly sensitive to interest rate risk.

**Fair Value of Investments**

Accounting principles generally accepted in the United States of America establish a fair value hierarchy that is based on the valuation inputs used in the fair value measurements. Measurements using quoted prices in active markets for identical assets and liabilities fall within Level 1 of the hierarchy; measurements using significant other observable inputs fall within Level 2; and measurements using significant unobservable inputs fall within Level 3.

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**2. CASH AND INVESTMENTS (continued)**

**B. Investments (continued)**

**Fair Value of Investments (continued)**

Information related to the Township’s assets measured at fair value on a recurring basis at December 31, 2020, is as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government Obligations	\$ 366,886	\$ -	\$ 366,886	\$ -
Municipal Bonds and Notes	266,336	-	266,336	-
Common Stocks	7,310,610	7,310,610	-	-
Corporate Bonds and Notes	1,956,398	1,956,398	-	-
EMF/ETF Funds	644,736	644,736	-	-
Fixed Income Funds	83,025	83,025	-	-
Mutual Funds	129,544	129,544	-	-
<b>Total Investments</b>	<b><u>\$10,757,535</u></b>	<b><u>\$ 10,124,313</u></b>	<b><u>\$ 633,222</u></b>	<b><u>\$ -</u></b>

**3. FIDUCIARY FUNDS – ESCROW FUND**

The Escrow Fund is a Custodial Fund in that the Township has custodial capacity of funds deposited with it on behalf of developers, other applicants and other municipalities. Escrow deposits of \$873,746 represent the net developer and other balances held at December 31, 2020.

**4. PROPERTY TAXES**

Taxes are levied on December 31, based on the assessed value established by the Bucks County Board of Assessments. Bills are sent out on February 1 by the Township's tax collector. Real property in the Township was originally assessed at \$219,297,050 for 2020. Property taxes attach as an enforceable lien on property as of December 31. The Township receives all tax collections through its tax collector. The Township is legally permitted to levy up to 14 mills (19 with court approval) of assessed property valuation for general purposes and 3 mills for fire tax purposes. The Township had the following millage rates for the year ended December 31, 2020: general purposes, 5.02 mills; fire tax purposes, 1.1 mills; ambulance, .40 mills; open space, 0.188 mills; debt service, 8.232 mills.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance 1/1/20	Additions	Disposals	Balance 12/31/20
<b>Governmental Activities</b>				
Assets Not Being Depreciated				
Land and Conservation Easements	\$ 27,400,578	\$ -	\$ -	\$ 27,400,578
Depreciable Assets				
Land Improvements	1,706,418	8,095	-	1,714,513
Buildings and Improvements	4,897,012	-	7,290	4,889,722
Vehicles	2,276,464	58,672	48,219	2,286,917
Machinery and Equipment	1,284,177	11,104	83,208	1,212,073
Infrastructure	15,510,235	1,073,879	-	16,584,114
Total at Historical Cost	53,074,884	1,151,750	138,717	54,087,917
Less Accumulated Depreciation				
Land Improvements	211,709	58,731	-	270,440
Buildings and Improvements	2,751,533	102,400	3,888	2,850,045
Vehicles	1,583,505	147,515	48,219	1,682,801
Machinery and Equipment	928,827	56,401	83,208	902,020
Infrastructure	6,414,865	381,448	-	6,796,313
Total Accumulated Depreciation	11,890,439	746,495	135,315	12,501,619
Total Governmental Activities Net Capital Assets	<u>\$ 41,184,445</u>	<u>\$ 405,255</u>	<u>\$ 3,402</u>	<u>\$ 41,586,298</u>
<b>Business-Type Activities</b>				
Assets Not Being Depreciated				
Land	\$ 115,313	\$ -	\$ -	\$ 115,313
Depreciable Assets				
Buildings and Improvements	156,961	-	-	156,961
Machinery and Equipment	694,703	75,480	9,548	760,635
Vehicles	177,220	11,104	-	188,324
Water System	11,958,142	351,629	-	12,309,771
Total at Historical Cost	13,102,339	438,213	9,548	13,531,004
Less Accumulated Depreciation				
Buildings and Improvements	39,869	5,041	-	44,910
Machinery and Equipment	327,600	36,886	8,303	356,183
Vehicles	135,131	7,955	-	143,086
Water System	4,865,034	301,504	-	5,166,538
Total Accumulated Depreciation	5,367,634	351,386	8,303	5,710,717
Total Business-Type Net Capital Assets	<u>\$ 7,734,705</u>	<u>\$ 86,827</u>	<u>\$ 1,245</u>	<u>\$ 7,820,287</u>

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**5. CAPITAL ASSETS (continued)**

Depreciation expense was charged to programs as follows:

Governmental Activities	
General Government	\$ 99,547
Police	81,171
Highway Maintenance	467,784
Code Enforcement and Zoning	275
Parks and Recreation	96,959
Land Preservation	759
	<u>746,495</u>
Business-Type Activities	
Water System	<u>351,386</u>
 Total Depreciation Expense	 <u><u>\$ 1,097,881</u></u>

**6. LONG-TERM OBLIGATIONS**

The Township's General Long-Term Obligations changed as follows during the year:

	Balance 1/1/20	Additions	Reductions	Balance 12/31/20	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds and Notes					
2013 General Obligation Bonds	\$ 8,545,000	\$ -	\$ 8,545,000	\$ -	\$ -
2015 General Obligation Bonds	4,645,000	-	4,645,000	-	-
2016 General Obligation Notes	1,598,164	-	573,305	1,024,859	504,440
2016 General Obligation Notes	2,215,600	-	97,630	2,117,970	99,750
Deferred Bond Discounts	(118,561)	-	(118,561)	-	-
2020 General Obligation Bonds	-	8,550,000	450,000	8,100,000	450,000
2020 General Obligation Bonds A	-	4,665,000	330,000	4,335,000	305,000
Deferred Bond Premium	-	226,297	16,164	210,133	-
Direct Borrowings					
Pennsylvania Infrastructure Loan	70,857	-	70,857	-	-
Subtotal	<u>16,956,060</u>	<u>13,441,297</u>	<u>14,609,395</u>	<u>15,787,962</u>	<u>1,359,190</u>
 Capital Lease Obligations	 406,136	 -	 107,509	 298,627	 97,825
Compensated Absences	<u>400,108</u>	<u>27,322</u>	<u>-</u>	<u>427,430</u>	<u>-</u>
	<u><u>\$17,762,304</u></u>	<u><u>\$13,468,619</u></u>	<u><u>\$14,716,904</u></u>	<u><u>\$16,514,019</u></u>	<u><u>\$ 1,457,015</u></u>
 <b>Business-Type Activities</b>					
General Obligation Note					
2020 General Obligation Note B	<u><u>\$ -</u></u>	<u><u>\$ 1,500,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,500,000</u></u>	<u><u>\$ 75,000</u></u>



**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**6. LONG-TERM OBLIGATIONS (continued)**

**A. General Obligation Bonds and Notes**

The Township has issued general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes have been issued for both governmental and business-type activities.

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the Township. The bonds are generally issued at 15-20 year serial bonds with varying amounts of principal due during the year. See below for the future debt service requirements.

**B. Defeased Debt**

The Plumstead Township General Obligation Bonds Series 2020 and Series 2020A were issued in the amounts of \$8,550,000 (at a premium) and \$4,665,000 (at a premium), respectively for a current refunding of the 2013 and 2015 General Obligation Bonds. The Bonds have varying maturity dates from December 15, 2020 to December 15, 2033. Annual principal payments are due on December 15, with interest being paid semi-annually. The refunding fully defeased the 2013 and 2015 General Obligation Bonds and was undertaken to reduce future debt service payments by \$522,051 and \$425,252, respectively. The present value savings at the time of the refunding on the 2013 Bonds and 2015 Bonds was \$455,877 and \$385,910, respectively. The refunded debt has been considered defeased and removed from this statement.

**C. Future Maturities of Long-Term Debt**

The revised debt service requirements for the General Obligation Bonds and Notes are shown below.

<b>Governmental Activities</b>				
<u>Year</u>	<u>Principal</u>	<u>12/31/20 Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021	\$ 1,359,190	1.36 – 3.00%	\$ 310,296	\$ 1,669,486
2022	1,392,269	1.36 – 3.00%	280,886	1,673,155
2023	1,003,950	1.36 – 3.00%	250,781	1,254,731
2024	1,031,050	1.36 – 3.00%	227,078	1,258,128
2025	1,038,350	1.36 – 3.00%	202,595	1,240,945
2026 – 2030	5,366,450	1.36 – 3.00%	714,697	6,081,147
2031 – 2035	3,657,400	1.36 – 3.00%	198,526	3,855,926
2036 – 2040	592,150	1.36 – 3.00%	65,157	657,307
2041 – 2043	137,020	1.36 – 3.00%	11,419	148,439
	<u>\$ 15,577,829</u>		<u>\$ 2,261,435</u>	<u>\$ 17,839,264</u>

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**6. LONG-TERM OBLIGATIONS (continued)**

**C. Future Maturities of Long-Term Debt (continued)**

<b>Business-Type Activities</b>				
Year	Principal	12/31/20 Interest Rate	Interest	Total Debt Service
2021	\$ 75,000	1.62%	\$ 24,638	\$ 99,638
2022	75,000	1.62%	23,406	98,406
2023	75,000	1.62%	22,174	97,174
2024	75,000	1.62%	20,999	95,999
2025	75,000	1.62%	19,710	94,710
2026 – 2030	375,000	1.62%	80,116	455,116
2031 – 2035	375,000	1.62%	49,305	424,305
2036 – 2040	375,000	1.62%	18,498	393,498
	\$ 1,500,000		\$ 258,846	\$ 1,758,846

**D. Interest Expense**

Interest expense during the year on all the above-noted long-term debt totaled \$418,215.

**7. CAPITAL LEASES PAYABLE**

The Township has several lease agreements for the acquisition of vehicles and public works equipment. Annual lease payments are due through the year 2023. The capitalized cost of the leased equipment was \$612,430, and accumulated depreciation was \$270,482 at December 31, 2020. At December 31, 2020, future lease payments are due as follows:

Year	Amount
2021	\$ 107,634
2022	107,634
2023	102,811
	318,079
Less Interest Portion	(19,452)
	\$ 298,627

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**8. FUND BALANCE CLASSIFICATIONS**

	General Fund	Capital Reserve Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepaid Expenses	\$ 30,649	\$ -	\$ -	\$ -	\$ 30,649
Note Receivable from Water Fund	-	-	702,615	-	702,615
	<u>30,649</u>	<u>-</u>	<u>702,615</u>	<u>-</u>	<u>733,264</u>
Restricted for:					
Public Safety	-	-	-	3,903	3,903
Highways and Roads	-	-	-	388,262	388,262
Debt Service	-	-	2,582,813	-	2,582,813
Open Space	-	-	-	371,055	371,055
	<u>-</u>	<u>-</u>	<u>2,582,813</u>	<u>763,220</u>	<u>3,346,033</u>
Committed for:					
Park and Recreation	-	-	-	149,105	149,105
Stormwater	-	-	-	127,421	127,421
Capital Projects	-	-	-	116,311	116,311
	<u>-</u>	<u>-</u>	<u>-</u>	<u>392,837</u>	<u>392,837</u>
Assigned for:					
Capital Projects	-	1,003,160	-	-	1,003,160
Unassigned					
	<u>3,203,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,203,326</u>
Total Fund Balances	<u>\$ 3,233,975</u>	<u>\$ 1,003,160</u>	<u>\$ 3,285,428</u>	<u>\$ 1,156,057</u>	<u>\$ 8,678,620</u>

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**9. INTERFUND TRANSACTIONS**

Interfund transactions are as follows:

Purpose	Receivable Fund	Payable Fund	Amount
<b>Due To/From</b>			
Water System Loan *	Debt Service	Water	\$702,615
Water System Loan **	Debt Service	Water	\$808,466
<b>Transfers</b>			
Capital Purchases	Emergency Services	General	\$9,000
Open Stormwater Fund	Stormwater	General	\$122,664

\* The Township had loaned funds from the issuance of the General Obligation Notes, Series 2010 from the Debt Service Fund to the Water Fund for improvements to the water system. During 2016, General Obligation Notes, Series 2016 were issued to refinance the General Obligation Notes, Series 2010. The receivables for this loan is recorded in the Debt Service Fund, and the liabilities in the Water Fund. All short-term interest and principal payments on the bond are paid through Debt Service.

\*\* The Township did not make the 2019 portion of the payment to the debt service fund as well as the 2020 principal portion of the payment, therefore an additional amount is owed to the debt service fund.

**10. DEFINED BENEFIT PENSION PLANS**

**A. Summary of Significant Accounting Policies**

**Basis of Accounting**

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions, if required, to the Plan are recognized when due, in accordance with Act 205. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**Method Used to Value Investments**

Investments are reported at fair value. The Police Plan's assets are managed by the Haverford Trust and the Non-Uniform Plan's assets are managed by the Pennsylvania Municipal Retirement System (PMRS). The Non-Uniform Plan's assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable securities.

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**10. DEFINED BENEFIT PENSION PLANS (continued)**

**B. Plan Descriptions**

**Plan Administration**

The Township administers two pension plans, Plumstead Township Police Pension Plan (Police Plan), a single-employer defined benefit pension plan, and Plumstead Township Non-Uniform Employees' Pension Plan (NU Plan), through PMRS, an agent multiple-employer defined benefit pension plan. The Police Plan is reported as a Pension Trust Fund in the accompanying financial statements and does not issue a standalone report.

**Police Pension Defined Benefit Pension Plan**

The Plan is a single employer defined benefit plan that covers all full time police employees. Management of the plan is vested in the Police Pension Committee, which consists of five members – one representative of the Police force, who is a Township resident as well, one member of the Board of Supervisors, the Township Manager, and two Supervisors-appointed Township residents knowledgeable in the funding and operation of pension plans.

**Non-Uniform Defined Benefit Pension Plan**

The Plan participates in the PMRS, which is an agent multiple-employer public employee retirement system, which consists of over 900 participating employer plans. It is the responsibility of PMRS to act as a common investment agent for participating municipal pension plan. PMRS maintains each municipality's plans separately with that municipality's contributions and related employees' contributions and account earnings and activity. Assets are held separately and may only be used for the payment of plan benefits to its members. Management of the plan is vested with PMRS, which consists of an 11 member Board – the State Treasurer, Secretary of the Commonwealth, and nine other members appointed by the Governor. A copy of the plan's financial statements can be obtained by writing to the Pennsylvania Municipal Retirement System, PO Box 1165, Harrisburg, PA 17108.

**Plan Membership**

At December 31, 2020, plan membership consisted of the following:

	Police	Non-Uniform
Active Employees	15	22
Retirees and Beneficiaries Currently Receiving Benefits	7	1
Terminated Employees Entitled to Benefits but Not Yet Receiving Them	-	1
<b>Total</b>	<b>22</b>	<b>24</b>

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**10. DEFINED BENEFIT PENSION PLANS (continued)**

**B. Plan Descriptions (continued)**

**Benefits Provided**

The following table provides information concerning the **Township's Police Pension Plan**:

Covered Employees:	All full-time uniformed employees.
Normal Retirement:	Age 50 and the completion of 25 years of service for participants hired after January 1, 2006. Age 50 and the completion of 12 years of service for participants hired between January 1, 1984 and December 31, 2005. Age 59 and completion of 11 years of service for participants hired prior to January 1, 1984.
Early Retirement:	After 24 years of service for employees hired before January 1, 2006.
Vesting:	None for the first 12 years of service; thereafter, 100%.
Retirement Benefit:	The monthly pension shall be 50% of the average compensation of the participant's last 36 months of employment, plus a service increment of \$25 per month, if officer completes 26 years or more of benefit service.
Death Benefit:	A pension shall be provided to a retired officer's spouse or to the spouse of an officer eligible to retire, equal to 50% of the eligible pension. If no spouse, then payable to an eligible child.
Disability Benefit	
Service Related:	A disability pension shall be provided to an officer with a total and permanent service related disability equal to 50% of the officer's monthly salary at the time of disability, reduced by Social Security disability benefits provided for the same illness or injury.
Non-Service Related:	None.
Member Contribution Rate:	3.5% of compensation.

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**10. DEFINED BENEFIT PENSION PLANS (continued)**

**B. Plan Descriptions (continued)**

**Benefits Provided (continued)**

The following table provides information concerning the **Township's Non-Uniform Employees' Pension Plan**:

Covered Employees:	All full-time non-uniformed employees.
Normal Retirement:	Age 65 and the completion of 10 years of credited service, or at age 60 and the completion of 25 years of credited service.
Vesting:	None for the first ten years of service; thereafter 100%.
Retirement Benefit:	Monthly benefit equal to 1.75% times credit service times final average salary, but no greater than 50% of final average salary. Final average salary is based upon the last two years' annualized salary.
Disability Benefit:	Equal to 40% of the rates set forth in the 1964 OASDI (social security) Experience for Males.

**Contributions**

For the Police Plan, participating employees are required to contribute a percentage of pay to be determined annually. For the year ended December 31, 2020, participating employees contributed 3.5% of their salary to the Plan. If a participating employee leaves covered employment of the Township, other than due to employment-connected death or disability, before 12 years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or to a designated beneficiary.

For the Non-Uniform Plan, no employee contributions are required. If a participating employee leaves covered employment of the Township, other than due to employment-connected death or disability, before five years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or to a designated beneficiary.

The Township's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The employer's contribution rate for normal cost is determined using the Entry Age Normal Actuarial Funding Method.

The Commonwealth of Pennsylvania provides funds (foreign casualty insurance premium taxes) to the Township, which are used in making contributions to the plans. The Township is required to contribute any remaining amounts necessary to fund the plans, using the actuarial basis specified by the state statute.

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**10. DEFINED BENEFIT PENSION PLANS (continued)**

**C. Investments**

**Investment Policy**

The Police Plan’s policy regarding the allocation of invested assets is established and may be amended by the Board of Supervisors. The policy is to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The Committees’ adopted asset allocation policy as of December 31, 2020, is as follows:

Asset Class	Target Allocation
Domestic Equity	61%
Fixed Income	35%
Cash	4%
	100%

The Non-Uniform Plan’s assets are managed by the Pennsylvania Municipal Retirement System (PMRS). The Plan’s assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by GASB Statement No. 3 for aggregate PMRS investments are included in PMRS’ separately issued Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained from the PMRS or contacting their accounting office.

The PMRS Board is governed by the “prudent investor” rule in establishing investment policy. The “prudent investor” rule requires the exercise of that degree of judgment, skill, and care under the circumstances then prevailing which investors of prudence, discretion, and intelligence, who are familiar with such matters, exercise in the management of their own affairs not in regard to speculation, but in regard to permanent disposition of the funds, considering the probable income to be derived there from, as well as the probable safety of their capital.



**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**10. DEFINED BENEFIT PENSION PLANS (continued)**

**C. Investments (continued)**

**Investment Policy (continued)**

The Board has adopted its Statement of Investment Policy to formally document investment objectives and responsibilities. This policy, as well as applicable state law, established guidelines for permissible investments of PMRS. The pension plan's policy in regards to the allocation of invested plan assets is established and may be amended by the Board. The Board has established its allocation goals as follows:

Domestic Equities (Large Capitalized Firms)	25%
Domestic Equities (Small Capitalized Firms)	15%
International Equities (Developed Markets)	15%
International Equities (Emerging Markets)	10%
Fixed Income	15%
Real Estate	20%

**Concentrations**

The investment policy of the Township contains no limitations on the amount that can be invested in any one issuer. The Township does not currently invest 5% of its assets in any one of its equities, corporate or international bond issuers.

**Rate of Return**

For the year ended December 31, 2020, the annual money-weighted rate of return on Police Plan investments, net of pension plan investment expense, was 12.64%. The Non-Uniform Plan annual money-weighted rate of return was not available at the time of the audit report. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

**D. Deferred Retirement Option Program (DROP)**

An active member who has met the eligibility requirements for the program, which are age 50 and 25 years of service, may elect to participate in the deferred retirement option program for a period of at least one year, but not more than five years. Monthly pension shall be calculated as of the date of participation in the program and shall be accumulated in a self-directed account and distributed in a lump sum at retirement.

As of December 31, 2020, there was one participant in the DROP program, and the balance held by the Plan for the DROP program was \$176,781.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**10. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Net Pension Liability of the Township**

The components of the net pension liabilities of the Township at December 31, 2020, were as follows:

	<u>Police</u>	<u>Non-Uniform</u>
Total Pension Liability	\$10,265,831	\$ 3,537,789
Plan Fiduciary Net Position	<u>(10,876,009)</u>	<u>(3,264,778)</u>
Township's Net Pension Liability (Asset)	<u>\$ (610,178)</u>	<u>\$ 273,011</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	105.9%	92.3%

**Actuarial Assumptions**

The total pension liability for the Police Plan was determined by rolling forward the liability from an actuarial valuation as of January 1, 2019. The total pension liability for the Non-Uniform Plan is measured as of December 31, 2018, based on the actuarial valuation of the same date. The liabilities were calculated by using the following actuarial assumptions, applied to all periods included in the measurement.

	<u>Police Per Year</u>	<u>Non-Uniform Per Year</u>
Salary Increases	4.5%	Age-related scale with merit and inflation component
Investment Rate of Return	7%	5.25%
Inflation	3%	2.8%

See Schedule of Township Contributions for details on mortality rates assumptions.

The actuarial assumptions used in the December 31, 2020, Police Plan valuation were based on the results of an actuarial experience study for the two-year period ended January 1, 2017.

The actuarial assumptions used in the December 31, 2020, Non-Uniform Plan valuation were based on the results of an actuarial experience study for the period covering January 1, 2009 through December 31, 2013. These assumptions have been changed for the current measurement.

The net pension liability for the Police Plan was measured as of December 31, 2020, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2020. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**10. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Net Pension Liability of the Township (continued)**

**Actuarial Assumptions (continued)**

The net pension liability for the Non-Uniform Pension Plans was measured as of December 31, 2019. Because the beginning and end of year total pension liability are based upon the same actuarial valuation dates, there is a no difference between expected and actual experience reported in 2018. The beginning of the year total pension liability is based upon the January 1, 2019, actuarial valuation, and then projected to December 31, 2019. The end of year total pension liabilities is based on the January 1, 2019 actuarial valuation with liabilities measured at December 31, 2019.

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Police Long-Term Expected Real Rate of Return, Per Year</u>	<u>Non-Uniform Long-Term Expected Real Rate of Return, Per Year</u>
Domestic Equity	5.5-7.5%	4.7-7.1%
Fixed Income	1.0-3.0%	0.0%
International Equity	N/A	2.9-7.6%
Real Estate	N/A	5.3%
Cash	0.0-1.0%	0.0%

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**10. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Net Pension Liability of the Township (continued)**

**Changes in the Net Pension Liability**

Changes in the net pension liability for the year ended December 31, 2020, for the police plan and the measurement date of December 31, 2019, for the non-uniform plan, are as follows:

	Police Pension Plan Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) – (b)
Balance at December 31, 2019	\$ 10,044,630	\$ 9,846,822	\$ 197,808
Changes for the Year			
Service Cost	144,472	-	144,472
Interest	685,023	-	685,023
Difference Between Expected and Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Contributions - Employer	-	376,660	(376,660)
Contributions - Employee	-	62,828	(62,828)
Net Investment Income	-	1,208,168	(1,208,168)
Benefit Payments	(608,294)	(608,294)	-
Administrative Expense	-	(10,175)	10,175
Net Changes	<u>221,201</u>	<u>1,029,187</u>	<u>(807,986)</u>
Balances At December 31, 2020	<u>\$ 10,265,831</u>	<u>\$ 10,876,009</u>	<u>\$ (610,178)</u>

	Non-Uniform Pension Plan Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balance at December 31, 2018	\$ 3,264,076	\$ 2,627,873	\$ 636,203
Changes for the Year			
Service Cost	128,985	-	128,985
Interest	177,059	-	177,059
Changes in Assumptions	-	-	-
Difference Between Expected and Actual Experience	-	-	-
Contributions - Employer	-	176,533	(176,533)
Contributions - Employee	-	8,994	(8,994)
Net Investment Income	-	141,361	(141,361)
Market Value Investment Income	-	347,734	(347,734)
Transfers	-	-	-
Benefit Payments	(32,331)	(32,331)	-
Administrative Expense	-	(5,386)	5,386
Net Changes	<u>273,713</u>	<u>636,905</u>	<u>(363,192)</u>
Balances At December 31, 2019	<u>\$ 3,537,789</u>	<u>\$ 3,264,778</u>	<u>\$ 273,011</u>

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**10. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Net Pension Liability of the Township (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.0% for the Police Plan and 5.25% for the Non-Uniform Plan. The pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Pension Expense and the Deferred Outflows and Inflows of Resources Related to Pensions**

For the year ended December 31, 2020, the Township recognized pension expense of \$11,144. At December 31, 2020, the Township reported deferred outflows and inflows of resources related to pensions from the following sources:

	Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (123,063)
Changes of Assumptions	68,685	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	448,432	(1,155,341)
	\$ 517,117	\$ (1,278,404)

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

Year Ending December 31,	Amount
2021	\$ (197,446)
2022	(103,681)
2023	(336,989)
2024	(123,171)
	\$ (761,287)

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**10. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Net Pension Liability of the Township (continued)**

**Pension Expense and the Deferred Outflows and Inflows of Resources Related to Pensions (continued)**

	Non-Uniform	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 118,391	\$ (86,995)
Changes of Assumptions	57,033	(6,884)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(214,485)
Contributions by Employer After the Measurement Date	174,357	-
	\$ 349,781	\$ (308,364)

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

For the Year Ending	Amount
2020	\$ (61,331)
2021	(40,699)
2022	12,564
2023	(51,055)
2024	18,495
Thereafter	(10,914)
	\$ (132,940)

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2020**

**10. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Net Pension Liability of the Township (continued)**

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

The following presents the net pension liabilities of the Township, calculated using the discount rate of 7.0% (Police Plan) and 5.25% (Non-Uniform Plan), as well as what the Township's net pension liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Net Police Pension Liability (Asset)	<u>\$532,007</u>	<u>\$(610,178)</u>	<u>\$(1,531,827)</u>
	<u>1% Decrease (4.25%)</u>	<u>Current Discount Rate (5.25%)</u>	<u>1% Increase (6.25%)</u>
Net Non-Uniform Pension Liability (Asset)	<u>\$773,662</u>	<u>\$273,011</u>	<u>\$(155,795)</u>

**11. OTHER POST-EMPLOYMENT BENEFITS**

In accordance with the Police Labor Contract, effective January 1, 2009, the Township adopted a defined contribution plan to contribute to a post-employment health plan on behalf of each eligible employee. The contribution amounts are prescribed by the labor contract. For the year ended December 31, 2020, the Township was required to contribute \$1,000 per employee. This amount is prorated for a new employee. The amount contributed for 2020 totaled \$16,000. Employees are not required to contribute to the plan. The plan does not issue a standalone report.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2020**

**12. RISK MANAGEMENT**

The Township is exposed to various kinds of loss related to limited torts; theft of, and damage to and destruction of assets; errors and omissions; and natural disasters for which the Township carries commercial insurance.

**a. Health Care Coverage**

The Township participates in the Delaware Valley Health Trust (DVHT). DVHT is a regional risk sharing pool providing health insurance benefits to employees and dependents of participating municipalities.

**b. Workers' Compensation Coverage**

The Township participates in the Delaware Valley Workers' Compensation Trust (DVWCT). DVWCT is a regional risk sharing pool providing workers' compensation benefits to employees.

**c. Insurance Coverage**

The Township participates in the Delaware Valley Property Liability Trust (DVPLT). DVPLT is a regional risk sharing pool that provides commercial, liability and bonding coverage for the Township.

Management believes the above coverages are sufficient to preclude any significant uninsured losses to the Township. There have been no significant reductions in coverage from the prior year.

**13. CONTINGENCIES**

The Township is party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. While the outcome of the above-noted proceedings cannot be predicted due to the insurance coverage maintained by the Township, management feels that any settlement or judgment not covered by insurance would not materially affect the financial condition of the Township.

**14. RECENT ACCOUNTING PRONOUNCEMENT ISSUED, NOT YET EFFECTIVE**

In June 2017, the GASB issued Statement No. 87 – *Leases*. This Statement 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 the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2021. Management has not yet determined the effect this update will have on the Township's financial statements.

**15. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 3, 2021 the date which the financial statements were available to be issued.



**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Required Supplementary Information**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Police Pension Plan**  
**December 31, 2020**  
**(Unaudited)**

	Measurement Date as of December 31,						
	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service Cost	\$ 144,472	\$ 138,251	\$ 153,904	\$ 147,277	\$ 180,139	\$ 172,382	\$ 163,750
Interest	685,023	731,429	570,539	610,562	600,893	497,205	476,008
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(108,830)	-	(151,533)	-	(245,390)	-
Changes of Assumptions	-	-	-	206,053	-	-	-
Benefit Payments (Including Refunds of Member Contributions)	(608,294)	(127,486)	(127,486)	(127,486)	(127,486)	(183,156)	(82,547)
<b>Net Change in Total Pension Liability</b>	<u>221,201</u>	<u>633,364</u>	<u>596,957</u>	<u>684,873</u>	<u>653,546</u>	<u>241,041</u>	<u>557,211</u>
<b>Total Pension Liability</b>							
Beginning of Year	<u>10,044,630</u>	<u>9,411,266</u>	<u>8,814,309</u>	<u>8,129,436</u>	<u>7,475,890</u>	<u>7,234,849</u>	<u>6,667,638</u>
End of Year	<u>\$ 10,265,831</u>	<u>\$ 10,044,630</u>	<u>\$ 9,411,266</u>	<u>\$ 8,814,309</u>	<u>\$ 8,129,436</u>	<u>\$ 7,475,890</u>	<u>\$ 7,234,849</u>
<b>Plan Fiduciary Net Position</b>							
Contributions							
Employer	\$ 376,660	\$ 360,073	\$ 284,904	\$ 280,152	\$ 282,362	\$ 282,944	\$ 284,061
Member	62,828	60,546	60,281	58,390	53,877	54,941	54,537
Net Investment Income (Loss)	1,208,168	1,633,751	(536,620)	970,641	364,111	(284,346)	302,996
Benefit Payments (Including Refunds of Member Contributions)	(608,294)	(127,486)	(127,486)	(127,486)	(127,486)	(183,156)	(82,547)
Administrative Expense	(10,175)	-	(3,350)	(6,500)	(5,314)	(9,804)	(55,107)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>1,029,187</u>	<u>1,926,884</u>	<u>(322,271)</u>	<u>1,175,197</u>	<u>567,550</u>	<u>(139,421)</u>	<u>503,940</u>
<b>Plan Fiduciary Net Position</b>							
Beginning of Year	<u>9,846,822</u>	<u>7,919,938</u>	<u>8,242,209</u>	<u>7,067,012</u>	<u>6,499,462</u>	<u>6,638,883</u>	<u>6,134,943</u>
End of Year	<u>\$ 10,876,009</u>	<u>\$ 9,846,822</u>	<u>\$ 7,919,938</u>	<u>\$ 8,242,209</u>	<u>\$ 7,067,012</u>	<u>\$ 6,499,462</u>	<u>\$ 6,638,883</u>

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Required Supplementary Information**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Police Pension Plan**  
**December 31, 2020**  
**(Unaudited)**

(Continued)	<u>2020</u>	<u>2019</u>	Measurement Date as of December 31,			<u>2015</u>	<u>2014</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>				
<b>Township's Ending Net Pension Liability (Asset)</b>	<u><u>\$ (610,178)</u></u>	<u><u>\$ 197,808</u></u>	<u><u>\$ 1,491,328</u></u>	<u><u>\$ 572,100</u></u>	<u><u>\$ 1,062,424</u></u>	<u><u>\$ 976,428</u></u>	<u><u>\$ 595,966</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.94%	98.03%	84.15%	93.50%	86.9%	86.9%	91.8%
Covered Employee Payroll	<u><u>\$ 1,872,616</u></u>	<u><u>\$ 1,735,538</u></u>	<u><u>\$ 1,663,398</u></u>	<u><u>\$ 1,667,126</u></u>	<u><u>\$ 1,649,834</u></u>	<u><u>\$ 1,530,052</u></u>	<u><u>\$ 1,418,564</u></u>
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	32.5%	11.4%	89.7%	34.3%	64.4%	63.8%	42.0%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is complete, available information is presented.

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Required Supplementary Information**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Non-Uniform Pension Plan**  
**December 31, 2020**  
**(Unaudited)**

	Measurement Date as of December 31,					
	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service Cost	\$ 128,985	\$ 133,704	\$ 120,783	\$ 111,861	\$ 102,314	\$ 96,125
Interest	177,059	168,321	153,658	136,491	126,627	112,809
Differences Between Expected and Actual Experience	-	(108,722)	-	133,520	(27)	84,209
Changes of Assumptions	-	-	-	95,053	(12,619)	-
Transfers	-	650	-	-	-	-
Benefit Payments (Including Refunds of Member Contributions)	(32,331)	(14,944)	(560)	(79,695)	(12,080)	(82,851)
<b>Net Change in Total Pension Liability</b>	<u>273,713</u>	<u>179,009</u>	<u>273,881</u>	<u>397,230</u>	<u>204,215</u>	<u>210,292</u>
<b>Total Pension Liability</b>						
Beginning of Year	<u>3,264,076</u>	<u>3,085,067</u>	<u>2,811,186</u>	<u>2,413,956</u>	<u>2,209,741</u>	<u>1,999,449</u>
End of Year	<u>\$ 3,537,789</u>	<u>\$ 3,264,076</u>	<u>\$ 3,085,067</u>	<u>\$ 2,811,186</u>	<u>\$ 2,413,956</u>	<u>\$ 2,209,741</u>
<b>Plan Fiduciary Net Position</b>						
Contributions						
Employer	\$ 176,533	\$ 145,354	\$ 137,045	\$ 115,633	\$ 111,485	\$ 87,947
Member	8,994	11,074	9,630	9,582	7,421	7,163
PMRS Investment Income	141,361	133,892	120,529	111,072	107,084	96,101
Market Value Investment Income (Loss)	347,734	(318,108)	266,333	103,158	(181,614)	(1,735)
Transfers	-	650	-	-	-	-
Benefit Payments (Including Refunds of Member Contributions)	(32,331)	(14,944)	(560)	(79,695)	(12,080)	(82,851)
Administrative Expense	(5,386)	(6,455)	(6,003)	(5,842)	(4,904)	(4,126)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>636,905</u>	<u>(48,537)</u>	<u>526,974</u>	<u>253,908</u>	<u>27,392</u>	<u>102,499</u>
<b>Plan Fiduciary Net Position</b>						
Beginning of Year	<u>2,627,873</u>	<u>2,676,410</u>	<u>2,149,436</u>	<u>1,895,528</u>	<u>1,868,136</u>	<u>1,765,637</u>
End of Year	<u>\$ 3,264,778</u>	<u>\$ 2,627,873</u>	<u>\$ 2,676,410</u>	<u>\$ 2,149,436</u>	<u>\$ 1,895,528</u>	<u>\$ 1,868,136</u>

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Required Supplementary Information**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Non-Uniform Pension Plan**  
**December 31, 2020**  
**(Unaudited)**

	Measurement Date as of December 31,					
	2019	2018	2017	2016	2015	2014
(Continued)						
<b>Township's Ending Net Pension Liability</b>	<u>\$273,011</u>	<u>\$636,203</u>	<u>\$408,657</u>	<u>\$661,750</u>	<u>\$518,428</u>	<u>\$341,605</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.28%	80.51%	86.75%	76.46%	78.52%	84.54%
Covered Employee Payroll	<u>\$1,197,656</u>	<u>\$1,227,406</u>	<u>\$1,112,535</u>	<u>\$1,093,113</u>	<u>\$948,417</u>	<u>\$887,810</u>
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	22.80%	51.83%	36.73%	60.54%	54.66%	38.48%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is complete, available information is presented.

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Required Supplementary Information  
Schedule of Township Contributions  
Police Pension Plan  
December 31, 2020  
(Unaudited)**

Year	Actuarially Determined Contribution	Contributions from Employer	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Payroll
2011	\$295,592	\$295,592	-		
2012	\$310,044	\$310,044	-		
2013	\$307,681	\$307,681	-		
2014	\$284,681	\$284,681	-	\$1,418,564	20.07%
2015	\$282,944	\$282,944	-	\$1,530,052	18.49%
2016	\$282,362	\$282,362	-	\$1,649,834	17.11%
2017	\$280,152	\$280,152	-	\$1,667,126	16.80%
2018	\$284,904	\$284,904	-	\$1,663,398	17.13%
2019	\$360,073	\$360,073	-	\$1,735,538	20.75%
2020	\$376,660	\$376,660	-	\$1,872,616	20.11%

**Notes to Schedule:**

Valuation Date:

Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Remaining Amortization Period	7 years
Asset Valuation Method	Market Value of Assets
Inflation	3.0%
Salary Increases	4.5% per year
Investment Rate of return	7.0%
Retirement Age	Normal Retirement Age
Mortality	IRS 2017 Static Combined Table for Small Plans

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Required Supplementary Information  
Schedule of Township Contributions  
Non-Uniform Pension Plan  
December 31, 2020  
(Unaudited)**

	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$176,513	\$145,334	\$137,025	\$115,533	\$111,465	\$87,927
Contributions in Relation to the Actuarially Determined Contribution	\$176,533	\$145,354	\$137,045	\$115,633	\$111,485	\$87,947
Contribution Deficiency (Excess)	\$(20)	\$(20)	\$(20)	\$(100)	\$(20)	\$(20)
Covered Employee Payroll	\$1,197,656	\$1,227,406	\$1,112,535	\$1,093,113	\$948,417	\$887,810
Contributions As a Percentage of Covered Employee Payroll	14.74%	11.84%	12.32%	10.58%	11.75%	9.91%

**Notes to Schedule:**

Valuation Date:

Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

January 1, 2017

Actuarial Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Remaining Amortization Period	13 years
Asset Valuation Method	Based Upon Municipal Reserves
Inflation	2.8%
Salary Increases	Age-related scale with merit and inflation component
Investment Rate of return	5.5%
Retirement Age	Normal Retirement Age
Pre-Retirement Mortality	Males – RP2000 Table with 1 year set back, Females – RP2000 Table with 5 year set back
Post-Retirement Mortality	Sex distinct RP2000 Combined Healthy Mortality

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Required Supplementary Information**  
**Schedule of Investment Returns**  
**December 31, 2020**  
**(Unaudited)**

	<u>Police</u>	<u>Non-Uniform</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense		
2020	12.64%	*
2019	20.06%	(4.57)%
2018	(6.14)%	17.84%
2017	13.53%	8.23%
2016	5.53%	(0.27)%
2015	(4.16)%	5.20%
2014	7.16%	7.28%

\*Not available at time of report

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 5,645,174	\$ 5,351,610	\$ (293,564)
Intergovernmental	398,687	379,136	(19,551)
Charges for Services	225,325	199,972	(25,353)
Fines, Licenses and Permits	336,000	310,979	(25,021)
Interest Income and Rents	117,000	110,131	(6,869)
Miscellaneous Revenues	22,760	174,050	151,290
Total Revenues	<u>6,744,946</u>	<u>6,525,878</u>	<u>(219,068)</u>
Expenditures			
General Government	860,930	797,622	63,308
Public Safety	3,758,537	3,849,382	(90,845)
Public Works	925,395	845,815	79,580
Parks and Recreation	558,053	388,711	169,342
Debt Service - Principal	38,169	38,194	(25)
Debt Service - Interest	4,097	4,062	35
Capital Expenditures	154,075	41,682	112,393
Miscellaneous Governmental	187,566	184,777	2,789
Total Expenditures	<u>6,486,822</u>	<u>6,150,245</u>	<u>336,577</u>
Excess (Deficiency) of Revenues Over Over Expenditures	258,124	375,633	117,509
Other Financing Sources (Uses)			
Operating Transfers In (Out)	<u>66,400</u>	<u>(131,664)</u>	<u>(198,064)</u>
Net Change in Fund Balances	324,524	243,969	(80,555)
Fund Balances			
Beginning of Year	<u>-</u>	<u>2,990,006</u>	<u>2,990,006</u>
End of Year	<u>\$ 324,524</u>	<u>\$ 3,233,975</u>	<u>\$ 2,909,451</u>

See notes to schedules of budget to actual comparisons.



**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Schedules of Budget to Actual Comparisons**  
**December 31, 2020**

**1. BASIS OF PRESENTATION**

The Township has prepared the Schedule of Budget to Actual Comparisons using the same format as the Statement of Revenues, Expenditures, and Changes in Fund Balances.

The Township did not amend its 2020 budget as originally adopted and, therefore, is presenting its original and final budget in one column for each fund presented.

**PLUMSTEAD TOWNSHIP  
BUCKS COUNTY, PA  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020**

	<u>Local Services Tax Fund</u>	<u>Emergency Services Fund</u>	<u>Park and Recreation Fund</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 46,796	\$ 2,274	\$ 149,105
Taxes Receivable	<u>74,000</u>	<u>6,887</u>	<u>-</u>
<b>Total Assets</b>	<u><u>\$ 120,796</u></u>	<u><u>\$ 9,161</u></u>	<u><u>\$ 149,105</u></u>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Accounts Payable and Accrued Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Inflows of Resources			
Deferred Tax Receipts	<u>4,485</u>	<u>5,258</u>	<u>-</u>
Fund Balances			
Restricted	-	3,903	-
Committed	<u>116,311</u>	<u>-</u>	<u>149,105</u>
Total Fund Balances	<u><u>116,311</u></u>	<u><u>3,903</u></u>	<u><u>149,105</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 120,796</u></u>	<u><u>\$ 9,161</u></u>	<u><u>\$ 149,105</u></u>

<u>Open Space Fund</u>	<u>State Highway Aid Fund</u>	<u>Stormwater Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 370,851	\$ 391,822	\$ 127,421	\$ 1,088,269
869	-	-	81,756
<u>\$ 371,720</u>	<u>\$ 391,822</u>	<u>\$ 127,421</u>	<u>\$ 1,170,025</u>
\$ -	\$ 3,560	\$ -	\$ 3,560
665	-	-	10,408
371,055	388,262	-	763,220
-	-	127,421	392,837
<u>371,055</u>	<u>388,262</u>	<u>127,421</u>	<u>1,156,057</u>
<u>\$ 371,720</u>	<u>\$ 391,822</u>	<u>\$ 127,421</u>	<u>\$ 1,170,025</u>

**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2020**

	<u>Local Services Tax Fund</u>	<u>Emergency Services Fund</u>	<u>Park and Recreation Fund</u>
Revenues			
Taxes	\$ 279,126	\$ 323,644	\$ -
Intergovernmental	-	-	-
Interest Income and Rents	346	41	171
Miscellaneous Revenues	-	-	137,107
Total Revenues	<u>279,472</u>	<u>323,685</u>	<u>137,278</u>
Expenditures			
General Government	4,926	-	-
Public Safety	-	335,151	-
Public Works	164,675	-	-
Conservation and Development	-	-	-
Debt Service - Principal	17,414	-	-
Debt Service - Interest	1,772	-	-
Capital Expenditures	153,522	-	-
Total Expenditures	<u>342,309</u>	<u>335,151</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(62,837)	(11,466)	137,278
Other Financing Sources (Uses)			
Operating Transfers In	<u>-</u>	<u>9,000</u>	<u>-</u>
Net Change in Fund Balances	(62,837)	(2,466)	137,278
Fund Balances			
Beginning of Year	<u>179,148</u>	<u>6,369</u>	<u>11,827</u>
End of Year	<u>\$ 116,311</u>	<u>\$ 3,903</u>	<u>\$ 149,105</u>

Open Space Fund	State Highway Aid Fund	Stormwater Fund	Total Nonmajor Governmental Funds
\$ 40,563	\$ -	\$ -	\$ 643,333
-	473,939	-	473,939
1,267	1,113	46	2,984
-	250	4,711	142,068
<u>41,830</u>	<u>475,302</u>	<u>4,757</u>	<u>1,262,324</u>
-	-	-	4,926
-	-	-	335,151
-	312,366	-	477,041
11,088	-	-	11,088
-	51,901	-	69,315
-	7,542	-	9,314
-	-	-	153,522
<u>11,088</u>	<u>371,809</u>	<u>-</u>	<u>1,060,357</u>
30,742	103,493	4,757	201,967
-	-	122,664	131,664
30,742	103,493	127,421	333,631
<u>340,313</u>	<u>284,769</u>	<u>-</u>	<u>822,426</u>
<u>\$ 371,055</u>	<u>\$ 388,262</u>	<u>\$ 127,421</u>	<u>\$ 1,156,057</u>