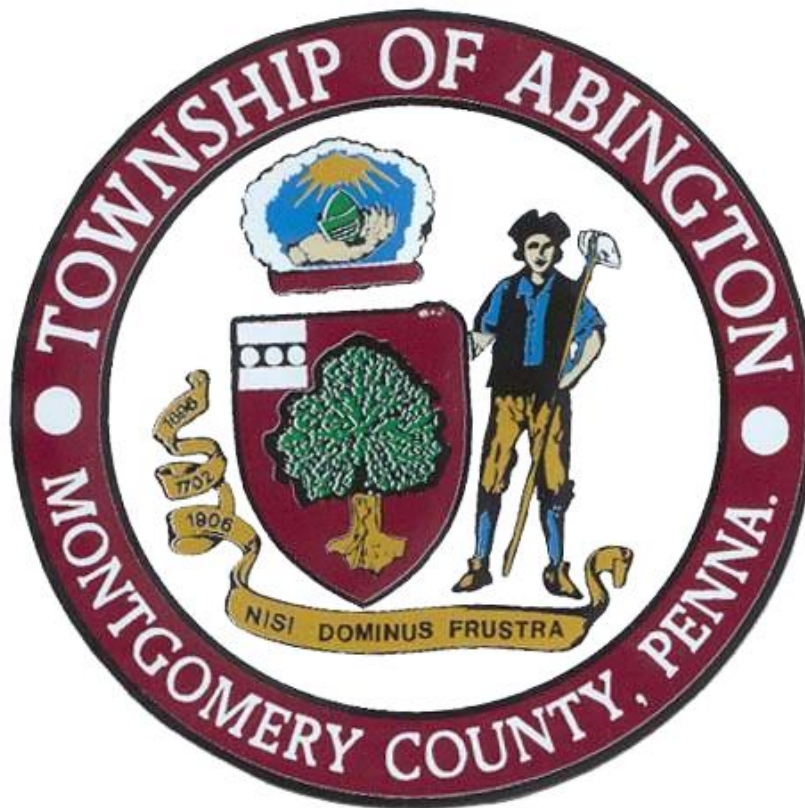


TOWNSHIP OF ABINGTON

Montgomery County, Pennsylvania

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019



1176 Old York Road, Abington, PA 19001

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended December 31, 2019

TOWNSHIP OF ABINGTON, MONTGOMERY COUNTY, PENNSYLVANIA

Prepared by the Abington Township Finance Department
Under the Direction of

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Township Manager

Jeanette Hermann
Finance Director

Township of Abington
 Montgomery County, Pennsylvania
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2019

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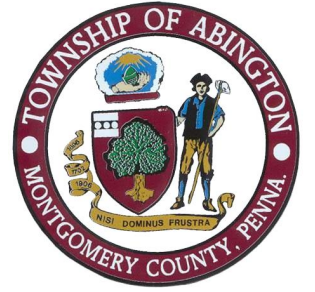
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INTRODUCTORY SECTION



TOWNSHIP OF ABINGTON

John L. Spiegelman, *President*
Thomas Hecker, *Vice President*
Richard J. Manfredi, *Township Manager*
Jay W. Blumenthal, *Treasurer*

To the Honorable Members of the Board of Commissioners, and
Citizens of the Township of Abington, Pennsylvania:

We are pleased to submit this Comprehensive Annual Financial Report of the Township of Abington (“the Township”) for the fiscal year ended December 31, 2019. Responsibility for both the accuracy of the data contained in this report and completeness and fairness of the presentation, including disclosures in the notes to financial statements, rests with the Township’s management. It is important to note that this document could not be completed without the Township’s management and finance teams.

To the best of our knowledge and belief, the enclosed information is presented fairly in all material aspects and is reported in a manner designed to present fairly the financial position of the Township in accordance with generally accepted accounting principles (“GAAP”). All disclosures necessary to enable the reader to gain the maximum understanding of the Township’s financial activities have been included.

Bee Bergvall & Co., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Township’s financial statements for the year ended December 31, 2019. Their report is at the beginning of the Financial Section of this report.

Management’s Discussion and Analysis (“MD&A”) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

As a recipient of federal and state financial assistance, the Township is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is solidly in place and is continuously being monitored and reviewed for best practices and improved where necessary.

As part of the Township’s single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the Township has complied with applicable laws and regulations. Historically, the results of the Township’s single audits have indicated no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

This report also includes all funds of the Township (the reporting entity), including one component unit - the Abington Township Public Library. The Library, which operates within the Commonwealth's Library Code, is also a department of the Township since a portion of assets is owned by the Township and tax millage is assigned.

In accordance with applicable GASB standards, the component unit financial information is combined in a separate column for reporting purposes in the government-wide financial statements.

Profile of Government

The Township of Abington is one of Pennsylvania's most historic communities; it was incorporated in 1784 and granted first-class status in 1906. It is located in the southeastern part of both the Commonwealth of Pennsylvania and Montgomery County. The Township encompasses approximately 15 square miles or 9,520 acres of land. More than 22,000 parcels of land make up the Township.

The U.S. Census Bureau's 2010 Census indicates the Township's population is 55,310. The Township is the second most populated municipality in Montgomery County and comprises nearly seven percent of the County's total 2010 population. The Bureau's American Community Survey, 5-year estimate (2013-2017) shows the Township with mild growth in population to 55,649 though the population is still lower than the 2000 Census of 56,103 persons. The Township's population is indicative of the American Community Survey's estimated vacancy rate of 7.8%. In comparison, Montgomery County is 5.5%, and our neighboring community's vacancy rates range from 4.5% to 7.9%.

The Township is an International City/County Management Association (ICMA) recognized community operating under a Council-Manager form of Government. The Fifteen member elected Governing Body of Commissioners, one from each ward, serve four-year terms with elections occurring in odd-numbered years. District boundaries (ward configurations) are reevaluated following a decennial census.

The Board of Commissioners is the legislative body, that in governing the Township, provides policy direction for all local services, as designated by the Legislature of the Commonwealth of Pennsylvania. The Board of Commissioners annually levies taxes and user fees to support the activities of the various departments including Police, Fire, Code Enforcement, Community Development, Engineering, Library, Public Works, Emergency Management, Parks and Recreation, Wastewater Treatment, Refuse, Finance, Tax, and Administration. It appoints committees from its body of elected Commissioners to review and recommend, to the full Board, public policy in conducting the affairs of the Township through the Office of the Township Manager.

The Township Manager is hired by the Board of Commissioners and is the Chief Executive and Administrative Officer of the Township. The Manager is responsible to the Board of Commissioners for the supervision of all municipal departments and the administration of all municipal affairs placed in his charge; and directs and administers all executive and non-legislative activities of the Township, except as otherwise provided by statute or ordinance.

Local Economy

The 2019 Township business year continued to see a decrease in certain revenues as compared to 2018, including business tax receipts. When reviewing the business and mercantile tax receipts, key indicators point to rental income of commercial space and brick and mortar retail activity continuing to descend.

Enhancing the consumer experience beyond retail as a customer activity at businesses such as the Willow Grove Park Mall, with the addition of a Studio Movie Grille amenity, and the sale of a vibrant shopping center in the Fairway of the Township, are encouraging signs. The Abington Shopping Center, Huntingdon Valley Shopping Center, and Keswick Village continue as key economic centers.

The Abington Shopping Center (ASC) remains one of the most well-located shopping centers in Abington. The ASC has excellent access and visibility from Old York Road and London Road, averaging a daily traffic count of over 30,000. The property contains 75,000 square feet of space and is anchored by a variety of national tenants and sits directly across from a Target Store and a TJ Maxx. A strong housing market helps maintain a population within a 5-mile radius of the property over 320 thousand people with an average household income of \$66,746 per year. Abington Shopping Center stores include First Watch, which opened in 2018, Chipotle, Michaels, Sally Beauty, Rite Aid, Santander Bank, and Quest Diagnostics. The Abington Shopping Center continues to strive to be a focal point as the first main trade area outside of and closest to Philadelphia.

Whole Foods Market remains a strong anchor, and Panera Bread, Snap Pizza, Penn Community Bank, Beneficial Bank, Pet Valu, and Planet Fitness continue to operate at the current Baederwood Shopping Center.

The retail segment of the Township remains strong with more traditional small business entities such as those located in our Keswick Village district, where Main Street stores sales have remained steady. The historic Keswick Theater remains a keystone in the “Village” with all businesses continuing to operate and contribute to the local economy.

The Huntingdon Valley Shopping Center (HVSC) is a grocery-anchored neighborhood shopping center containing approximately 150,000 square feet of gross leasable area. The property is anchored by Giant Supermarket and Rite Aid and also underwent a façade improvement with new stores and restaurants. The Rite Aid building has a drive-thru and is open 24 hours.

Willow Grove Park Mall (WGPM) - PREIT is a premier mall on 84 acres and consists of 130 stores whose presence and tenant mix are critical to the Township economy. The addition of the Yard House, a sports bar chain, and soon to be open Studio Movie Grill, a movie theatre and dining experience, will add vibrancy to a retail market segment working to meet the challenges of a changing consumer reality. All tenants committed to the mall experience, including Apple and the Cheesecake Factory, contribute to a low vacancy rate, with 94% being leased.

The Township continues to focus on zoning and land use policy as a key economic driver. It continues to evolve forward in a changing job market and economy, in considering the creation of an economic development corporation, updating the Township's comprehensive plan, and budgeting for key stormwater water planning and strategic planning initiatives.

The Penn State Abington student housing facility has become an important cog in the Old York Road economic corridor. The forty-acre campus is located several blocks off the central corridor, and the new presence along the highway integrates the campus with the town commercial environment. This campus will provide economic opportunities for those businesses that service the facility and the students and faculty that will utilize local services along the corridor.

The Mediplex business campus on Old York is a key and welcomed addition to the Old York corridor, and will not only enhance the medical business segment with the nearby Abington Memorial Hospital, but also, the soon to be constructed CHOP facility.

The Old York Road and Susquehanna intersection project and redevelopment remains an important focus on improving the safety, traffic, and economic importance of the corridor. It is important to repeat that the Township was awarded three (3) Multimodal Transportation Fund (MTF) Grants to revitalize the corner of Old York Road/Susquehanna Road. Two of those grants have been extended by the Department of Community and Economic Development through June 2021, and the Pennsylvania Department of Transportation grant is expected to be executed in 2020. As we know from previous reports, the northwest corner of the central intersection of our Township is misaligned and creates visibility problems that contribute to the intersection being the worst intersection in terms of accidents and a point from which traffic backups regularly emanate. The MTF grants will support the Township acquiring and demolishing the derelict northwest corner properties; properly align the intersection; create a signaled left turn lane from Susquehanna; and develop properly-sized sidewalks and a safe SEPTA bus stop which will produce a safe, accessible, and attractive hub for pedestrians, bicycle riders, and bus passengers.

The local economy is inextricably connected to fiscal and tax policy, future land-use strategies, and the transportation networks that exist in the Township and southeastern Pennsylvania. The continuing effort to develop sound land use, manage the Township's fiscal affairs while providing critical life services, and adapting to an ever changing economy will be critical to a strong local economy.

The Montgomery County Planning Commission reports the median sale price for a single-family detached dwelling in the Township increased from \$295,000 in 2018 to \$310,000 in 2019, or approximately 5.1%. In 2018, there were 639 units sold, as compared to 596 units for 2019 (single-family detached). The predominant housing type in the Township is single-family detached; in fact, this type constitutes 70 percent of the housing available.

Another important measure of the local economy is reflected in the strength of the Township's bond rating. The Township issued a General Obligation Note in 2017 for \$6.5 million. The issue was for \$3.0 million for various stormwater sewer and drainage-related capital projects, \$1.2 million for Old York/Susquehanna (EDC match), \$.662 Million for Army Corps of Engineers, and \$1.5 million to purchase 7 Refuse Vehicles. Moody's Investors Service has assigned a rating of Aa1 for the 2017 issue and affirmed the same rating for the outstanding debt issues. Moody's cited the Township's strong financial operations, healthy reserve levels and

cash position, moderately sized residential tax base with above average wealth levels, and moderate debt burden as their basis for the rating.

Police Department

The number one priority for Chief Patrick Molloy is the safety and wellbeing of the citizens of Abington Township and those who work and travel throughout the Township. Chief Molloy and the members of the organization are guided by the Department's core values and a long-standing commitment to the philosophy of community-oriented policing. For decades now, the Department has worked in partnership with many community stakeholders to foster healthy relationships based on mutual respect, transparency, and above all, trust.

Chief Molloy has continued the Department's longstanding commitment to community involvement, especially youth mentoring programs. In 2019, the Abington Police Athletic League provided a safe place for kids to have fun and engage in programs designed to foster relationships with adult mentors and good decision-making. PAL is now fortunate to finally have a new long-term home at Salem Baptist Church in Roslyn. In 2019, the DARE Program was taught to over 700 students in all of Abington's public and parochial schools, and for the first time the program included an anti-vaping lesson. The Abington Youth Aid Panel reviewed 69 Juvenile cases with teens, parents, and representatives of the Department, providing an alternative adjudication and successfully diverting them from the formal criminal justice system. Additionally, Officers Ray Townsend and Joe Marrero, were named the new School Resource Officers at the Abington Senior and Junior High Schools. All of these programs represent the Department's commitment to youth and the data affirms that this investment divert at-risk youth from delinquent behaviors. These programs would not be possible without the great partnership between the Police Department and the Abington School District, one that has served as a model for communities throughout the Nation. Because of these programs, Abington Township Police Department was honored twice by the IACP with the prestigious CISCO Systems Community Policing Award, presented to one Department throughout the country for communities serving fifty to one-hundred thousand residents. As a Department, we will continue to invest in and remain committed to our most valuable resource, our youth.

Traffic Safety is another top priority for the Abington Township Police Department. In an effort to meet the traffic safety needs of the Township in 2019, the Department assigned an additional officer to the Traffic Safety Unit, Officer Michael Coughlin. Having all the required certifications related to accident investigations and reconstruction, he is a great addition to the Unit and our veteran officers, Al Freed and Chris Posey. The Board of Commissioners and our residents indicated that Traffic safety is among the highest of priorities, and we will continue to do our best to address traffic calming initiatives. The Department will continue to explore technologies and other tactics to reduce the number accidents and aggressive driving. In 2019, the Department purchased new equipment to help monitor and survey traffic patterns and speed, while also serving as a deterrent by providing advanced warnings to motorist. The Abington Township Traffic Safety Unit will remain committed to the safety of our citizens and the motoring public, using PennDOT regulations to achieve traffic calming throughout our community.

In an effort to improve transparency and accountability, the Abington Township Police Department completed the process of purchasing and equipping all officers with Body-Worn Cameras, an initiative that was embraced by our officers. This technology is remarkable,

providing valuable data to the Administration, the officers, and our community about the nature of the work being done on the street. On numerous occasions, this digital evidence captured extraordinary and courageous actions by our officers. It has also assisted us with identifying problems, improving officer-safety, and resolving complaints made by citizens. Prior to the deployment of BWCs, each member of the Department participated in extensive training, which included issues related to privacy, other rules of criminal procedure, and employee rights.

Knowing the value of technology in crime-fighting, the Abington Police Department initiated a Security Camera Registry Program. The goal of the program is to deter crime and promote public safety through collaboration between the Abington Township Police Department and the community. Registration is simple and only takes a few minutes. Residents are asked to provide basic contact information and the location of their cameras. All information provided is confidential and only used if a crime were to occur in the vicinity. The Abington Township Police Department continues to look for and develop strategies to partner with the community to more efficiently fight crime and address quality of life issues.

The Abington Township Police Department continues to maintain professional accreditation through the Pennsylvania Law Enforcement Accreditation Commission (“PLEAC”) and international accreditation through the Commission on Accreditation for Law Enforcement Agencies (“CALEA”). Recertification is required every three years.

Through the Abington HUB Program, the Department continues to provide services to families in need and has taken an active role in addressing systemic issues such as mental illness, drug addiction, domestic violence, poverty, and at-risk youth. In 2019, the HUB referred over 90 cases. Abington Police Department has also continued its commitment to the battle against the ongoing opioid crisis through partnerships with Abington Jefferson Hospital and the rest of our HUB partners. The Department has had great success with these initiatives knowing that this is more of a health and addiction crisis than it is criminal behavior. When possible, the Special Investigations Unit works diligently to link heroin and fentanyl to drug dealers, and twice over the past several months, has charged these criminals with Drug Delivery Resulting in Death.

Finally, the Volunteers in Policing Program (VIP’s) continued to support and assist the Police Department with traffic control, youth programs, and community events in Abington Township. The organization is made up of community members, whom the Department counts on to provide much-needed auxiliary services. In 2019 VIP members provided 7,715 volunteer hours. As an organization and a community, we know that many of these vital programs would not be possible without the time taken, and generosity of these volunteers and others who support the Department, and for that, we are extremely grateful.

Fire Services

The Township of Abington Fire Services consists of the Fire Marshal, Fire Services Administrator, and five volunteer fire companies (Abington, McKinley, Weldon, Edge Hill, and Roslyn) which make up the Abington Township Fire Department. Township Administration is responsible for the duties and functions of the Fire Marshal and the Fire Services Administrator. The Fire Services Management team works at the direction of the Township Manager. This organizational structure ensures financial internal control while monitoring all complex transactions and funding. The Fire Departments work in concert with one another and report on a quarterly basis to the Fire Board.

In 2019, a Director of Fire and Emergency services position was created and added to the organizational structure to be implemented at a key time in 2019.

The 2019 fiscal plan increases the fire tax by .20 mills to .92 mills. This increase will financially support the fully accredited volunteer Abington Township Fire Department's strategic plan and the five fire companies and their fire fighters who serve the Abington Community, by providing an additional \$661,300 for capital investment in 2019 and beyond.

In this era of shrinking membership in volunteer fire departments, the retention goal is to keep our membership stable, and we have done so. We are proud to maintain an active membership of 220 that allows us to remain a 100% volunteer Fire Department. Despite ever-growing demands on their time, our volunteers logged over 25,200 hours of volunteer community service in 2019 including hours spent in emergency response, training, and community education and fire prevention programs.

The ATFD is guided by its Mission Statement: *The Abington Township Fire Department is a dedicated team of volunteer firefighters comprised of five individual fire companies unified as one department with a mission to provide excellent fire, rescue, fire prevention, and public education services to ensure the health, safety, and welfare of the community.*

In order to become accredited under the Commission on Fire Accreditation International (CFAI), the ATFD met over 300 performance indicators, core competencies, and criteria in areas such as fire suppression, fire training, strategic planning, fire prevention education programs, finances, physical and human resources, and firefighter safety.

As an accredited emergency services provider, the Abington Township Fire Department will be able to improve its services by addressing the recommendations that were identified by a Peer Assessment Team from the Commission on Fire Accreditation International.

Abington is the only volunteer fire department in Pennsylvania to receive this prestigious accreditation. In total, Abington will join a list of over 285 renowned fire departments and emergency service providers.

The CFAI completed a comprehensive review and appraisal of the Abington Township Fire Department based upon the ninth edition of the *Fire & Emergency Service Self-Assessment Manual (FESSAM)*. The Commission's goals are to promote organizational self-improvement and to award accreditation status in recognition of good performance. The peer assessment team's objectives were to validate the department's self-assessment study, identify and make recommendations for improvement, issue a report of findings, and conclude if the department is eligible for an award of accreditation.

The peer assessment team followed CFAI processes and the Abington Township Fire Department demonstrated that its self-study accreditation manual, CRA-SOC, and strategic plan met all core competencies and criteria. The peer assessment team recommended accredited agency status for the Abington Township Fire Department from the Commission on Fire Accreditation International. On March 12, 2019, following a formal hearing, the CFAI granted re-accreditation status for the A.T.F.D.

The agency's success in meeting expectations is strongly tied to integrated processes for its standards of cover, strategic plan, and capital improvement plan. The CRA-SOC processes have evolved, and appropriate adjustments have been made through the implementation of necessary improvements, to match available resources to the fire and non-fire risks and related expectations in the community. The CRA-SOC appropriately identifies that the Township has an urban population density. There are appropriate benchmark goals and actual baseline performance statements in place that identify and measure all components of the total response time continuum.

The peer assessment team identified opportunities for improvement that are captured in the recommendations section and in the observations and performance section of the report. These recommendations flowed from discussions, interviews, and a review of department supplied documentation to support its self-assessment conclusions. The department demonstrated its keen desire to immediately implement plans to address opportunities for improvement. The best example is to provide annual evaluations for all fire chiefs and officers, paid and volunteer.

The peer assessment team met with the President of the Township Board of Commissioners, Township Manager, Fire Marshal, Fire Services Administrator, who is also the accreditation manager, Fire Training Coordinator, and four of the five Fire Chiefs. Individually and collectively, they expressed a strong support for the process, having been engaged and involved from the outset of the process. There is clearly a commitment to continue to follow and support the implementation of identified opportunities for improvement. The fire services administrator currently serves as a peer assessor. The Township Manager has identified someone that could step in and become the next Accreditation Manager if needed, or when the current accreditation manager retires.

Education and outreach have always been the first steps in Abington Township Fire Department's volunteer recruitment efforts. However, in today's world, with so much competing for prospective members' attention, a captivating medium is nearly as important as the message. A.T.F.D. now has an animated short video, "Answering the Call for Abington Township," that beautifully illustrates the five-member fire companies' ongoing need for volunteers and shows viewers how they can help fill that need. The animation begins with a peaceful nighttime scene that is soon disrupted by the spark of a residential fire. Then a neighbor elsewhere in Abington Township hurries awake at the sound of a bedside radio and rushes to help. Richly animated versions of familiar sights come to life as the Abington, McKinley, Weldon, Edge Hill, and Roslyn firehouses come to life and their volunteers rush to the scene. A major initiative planned for 2020 is a *Firefighter Experience* Recruitment Camp. The program will offer prospective members unique and hands-on experiences designed to show them what it's like to be a volunteer firefighter in the A.T.F.D. Current members will demonstrate each skill set, and be with those trying them out for the first time.

Wastewater Department

The Wastewater Utilities Department's mission is to protect the public health and the environment by providing uninterrupted conveyance and proper treatment of sanitary wastewater at a reasonable and equitable cost to the residents and commercial businesses of Abington Township. Wastewater generated in Abington is treated by the Abington Wastewater Treatment Facility (58% of Abington properties & annual flow of 3.76 million gallons per day [MGD]) and the Philadelphia Water Department's Northeast Wastewater Treatment Facility (42% of Abington properties & annual flow of 1.60 MGD). Abington also conveys wastewater from Rockledge Borough and Lower Moreland Township for treatment at the Philadelphia Water Department's Northeast Treatment Facility. Sanitary (domestic only) wastewater is received for treatment at Abington's Wastewater Treatment Facility from Upper Dublin Township, 9.31% (owned and operated by Bucks County Water and

Sewer Authority); Upper Moreland Township, 3.00%; Springfield Township, 0.23%; Cheltenham Township, 1.19% and a small portion of Jenkintown Borough.

The Wastewater Treatment Plant was in compliance with all PaDEP effluent limitations during 2019. The operation staff are required and actively pursue Continuing Education courses as a requirement to renew their licenses, as well as improving and expanding their vocational knowledge. The installation of an emergency backup generator for the influent pumping station was completed in December 2019. Also, the Department's collection system staff will be conducting visual inspections of sewer manholes located in wooded, off road areas during 2020 along with utilizing GIS software.

A collection system pipe investigation and repair contract is anticipated to be bid during 2020, that will primarily seal previously cleaned laterals and leaking sewer main joints and continue the investigations and repairs in the Keswick and Stewart Avenue drainage basins.

Sanitary flows from the Tookany Basin Drainage Area, along the southern boundary of Abington Township and Cheltenham Township, are conveyed by Cheltenham Township's Interceptor A to the Philadelphia Water Department's Northeast Treatment Facility. Cheltenham Township completed the preparation of an I&I Reduction Plan with PaDEP and the Philadelphia Water Department (PWD) in January 2017. Although the plan is an agreement between Cheltenham Township and PaDEP, Abington Township and Jenkintown Borough are also indirectly required not to exceed their respective meter site's permitted 30-minute peak flow rates. During 2019 peak flow rates were not exceeded at any of Abington's seven meter sites. Cheltenham Township completed construction of a replacement Interceptor A in March 2019. The new pipe has been upgraded in size to carry the ultimate planned flows from Cheltenham, Abington and the Borough of Jenkintown. Abington's share of the new interceptor's capacity and subsequent costs are 36.2%.

Abington Township Public Libraries (Abington Free Library and Roslyn Branch Library)

In 2019, there were a total of 25,342 patrons registered to use the Library. This represents 46% of Abington Township's population of 55,310 (2010 census). The physical collection totals were 143,326 items. The Library offered 663 children's programs in 2019, which were attended by 19,945 people. Attendance at adult programs was 10,365 people. The Library continues to see heavy foot traffic, as evidenced by the 244,420 patrons who entered the buildings in 2019. The Library was open to the public for 339 days in 2019. Included in the Library's circulation statistics are eResources (eBooks, eAudio, streaming video via Hoopla and Kanopy, and RB Digital magazines); eResource circulation increased by 42% in 2019, totaling 52,772 items. Total items circulated, in analog and digital format, saw a 3% increase in circulation. Finally, our Adult Literacy program logged 1,341 of one-on-one tutoring sessions. These remarkable numbers are evidence the Library continues to be a vital and evolving asset to the community.

Parks and Recreation

The Department of Parks and Recreation, established in the early 1960s, originally consisting of a total of 186.968 acres of parks and playgrounds, has grown to include 27 parks, two pool facilities, three community centers, and various open spaces making up over 375 acres. The three major components of the Parks and Recreation Department are physical properties, recreational programming, and nature education. The Department has a dedicated Maintenance Division which maintains all of the Township's playgrounds, parks, and facilities, including the resident only Alverthorpe Park which boasts a par-3 golf course, two playgrounds, a seasonally operated mini-golf course, a wading pool, a 1.7 mile paved trail, and a lake. The Recreation Division develops and schedules year round activity programming for residents of all ages in the

Township, and the Briar Bush Nature Center provides nature and environmental education programming. The Parks Department supports many athletic organizations within the Township and works with the Shade Tree Commission (STC) and the Environmental Advisory Council (EAC) on improvement projects throughout the Township. In total, Parks and Recreation has a total of 20 full-time staff and approximately 150 part-time and seasonal employees all striving “To provide essential park and recreational facilities and organized programs to enhance the quality of life for the residents of Abington Township.”

In 2019, the Department of Parks and Recreation added the Crestmont Clubhouse to its list of facilities. Located in Crestmont Park, this new venue provides additional space for youth and adult programming, Township training and meetings, community based meetings, and a source of revenue as a rental.

Engineering Department

Public Works and Code Divisions

In 2018, the Engineering and Code Enforcement Departments were consolidated to more efficiently serve the residents and property owners of the Township. In 2019, The Public Works Department was also consolidated and added as the Public Works Division with the Engineering Department. Code Enforcement Division of the Department administers the building, plumbing, electrical, mechanical, accessibility, energy, property maintenance, zoning, and subdivision and land development ordinances of the Township. Engineering provides general engineering services and oversight for capital and non-capital projects and Township infrastructure, review and oversight of subdivisions and land developments, and direction and control of engineering, public works and code enforcement matters throughout the Township. Additionally, under the supervision of the Construction Services Manager and in conjunction with oversight from the Township Engineer, the construction services unit was created for construction of various Township infrastructure-type projects at a much lower cost than had traditionally been done by outside contractors.

In 2019, the Department constructed five (5) capital storm sewer projects: 1400 Block Wheatsheaf, Rosemont Lane, Briarwood/Harvey, Crescent, Cardinal/Sparrow by means of the construction services unit. That unit also constructed, among other things, two (2) streambank stabilization projects, additional inlet installations at Coates/Mill and Chester/Elkins, and handicap ramps at Highland/Adams and Highland/Woodland. It completed the design of Growing Greener grant plans for Roychester and Evergreen Parks and constructed the Roychester Park portion of the project. The design of improvements to the drainage system in Ardsley between Monroe and Hamel Avenues, as well as the design of the Ardsley Wildlife Streambank Restoration project were also completed.

The Public Works Division has a unique partnership with both AQUA and PECO, as they replace our aging water mains and gas mains to improve our infrastructure. The Division mills and paves the entire road at little cost to the taxpayers. In 2019, Public Works milled over 248,000 square yards of roadway at a cost of \$419,500 paid for by the utility companies. It also paved many roads, applying over 22,000 tons of asphalt costing \$1,142,000 also paid for by the utility companies.

The Division’s Leaf Collection Program brought in 36,000 cubic yards of leaves to be processed throughout the year. This program saved 12,000 tons of leaves from going to the landfill saving the Township \$1,007,280 in dumping fees.

The Refuse function within Public Works has been continuing to focus on refining the PAYT Hybrid Trash Collection which provides stable revenue to cover the cost of trash and recycling service in the Township while at the same time providing environmental sustainability by effectively promoting waste reduction, continuing increase in waste reduction diversion rate and increase in diversion rate through recycling.

As a long-standing member of the Montgomery County Consortium of Communities, the Township is part of an alliance with 46 municipalities allowing for sharing of information, training, and partnering in joint ventures. The bidding process for common items such as gasoline, oil, and public work materials is more cost effective for the member communities.

Community Development Department

Since 1976, the Township has been a direct federal entitlement, receiving funds from the United States Department of Housing and Urban Development (“HUD”), using the exception criteria. For FY 2019, the Township’s allocation from HUD was decreased to \$781,234. For FY 2018, the Township’s allocation from HUD was increased to \$784,501 from the FY 2017 allocation of \$712,227. For FY 2016, the Township’s allocation from HUD was slightly decreased to \$706,179 from the FY 2015 allocation of \$706,700. These funds have been utilized in a variety of approved projects, such as affordable housing projects (owner occupied and rental housing rehabilitation), street and storm work, planning, Fair Housing publications, and ADA accessibility modifications at the Ardsley Community Center. FY 2017 funds were used for the Owner Occupied Rehabilitation Program, Rental Rehabilitation Program, Fair Housing publications, and the construction of a new curbing at the 2200 block of Parkview Avenue.

Financial Operations

Accounting Systems and Controls

The Township’s Finance Department is responsible for establishing and maintaining an internal control system. Internal controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

The Finance Department reviews and updates established procedures on a regular basis to monitor the effectiveness of controls and resolve any potential problems identified.

All internal control evaluations occur within the above framework. We believe that the Township’s internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budget

The budget process is cyclical and active throughout an entire fiscal year. The new fiscal year budget development process begins in May with the Board of Commissioners establishing goals. In July, each department prepares preliminary budget requests, and justifications for those requests for the forthcoming year and submits them to the Township Finance Director and Township Manager. No later than early November, the Township Manager presents to the Board a proposed operating and capital budget comprising revenues and expenditures in all funds subject to annual appropriations and a five-year looking forward revenue and expense projection, along with a budget message spelling out priorities and related information.

Under the First Class Township Code, the Board must adopt a proposed budget at least 30 days before final adoption. Once accepted, the proposed budget document is advertised and available for inspection by the public. The final operating budget must be adopted by the Board of Commissioners by the end of the current fiscal year (December 31). The Township Commissioners may, at any time, make supplemental appropriations by resolution.

Budgetary control is maintained at the fund level, with operating departments charged with the maintenance of budgeted expenditures as a whole. Detailed budget reports are distributed to each department monthly. The Finance Committee reviews the budget Comprehensive Annual Financial Report status quarterly along with the Board of Commissioners. Budgetary transfers may be made during the last nine months of the fiscal year. Department heads may request a transfer of funds within their department from one line item to another. Requests are put in writing to the Finance Department and approved by the Board.

A more detailed explanation and description of Township operations can be found in the Management Discussion and Analysis section immediately following the report of the independent auditors.

Relevant Financial Policies

The Township's management has instituted a number of financial policies in order to provide consistency in operations and to enhance safeguards for internal control and budgetary compliance. Some of the more significant policies pertain to the purchasing system including standards for procurement of professional services, procedures for expenditures in excess of original contract amounts (change orders), purchasing procedures, related-party transactions, and fraud reporting – subscribing to a third-party service allowing employees to report suspected fraud anonymously. Annually, the Township adopts an investment policy establishing authority and proper investment instruments for the investment of idle funds.

In 1992, the Board established a minimum fund balance policy to establish a sound fiscal position and provide a fiscal safety net for Township operations. The policy authorizes the retention of a minimum fund balance of 7.5 percent of projected annual revenues.

In 2014, the Board approved a new fund balance policy to set a minimum of one month operating expense and a maximum of three months operating expenses. Per the policy, the excess over the three months operating expense will be distributed to the following: OPEB Liability, 35 - 40 percent of excess; Capital Fund, 55 - 60 percent of the excess; and 0 - 10 percent could be used for the next year's budget gap.

Fund balance has provided the Township with a significant source of revenues each year. In the past, the Board has drawn upon this balance for capital projects, used it in case of an emergency or an unforeseen event to balance its budget as required by law, and has avoided borrowing a Tax Anticipation Note (“TAN”) for operations. In using the GFOA Best Practice for Fund Balance Policy as begun in 2014, the goal is to maintain fiscal responsibility as it relates to capital planning and future funding obligations.

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Township of Abington for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the 16th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not be possible without the contributions and dedication of the Finance and Administration offices along with the support of all other municipal departments.

Appreciation is also extended to the elected officials of the Township of Abington for their cooperation and interest in the financial operations of the Township. With continued support of the Board of Commissioners, we will be able to continue the highest standards of professionalism in the management of the Township of Abington's finances.

Respectfully submitted,



Richard J. Manfredi
Township Manager



Jeannette M. Hermann
Finance Director

Township of Abington, Pennsylvania
June 30, 2020



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

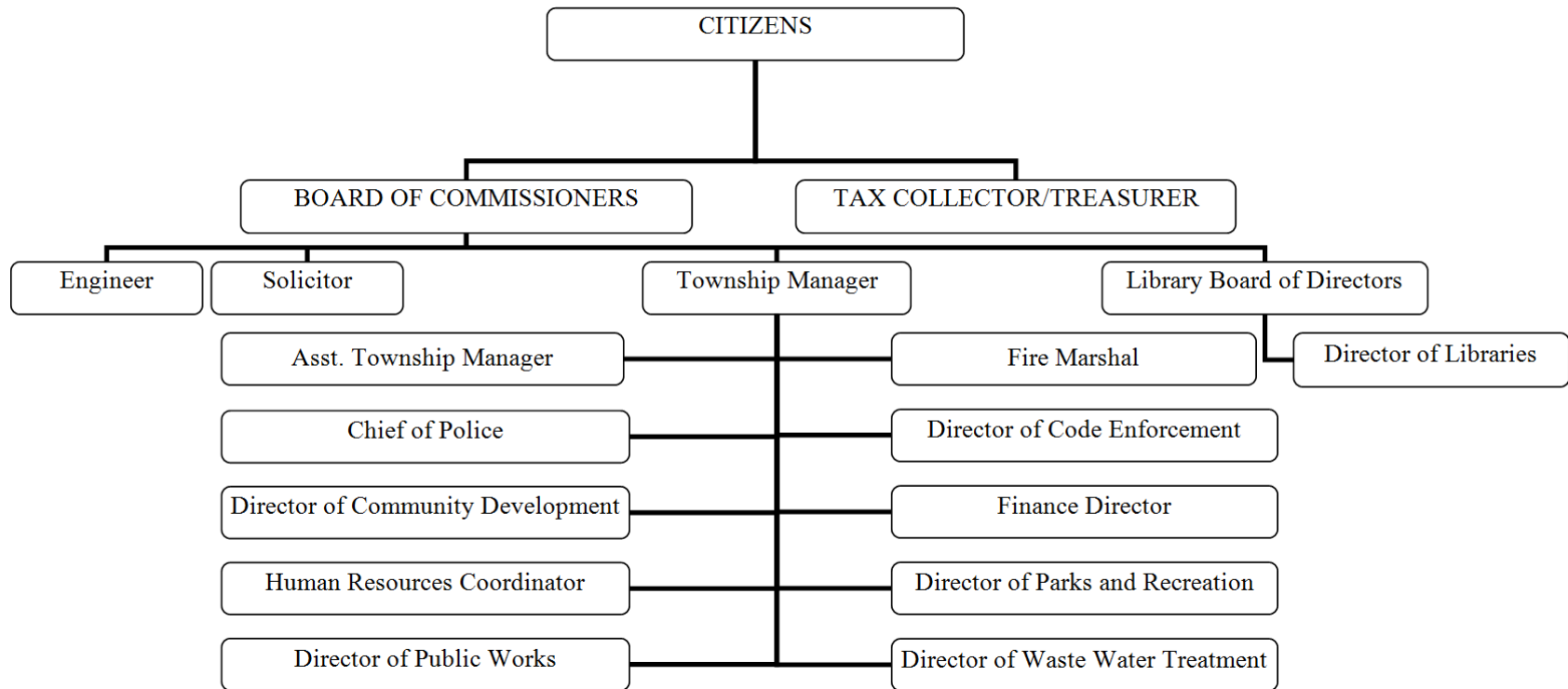
**Township of Abington
Pennsylvania**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO



Township of Abington
Montgomery County, Pennsylvania
List of Elected and Appointed Officials
December 31, 2019

Elected Officials

Commissioner – Ward 1	Steven N. Kline
Commissioner – Ward 2	Kenneth Brodsky
Commissioner – Ward 3	Drew Rothman
Commissioner – Ward 4	Jimmy DiPlacido
Commissioner – Ward 5	Wayne C. Luker
Commissioner – Ward 6	Michael Thompson
Commissioner – Ward 7	Stuart Winegrad
Commissioner – Ward 8	Peggy Myers
Commissioner – Ward 9	Dennis C. Zappone
Commissioner – Ward 10	Jessica Carswell
Commissioner – Ward 11	John L. Spiegelman
Commissioner – Ward 12	Matthew Vahey
Commissioner – Ward 13	Carol E. Gillespie
Commissioner – Ward 14	Lori A. Schreiber
Commissioner – Ward 15	Thomas Bowman
Treasurer	Jay W. Blumenthal

Appointed Officials

Township Manager	Richard J Manfredi
Township Engineer	Amy Montgomery
Chief of Police	Patrick Molloy
Solicitor	Michael Clarke, Esq.

Volunteer Boards

Planning Commission
Zoning Hearing Board
Economic Development Committee
Civil Service Commission
Environmental Advisory Council
Industrial Development Authority
Shade Tree Commission
Library Board of Trustees
Human Relations Commission



FINANCIAL SECTION



936 Easton Rd., PO Box 754, Warrington, PA 18976 | 70 W. Oakland Ave., Ste. 106, Doylestown, PA 18901
130 Almshouse Rd. Suite 201A, Richboro, PA 18954 | 24 Arnett Ave. Suite 111, Lambertville, NJ 08530
215-343-2727 | www.bbco-cpa.com

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Township of Abington
Abington, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township of Abington, Pennsylvania, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Abington Township Public Library, which is discretely presented. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for the Abington Township Public Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Abington Township, Pennsylvania, as of December 31, 2019 and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 14 of the financial statements, subsequent to year end, a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. The pandemic has led to widespread voluntary and government-mandated closings of local stores and businesses, which has resulted in significant job losses. These job losses have the potential to have a significant impact on Abington Township as tax collection may decrease along with potential job losses of Abington Township's own employees. Also, there is the risk of declines in market values of investments. Our opinion is not modified with respect to this matter.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 23, and the historical trend information on pages 83 through 88 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 information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

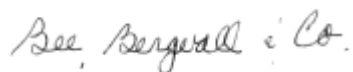
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Abington's, Montgomery County, Pennsylvania, basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual non-major fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2020, on our consideration of the Township of Abington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Abington's internal control over financial reporting and compliance.



Bee, Bergvall and Company, P.C.
Certified Public Accountants

Warrington, PA
June 30, 2020

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Our discussion and analysis of the Township of Abington's financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2019. Please read this Management's Discussion and Analysis in conjunction with the accompanying financial statements, which begin on page 24, and notes which follow in order to obtain a thorough understanding of the Township's financial condition at December 31, 2019.

FINANCIAL HIGHLIGHTS

Government-wide Financial Statements (Full Accrual)

The government-wide financial statements report information about the Township as a whole using the economic resources measurement focus and accrual basis of accounting.

Total assets and deferred outflows of the Township exceeded its liabilities and deferred inflows on a government-wide basis by \$155,659,741 (net position) at December 31, 2019.

The Township's total net position increased from 2018 by \$10,983,529, or 7.6 percent mainly due to pension and OPEB.

Unrestricted net position decreased by \$10.5 million to \$32.6 million, as compared to the prior year.

Net investment in capital assets was \$177,240,241 at year end, a decrease of \$.100 million.

Taxes and other revenues of the Township's governmental activities amounted to \$45.8 million, and expenses equaled \$34.7 million for 2019. This compares to 2018 activity of \$45.2 million in revenues and expenses of \$51.7 million.

Business-type activities for 2019 ended the year with revenues of \$16.3 million and expenses of \$16.4 million. This compares to 2018 revenues of \$15.2 million and expenses of \$16.7 million.

Fund Financial Statements (Modified Accrual)

The fund financial statements provide more detailed information about the Township's most significant funds using the current financial resources measurement focus and modified accrual basis of accounting.

At year end, the Township's total governmental funds reported fund balances of \$25,118,208, an increase of \$.085 million in comparison with the prior year.

The total fund balance of the General Fund at December 31, 2019 was \$15,003,938. The unassigned portion of the fund balance was \$13,686,973, which is approximately 33 percent of General Fund revenues for 2019. The unassigned General Fund balance increased by \$.788 million from 2018 to 2019.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

General Financial Highlights

The Township's total tax levy of 4.443 mills reflects an increase from 2018 of .20 mills for fire purposes and .04 mills for ambulance purposes.

The Board of Commissioners set the residential refuse fee for 2019 at \$275 for 95 gallon trash containers; \$248 for 65 gallon trash containers; and \$220 for 35 gallon trash containers annually per dwelling unit. These fees are the same as 2018 rates.

Sewer rental rates for 2019 remained the same as 2018 at an average of \$4.01/1,000 gallons.

The Board authorized the use of \$151,000 in fund balance for the Maple Avenue Detention Basin Project.

Taxable assessment valuation decreased from 2018 levels by \$14,553,645 or .4 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of three parts: Management's Discussion and Analysis, the basic financial statements (including notes to the financial statements), and combining and individual fund statements and budgetary schedules.

The basic financial statements present two different views of the Township through the use of government-wide statements and fund financial statements:

- The first two statements, the statement of net position and the statement of activities (on pages 24 and 25), are government-wide financial statements that provide information about the activities of the Township as a whole and present a longer-term view and short-term information of the Township's overall financial status, as well as the financial status of its component unit.
- Fund financial statements start on page 27 and report on the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant funds.
- The governmental funds statements describe how general government services such as public safety and culture and recreation were financed.
- Fiduciary fund statements provide information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government such as retirement plans. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support municipal activities.

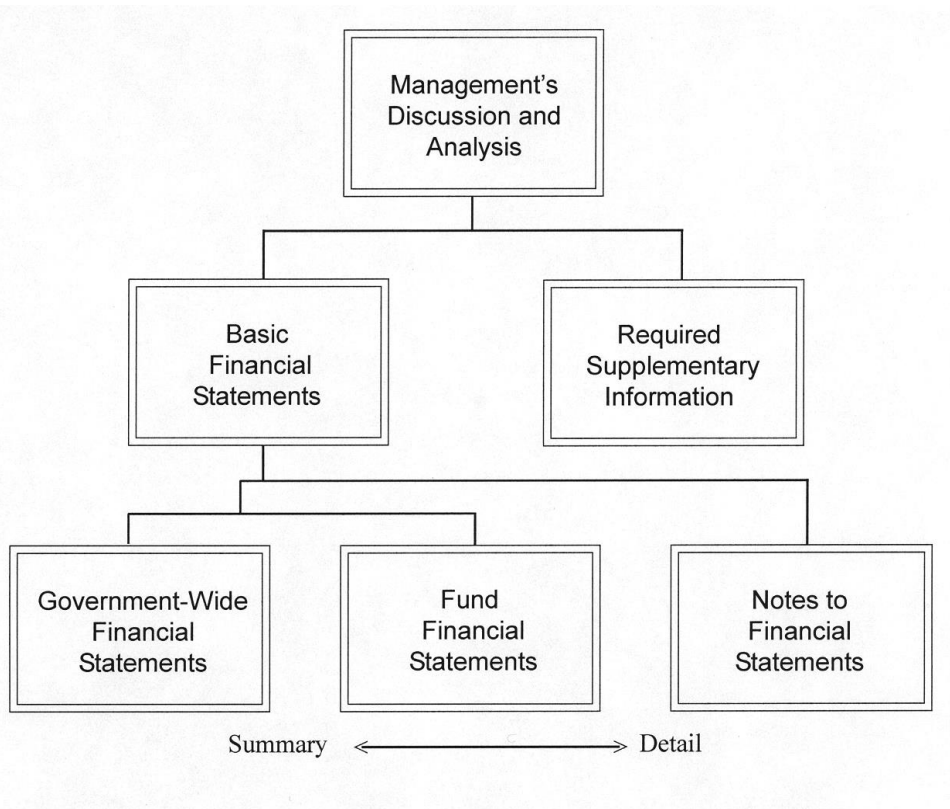
TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

The financial statements include notes that provide an explanation for certain information in the financial statements and also provide more details for this information. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, a section with combining statements provides details about the other governmental funds that are presented in single columns in the basic financial statements and certain budgetary statements for individual funds.

Figure A-1



TOWNSHIP OF ABINGTON

MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Figure A-2 summarizes the major features of the Township’s financial statements. The remainder of this overview section of the Management’s Discussion and Analysis explains the structure and contents of each of the statements.

Figure A-2

Major Features of the Municipality’s Government-wide and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire municipal government (except fiduciary funds) and the Municipality’s component unit	The activities of the Municipality that are not proprietary or fiduciary, such as police, fire, and recreation	Instances in which the Municipality is the trustee or agent of someone else’s resources, such as the retirement plan for municipal employees
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balance • Budget to actual 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and deferrals, and liabilities and deferrals, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the Municipality’s funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

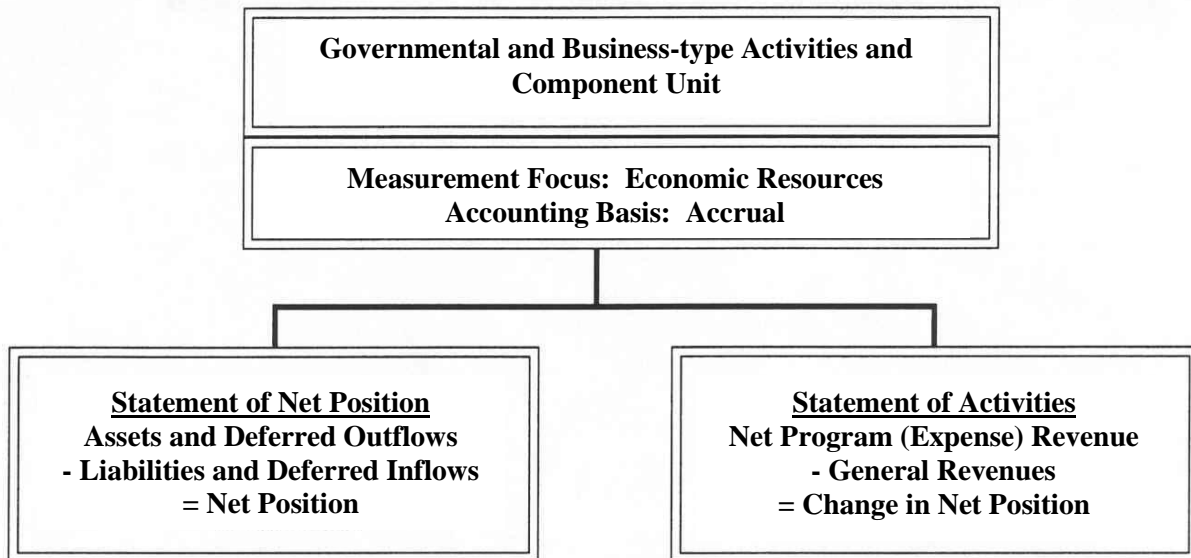
DECEMBER 31, 2019

Government-wide Statements

The government-wide statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Township's assets, deferred outflows, liabilities, and deferred inflows. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The two government-wide statements report the Township's net position and how it has changed. The statement of net position includes all of the Township's assets, deferred outflows, liabilities, and deferred inflows, except fiduciary funds. Net position is one way to measure the Township's financial health or position. Over time, increases or decreases in the Township's net position are one indicator of whether its financial health is improving or deteriorating. The statement of activities focuses on how the Township's net position changed during the year. You will need to consider other non-financial factors, however, such as the changes in the Township's property tax base and the condition of the roads, to assess the overall health of the Township. The primary features of government-wide financial statements are reflected in Figure A-3.

Figure A-3



The Township's government-wide financial statements are divided into three categories:

Governmental Activities – Most of the Township's basic services are reported here including administrative, codes and engineering, police and emergency services, public works, library, parks, and community development. Property, business and earned income taxes, user and franchise fees, and state and federal grants finance most of these activities.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Business-type Activities – The Township charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Township's wastewater and refuse collection and disposal services are reported here.

Component Unit – The Township includes one separate legal entity in its report – the Abington Township Public Library. Although legally separate, this component unit is important because the Township is financially accountable for it. The Library has submitted their audit as required.

Fund Financial Statements

The fund financial statements provide more detailed information about the Township's most significant funds, not the Township as a whole. The fund financial statements begin on page 27. Funds are accounting groups that the Township uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required to be established by state law. However, the Township Board of Commissioners may establish other funds to help control and manage money for particular purposes (such as the irrevocable health care trust fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Housing and Urban Development).

Governmental Funds – Most of the Township's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. As a result, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements on pages 28 and 30.

Proprietary funds – When the Township charges customers for the services it provides, whether to outside customers or the other units of the Township, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and statement of activities. In fact, the Township's three enterprise funds, the Sewer Fund, the Sewer Capital Fund, and Refuse Fund (components of proprietary funds), are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for sewer and refuse operations. Internal service funds (the other component of proprietary funds) report activities that provide supplies and services for the Township's other programs and activities, such as the Workers' Compensation Fund.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Fiduciary funds – The Township is the trustee, or fiduciary, for its employees' pension plans and other post-employment benefits ("OPEB"), including health care. These plans cover essentially all full-time employees. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Township's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position on pages 36 and 37. These activities are excluded from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

The Township's net position at December 31, 2019 and 2018 are presented below:

Table 1
Statement of Net Position
(in thousands)

	Governmental		Business-type		Total	Restated
	Activities	Restated	Activities	Restated		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and Other Assets	\$ 31,010	\$ 29,789	\$ 15,033	\$ 16,105	\$ 46,043	\$ 45,894
Capital Assets	<u>135,471</u>	<u>136,024</u>	<u>48,666</u>	<u>53,694</u>	<u>184,137</u>	<u>189,718</u>
Total Assets	<u>166,481</u>	<u>165,813</u>	<u>63,699</u>	<u>69,799</u>	<u>230,180</u>	<u>235,612</u>
Deferred Outflows	3,531	5,481	1	639	3,532	6,120
Current and Other Liabilities	7,418	6,287	3,410	3,478	10,828	9,765
Long-Term Liabilities	<u>32,956</u>	<u>51,456</u>	<u>4,378</u>	<u>11,724</u>	<u>37,334</u>	<u>63,180</u>
Total Liabilities	<u>40,374</u>	<u>57,743</u>	<u>7,788</u>	<u>15,202</u>	<u>48,162</u>	<u>72,945</u>
Deferred Inflows	26,154	21,156	3,735	1,457	29,889	22,613
Net Position						
Net Investment in Capital Assets	132,148	131,444	45,093	45,014	177,241	176,458
Restricted	4,580	4,665	6,461	8,124	11,041	12,789
Unrestricted	<u>(33,244)</u>	<u>(43,714)</u>	<u>622</u>	<u>640</u>	<u>(32,622)</u>	<u>(43,074)</u>
Total Net Position	<u>\$ 103,484</u>	<u>\$ 92,395</u>	<u>\$ 52,176</u>	<u>\$ 53,778</u>	<u>\$ 155,660</u>	<u>\$ 146,173</u>

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Net Position:

As previously mentioned, net position may serve over time as a useful indicator of a government's financial position. Please note that 2018 Business-type Activities and net position were restated to reflect the reclassification of construction in progress expenses for a sewer asset not owned by the Township.

Net position of governmental and business-type activities increased from the previous year by \$10.9 million (7.6 percent) to \$155.7 million.

Governmental Activities – Of the \$103.4 million in total net position, \$132.1 million represents the investment in capital assets; \$4.6 million represents restricted net position. The unrestricted net position of -\$33.2 million identifies funds available to maintain operations or to provide for the payments of long-term debt at the government-wide level.

Business-type Activities – Of the \$52.1 million in total net position, \$45.1 million represents the net investment in capital assets. Restricted net position of \$6.5 million is primarily comprised of undetermined sewer capital. Unrestricted net position of \$.622 million are split between sewer fund (\$1.8 million) and refuse operations (-\$1.2 million).

Capital Assets:

The largest portion of the governmental activities' net position is reflected in the investment of capital assets (such as infrastructure, buildings, construction-in-progress, vehicles, and equipment), less any related outstanding debt payments to acquire these assets. The Township maintains and uses these capital assets to meet the service demands of its residents and, therefore, these assets are not available for future spending. The investment in capital assets is reported net of related debt, and resources necessary to repay this debt will be required to be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. Please see Note 6 – Capital Assets for a more detailed schedule of capital assets.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Change in Net Position:

In order to more fully understand the composition of the changes in net position for the current year, the following chart presents additional details regarding the results of all activities for the fiscal years ended December 31, 2019 and 2018:

Table 2
Changes in Net Position
(in thousands)

	Governmental		Business-type		Total	Restated
	Activities		Activities	Restated		
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 4,071	\$ 3,702	\$ 14,277	\$ 14,218	\$ 18,348	\$ 17,920
Operating grants and contributions	3,869	3,772	1,223	386	5,092	4,158
Capital grants and contributions	226	1,145	-	-	226	1,145
General revenues:						
Property taxes	15,221	14,552	-	-	15,221	14,552
Other taxes	17,762	17,756	-	-	17,762	17,756
Investment income and rent	724	455	466	191	1,190	646
Other	3,917	3,802	302	426	4,219	4,228
Total Revenues	<u>45,790</u>	<u>45,184</u>	<u>16,268</u>	<u>15,221</u>	<u>62,058</u>	<u>60,405</u>
Expenses:						
Administrative	306	1,047	-	-	306	1,047
Police and emergency services	18,108	32,296	-	-	18,108	32,296
Codes and engineering	880	925	-	-	880	925
Public works	7,621	9,919	-	-	7,621	9,919
Refuse	-	-	6,256	6,187	6,256	6,187
Sewer	-	-	10,118	10,530	10,118	10,530
Library	2,818	2,761	-	-	2,818	2,761
Parks	4,469	3,742	-	-	4,469	3,742
Community development	386	919	-	-	386	919
Interest expense	113	106	-	-	113	106
Total Expenses	<u>34,701</u>	<u>51,715</u>	<u>16,374</u>	<u>16,717</u>	<u>51,075</u>	<u>68,432</u>
Change in Net Position	11,089	(6,531)	(106)	(1,496)	10,983	(8,027)
Net Position - Beginning of Year	<u>92,395</u>	<u>98,926</u>	<u>52,282</u>	<u>53,778</u>	<u>144,677</u>	<u>152,704</u>
Net Position - End of Year	<u>\$ 103,484</u>	<u>\$ 92,395</u>	<u>\$ 52,176</u>	<u>\$ 52,282</u>	<u>\$ 155,660</u>	<u>\$ 144,677</u>

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

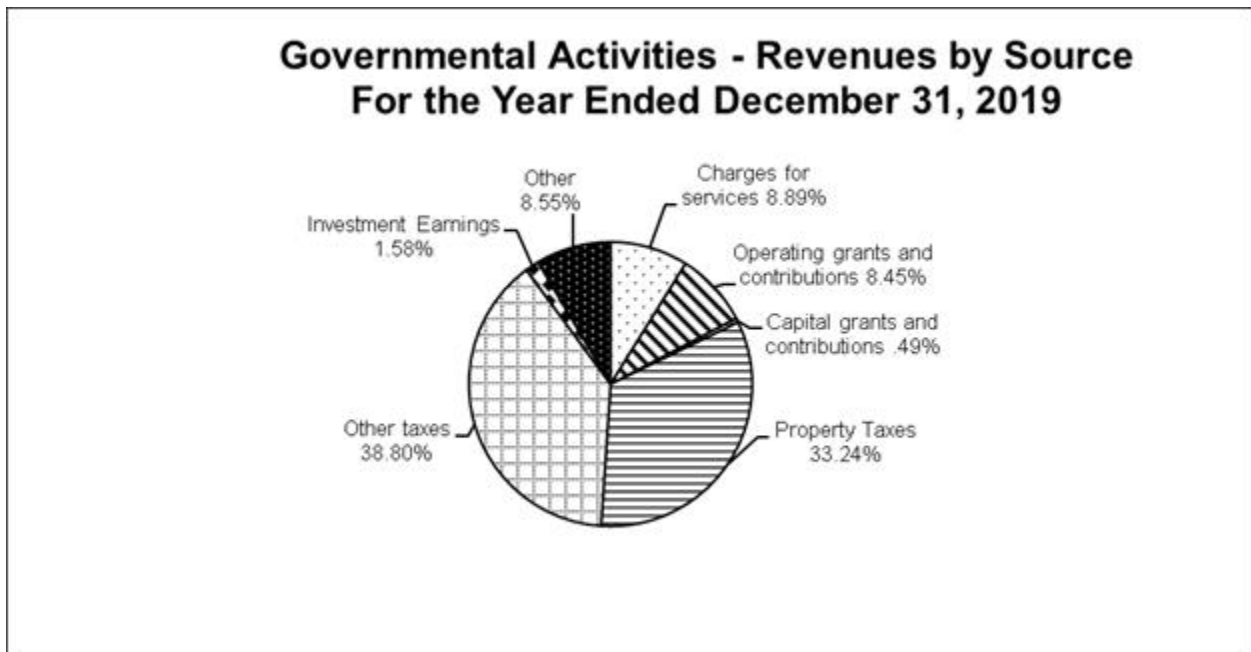
Total government-wide ending net position of \$155.7 million represents an increase of approximately \$11 million from the previous year. Total government-wide revenues of \$62.1 million were \$1.7 million more than the prior year. Total expenses in 2019 were \$51.1 million, which is \$17.4 million less than the previous year.

Governmental Activities:

Revenue Sources

Total governmental activities revenues of \$45.8 million were primarily derived from earned income, transfer, and business taxes (39 percent) and property taxes (33 percent). Total revenues were higher than the previous year by \$.6 million primarily due to property tax, earned income tax and investment earnings for 2019.

The following chart graphically depicts the government-wide sources of revenues for governmental activities for the fiscal year ended December 31, 2019:



TOWNSHIP OF ABINGTON

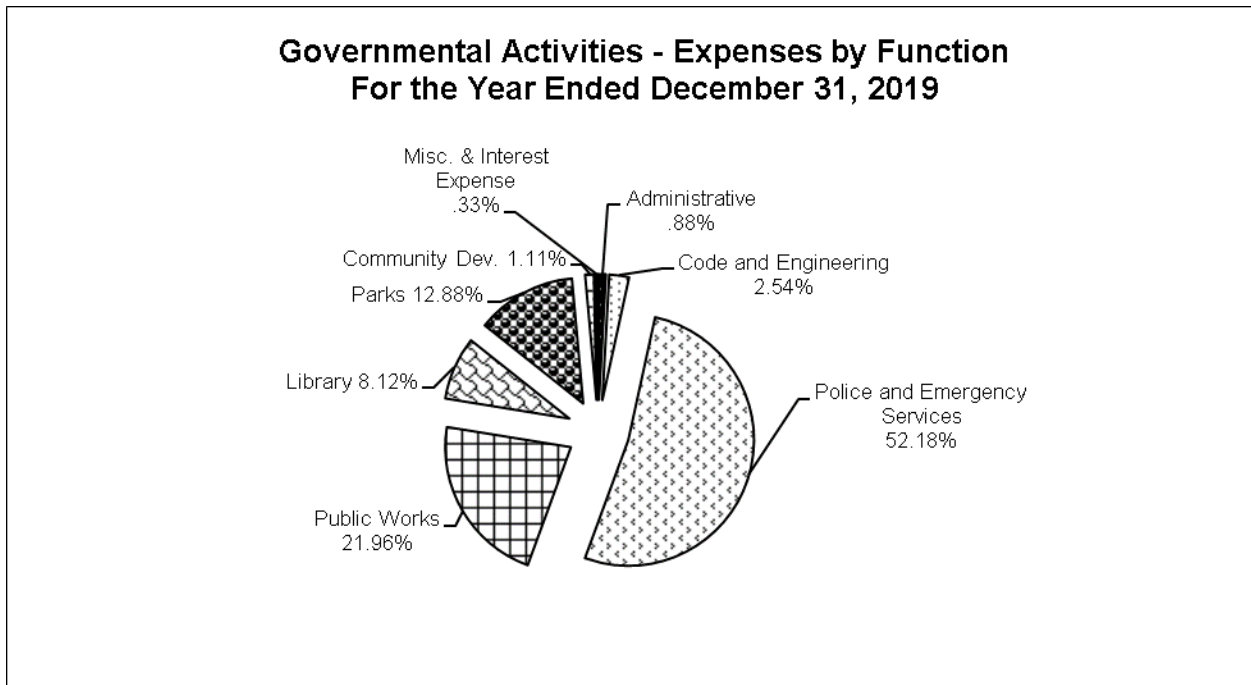
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Program Expenses:

The cost of all governmental activities for 2019 is \$34.7 million, a decrease of \$17.4 million from the prior year. As the chart below indicates, police and emergency service is the largest program (52 percent), totaling \$18.1 million. The second largest program expense is public works (22 percent), totaling \$7.6 million. The third largest program area was parks at \$4.5 million (13 percent).

The following chart graphically depicts the government-wide program expenses for governmental activities for the fiscal year ended December 31, 2019:



TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Business-type Activities:

Revenue Sources

Total business-type activities revenues of \$16.3 million were largely derived from charges for service for sewer rents and refuse collection. These charges account for 88 percent of total revenues and were higher than the prior year by \$1.1 million.

Program Expenses:

The total business-type activities expenses of \$16.4 million were \$.3 million more than the 2018 fiscal period. The variance between the current and prior year is mainly due to an increase in disposal and collections, and also payments for joint sewer agreements.

The following schedule presents the cost of each functional category as well as each program's net cost (total cost less fees generated by the activities and program specific intergovernmental aid):

Table 3
Governmental Activities/Business-Type Activities
(in thousands)

	Total Cost of Services		Net Cost/(Increase) of Services	
	<u>2019</u>	<u>Restated 2018</u>	<u>2019</u>	<u>Restated 2018</u>
Governmental Activities				
Administrative	\$ 306	\$ 1,047	\$ (310)	\$ 124
Police and emergency services	880	925	(1,274)	(769)
Code and engineering	18,108	32,296	15,814	30,339
Public works	7,621	9,919	5,712	7,630
Library	2,818	2,761	2,733	2,677
Parks	4,469	3,742	3,586	2,824
Community development	386	919	160	165
Interest expense	113	106	113	106
Total Governmental Activities	<u>\$ 34,701</u>	<u>\$ 51,715</u>	<u>\$ 26,534</u>	<u>\$ 43,096</u>
Business-Type Activities				
Sewer	\$ 10,118	\$ 9,030	\$ 1,045	\$ 1,501
Refuse	6,256	5,188	(172)	613
Total Business-Type Activities	<u>\$ 16,374</u>	<u>\$ 14,218</u>	<u>\$ 873</u>	<u>\$ 2,114</u>

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

NET PROGRAM EXPENSES/REVENUES:

Net program expenses/revenues indicate the amount of support required from taxes and other general revenues for the year. Total police and emergency services required the largest amount of general revenue support, totaling \$15.8 million in 2019. Within police and emergency services are fire programs supported by a direct levy of real estate tax millage.

The administrative area did not require and general revenue support as revenues exceeded expenses by \$.310 million. Public works required \$5.7 million in general revenues for support, while library required \$2.7 million. Parks needed \$3.6 million while code and engineering did not require any general revenue support as revenues exceeded expenses by \$1.3 million, primarily because of additional revenue collections for engineering and code permits.

For business-type activities, the net cost of services totaled \$1.05 million for the sewer fund and -\$172 million for the refuse fund.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

As the Township completed the year, its governmental funds (as presented in the balance sheet on page 27) reported a combined fund balance of \$25.1 million, which is \$.1 million more than last year's total of \$25 million. Of the \$25.1 million, \$11.6 million is either restricted, committed, or assigned, indicating that it is not available for future spending. The items that fall into this classification are real estate tax appeals, sick and death benefits, and capital projects. Approximately \$3.4 million minimum (one-month expenses) and \$10.3 million maximum (three-months expenses) of the General Fund's unassigned fund balance is designated as a reserve per the Board's policy. Of the total governmental fund's balance, \$13.5 million represents the unassigned fund balance, or resources available for appropriation. The net change in fund balance for all governmental funds was up \$.085 million.

General Fund

The Township revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. During the course of 2019, the Township amended its General Fund budget to accommodate prior years' capital project balances in order to carry forward funding. Differences between the General Fund's original budget, \$41,165,625 million, and final budget, \$41,316,625 million were \$.151 million and can be summarized as commitment of fund balance for a stormwater capital project.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Expenditures:

In total, General Fund expenditure, compared to budget, ended the year under budget by \$.168 million. Of the difference, \$1.4 million was the transfer for OPEB and the departmental appropriation was under budget by \$1.2 million. Each department also contributed toward expenditure savings. Below highlights the majority of budget savings:

- Wages and Benefits – It is the Township's practice to budget for 100 percent of staffing positions. The majority of savings are attributable to salary full-time and part-time positions and benefits. Approximately \$.884 million, or 2.9 percent of wage/benefit budget, was unspent at year end.
- Gasoline was under budget approximately \$.121 million
- Contracted Services had \$.111 million unspent at year end.

Revenues:

Revenues exceeded budget by \$.941 million for 2019. Positive variances more than offset one area of shortfall.

Property taxes fell short of estimates by \$.133 million primarily due the decline in assessed valuation.

Business privilege and local services tax fell short of estimates by \$.669 million while mercantile exceeded estimates by \$.118 million. A reduction in rental income of businesses, including the Willow Grove Park Mall, strip malls and office buildings coincides with a loss in business tax revenues.

A positive variance was seen in earned income taxes, \$.521 million. Collections during 2019 are attributable to a stronger economy and lower unemployment.

Deed transfer tax exceeded estimates by \$0.118 million. The real estate market in the Township improved over the prior year.

Interest, dividends and rents exceeded budget projections by \$.269 million mainly due to higher interest earnings.

Fees, licenses, and permits exceeded budget of estimates by \$.792 million mainly due from building permits, plumbing and license permits and engineering permits. An increase in land development projects was the main driver for increased permit revenues.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Fund Balance:

After accounting for the fund balance's various components, the Township's General Fund unassigned fund balance increased from year to year by \$.640 million and is at 33 percent of actual General Fund revenues. An analysis and subsequent reduction in prior years approved projects as reflected in reserved, committed or assigned balances for 2018 was the primary reason for the increase.

Other Major Fund

Permanent Improvement Fund

Expenditures:

The Permanent Improvement Fund accounts for the majority of the capital projects of the Township. In 2019, \$2.7 million was spent on various projects. Street and stormwater projects continue to be the main expenditures, with \$1.2 million of the total expenditures of the fund spent on these projects. Other expenditures included park improvements, economic development, police, fire, building improvements and equipment purchases.

Revenues:

Payment-in-lieu-of-taxes net total received was approximately \$559,000, after distribution of fire company percentage.

Capital Assets

Capital assets consist primarily of land, buildings and improvements, equipment, and infrastructure. At the end of 2018, on a government-wide basis, the Township had \$184,137,042 invested in a broad range of capital assets, including police equipment, buildings, park facilities, roads, bridges, and sewer lines. (See Table 4). This amount represents a net decrease (including additions and deletions) of \$3.0 million. The governmental activities net capital assets decreased by \$.553 million, and business-type activities decreased \$5 million over the prior year. Depreciation expense exceeded current year addition for business-type activities. Business-type Activities were restated to reflect the reclassification of construction in progress expenses for a sewer asset not owned by the Township.

The following reconciliation summarizes the change in capital assets, which is presented in detail on pages 55 through 56 of the notes to the financial statements.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Table 4
Change in Capital Assets
Governmental Funds
(in thousands)

	Beginning Balance <u>12/31/18</u>	Net Additions/ Deletions	Ending Balance <u>12/31/19</u>
Non-Depreciable Assets			
Land	\$ 13,104	\$ -	\$ 13,104
Construction in progress	5,154	(4,770)	384
Other Capital Assets			
Infrastructure	204,004	5,187	209,191
Buildings and improvements	12,182	-	12,182
Machinery and equipment	11,993	-	11,993
Vehicles	10,973	828	11,801
Accumulated depreciation on capital assets	<u>(121,386)</u>	<u>(1,798)</u>	<u>(123,184)</u>
Totals	<u>136,024</u>	<u>(553)</u>	<u>135,471</u>

Change in Capital Assets
Business Type Funds

	<u>Restated</u>		
Non-Depreciable Assets			
Land	\$ 282	\$ -	\$ 282
Construction in progress (restated)	1,493	(29)	1,464
Other Capital Assets			
Buildings and improvements	38,270	20	38,290
Sewer lines	69,529	-	69,529
Equipment/Vehicles	11,316	(69)	11,247
Accumulated depreciation on capital assets	<u>(69,799)</u>	<u>(2,347)</u>	<u>(72,146)</u>
Totals	<u>51,091</u>	<u>(2,425)</u>	<u>48,666</u>
Total Government-wide	<u>\$ 187,115</u>	<u>\$ (2,978)</u>	<u>\$ 184,137</u>

TOWNSHIP OF ABINGTON

MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Debt

The borrowing limit of the Township under the Debt Act is computed as a percentage of the Township’s “Borrowing Base.” The “Borrowing Base” is calculated as the annual arithmetic average of total “Revenue” (as defined by the Debt Act) for the three full fiscal years ended next preceding the date of incurring debt. The Township’s borrowing capacity is well under percentages allowed, having used approximately 4.6 percent of total debt capacity permitted as non-electoral debt. At year-end, the Township had \$6.9 million in bonds and notes outstanding versus \$10.5 million last year.

The following is a summary of the Township’s outstanding long-term debt as of December 31, 2019, which is presented in detail in Note 8 of the footnotes to the financial statements.

Table 5
Outstanding Debt at Year-End
2019

Year of Issue	Original Issue	Avg. Interest Rate	Final Maturities	Outstanding 1/1/19	New Debt	Refundings/Retirements	Outstanding 12/31/19
2013	8,325,000		2022	\$ 4,910,000	\$ -	\$ 2,315,000	\$ 2,595,000
2014	10,955,000		2020	2,840,000	-	1,765,000	1,075,000
Radio loan	290,352		2020	144,950	-	72,701	72,249
2017	290,352		2020	<u>2,778,237</u>	<u>600,000</u>	<u>242,000</u>	<u>3,136,237</u>
				<u>\$ 10,673,187</u>	<u>\$ 600,000</u>	<u>\$ 4,394,701</u>	<u>\$ 6,878,486</u>
				Outstanding 1/1/19	Additions	Refundings/Retirements	Outstanding 12/31/19
General Long-Term Debt				\$ 4,397,816	\$ 600,000	\$ 1,766,000	\$ 3,231,816
Radio Loan				144,950	-	72,701	72,249
Refuse Enterprise Fund				1,220,421	-	241,000	979,421
Sewer Enterprise Fund				<u>4,910,000</u>	<u>-</u>	<u>2,315,000</u>	<u>2,595,000</u>
				<u>\$ 10,673,187</u>	<u>\$ 600,000</u>	<u>\$ 4,394,701</u>	<u>\$ 6,878,486</u>

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Trust and Agency Operations

Pension Trust Funds

All Township full-time employees must participate in either the Non-Uniformed Employees Pension Plan or Police Defined Benefit Pension Plan. The Township's actuary calculates benefit payments which are then paid by the trustee. During 2019, there was a increase of \$10.1 million in the Police Defined Benefit Pension Plan's net position, \$66.9 million, and the Non-Uniformed Employees' Defined Benefit Pension Plan's net position, \$61.9 million, increased by \$8 million due to investment performance. The Non-Uniformed Employees' Defined Contribution Plan's net position, \$.565 million increased \$.313 million.

The plans' latest actuarial valuation of assets reveals the Police Defined Benefit market value of assets at 12/31/19 reveals the Plan is funded at 81.6 percent and Non-Uniformed Employees' Pension Plan is funded at 93.9 percent.

Other Post-Employment Benefits (OPEB) Trust Fund

In addition to pensions, many state and local governmental employers provide other post-employment benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes post-employment health care, as well as other forms of post-employment benefits (for example, life insurance) when provided separately from a pension plan. The Township established an irrevocable trust fund in 2008.

In accordance with governmental accounting standards, the Township Board obtained an actuarial valuation in 2019 of its post-employment benefits other than pensions to determine the Township's liability. In 2019, the Township paid out \$1.2 million for current year retirees' health care benefits and deposited into the health care offset fiduciary fund \$3.3 million in total contributions. As of December 31, 2019, there was a recorded unfunded net OPEB obligation of \$14.3 million in the government-wide statements. Net position of the health care offset fiduciary fund at year-end was \$23.6 million. The Township intends to annually budget resources to be contributed to the health care offset fiduciary fund to partially address the liability. Please see Note 11 for more detail.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The elected officials of the Township of Abington considered many factors when setting the calendar year 2020 budget, tax rates, and fees that will be charged for government-wide and business-type activities. One of those factors is the economy. Overall employment data is not compiled for municipalities, but such data is compiled for the Philadelphia Labor Market Area which includes Montgomery County. Unemployment in Montgomery County is typically below that of the state. For 2019, the county unemployment rate was 3.4 percent, 1.2 percent below the state level of 4.6 percent.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

The 2020 final adopted budget for General Fund capital projects is \$2,592,543. The budget included a General Fund transfer of \$663,521 for Fire capital purposes.

Sewer rental rates remained the same as 2019. The capital budget for sewer projects was \$551,000 thousand from retained earnings.

The refuse fund sets prices for refuse collection based on the size of can used. Costs remained the same per can size for 2019 to 2020. The 2020 fee is \$220 for the 35 gallon container, \$248 for the 65 gallon container, and \$275 for the 95 gallon container. The Refuse Fund budget allocated \$305,000 for equipment purchases from refuse retained earnings.

For newly hired salaried full-time employees effective January 1, 2014, management has discontinued the practice of offering other post-employment benefits. The Township has also negotiated with the Per Diem Union to discontinue the practice of offering other post-employment benefits for newly hired union members after January 1, 2015. The Township has negotiated with the Abington Township Police Association that for Officers hired after January 1, 2016, retiree health insurance for the retiree and spouse provided by the Township shall cease upon each covered individual's eligibility for Medicare.

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives.

Subsequent to year end, a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. As a result, economic uncertainties have arisen that could negatively impact the Township finances including investment income. In addition, The State of Pennsylvania issued a stay-at-home order and measured phases for reopening, which caused the temporary closure of businesses and a steep rise in unemployment. At the time this was authored, Montgomery County, PA, in which the Township is located, has not reached open (green phase) status. Financial evaluations will continue but the potential impact is unknown at this time.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

If you have any questions about this report or need additional financial information, contact the Finance Director at Township of Abington, 1176 Old York Road, Abington, PA 19001, or visit the Township's web site at www.abingtonpa.gov.

TOWNSHIP OF ABINGTON
STATEMENT OF NET POSITION

December 31, 2019

	<u>Primary Government</u>			<u>Component Unit Library</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 15,649,060	\$ 8,508,133	\$ 24,157,193	\$ 1,386,126
Restricted cash	2,682,490	-	2,682,490	-
Investments	9,515,336	5,641,082	15,156,418	1,876,190
Accounts and other receivables	3,158,437	732,456	3,890,893	-
Prepaid expenses	4,765	-	4,765	-
Notes receivable	-	150,793	150,793	-
Land	13,103,972	281,662	13,385,634	-
Construction in progress	383,744	1,463,509	1,847,253	-
Depreciable capital assets, net	121,983,038	46,921,117	168,904,155	591,521
Total Assets	<u>166,480,842</u>	<u>63,698,752</u>	<u>230,179,594</u>	<u>3,853,837</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred outflow of resources for police pension	1,749,124	-	1,749,124	-
Deferred outflow of resources for OPEB	1,782,072	-	1,782,072	-
Deferred loss on bond refunding	-	647	647	-
Total Deferred Outflows of Resources	<u>3,531,196</u>	<u>647</u>	<u>3,531,843</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 170,012,038</u>	<u>\$ 63,699,399</u>	<u>\$ 233,711,437</u>	<u>\$ 3,853,837</u>
<u>LIABILITIES</u>				
Accounts payable and other current liabilities	\$ 2,282,784	\$ 1,407,923	\$ 3,690,707	\$ 49,471
Deposits payable	2,682,490	-	2,682,490	-
Accrued interest payable	77,169	16,578	93,747	-
Unearned revenue	43,631	-	43,631	899,055
Non-current liabilities:				
Due within one year	2,331,796	1,985,936	4,317,732	-
Due after one year	32,956,117	4,377,891	37,334,008	-
Total Liabilities	<u>40,373,987</u>	<u>7,788,328</u>	<u>48,162,315</u>	<u>948,526</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflow of resources for non-uniform pension	4,632,783	1,654,565	6,287,348	-
Deferred inflow of resources for police pension	3,232,757	-	3,232,757	-
Deferred inflow of resources for OPEB	18,288,659	2,080,617	20,369,276	-
Total Deferred Inflows of Resources	<u>26,154,199</u>	<u>3,735,182</u>	<u>29,889,381</u>	<u>-</u>
<u>NET POSITION</u>				
Net Investment in capital assets	132,147,727	45,092,514	177,240,241	591,521
Restricted for:				
Capital projects	-	5,206,747	5,206,747	901,359
Community development projects	25,999	-	25,999	-
Public safety	9,332	-	9,332	-
Public works	3,898,830	-	3,898,830	-
Self insurance by statute	524,758	1,254,470	1,779,228	-
Culture and recreation	120,913	-	120,913	-
Unrestricted	<u>(33,243,707)</u>	<u>622,158</u>	<u>(32,621,549)</u>	<u>1,412,431</u>
Total Net Position	<u>103,483,852</u>	<u>52,175,889</u>	<u>155,659,741</u>	<u>2,905,311</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 170,012,038</u>	<u>\$ 63,699,399</u>	<u>\$ 233,711,437</u>	<u>\$ 3,853,837</u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ABINGTON

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Administrative	\$ 306,383	\$ 550,000	\$ 66,130	\$ -
Police and emergency services	18,108,330	682,021	1,612,071	-
Codes and engineering	879,504	2,074,473	79,245	-
Public works	7,620,910	-	1,908,671	-
Library	2,818,047	-	84,599	-
Parks	4,468,685	764,735	118,016	-
Community development	385,670	-	-	225,739
Interest expense	112,989	-	-	-
Total Governmental Activities	34,700,518	4,071,229	3,868,732	225,739
 BUSINESS-TYPE ACTIVITIES				
Sewer	10,117,919	9,072,732	-	-
Refuse	6,255,832	5,204,472	1,222,999	-
Total Business-Type Activities	16,373,751	14,277,204	1,222,999	-
 TOTAL PRIMARY GOVERNMENT	 \$ 51,074,269	 \$ 18,348,433	 \$ 5,091,731	 \$ 225,739

GENERAL REVENUES

Taxes:

- Property taxes
- Transfer taxes
- Earned income taxes
- Business and mercantile taxes
- Local services taxes

Franchise fees

- Grants and contributions not
restricted to specific programs

Investment earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position, Beginning of Year (Restated)

Net Position, End of Year

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component
Governmental Activities	Business-Type Activities	Totals	Unit Library
\$ 309,747	\$ -	\$ 309,747	\$ -
(15,814,238)	-	(15,814,238)	-
1,274,214	-	1,274,214	-
(5,712,239)	-	(5,712,239)	-
(2,733,448)	-	(2,733,448)	(2,667,321)
(3,585,934)	-	(3,585,934)	-
(159,931)	-	(159,931)	-
(112,989)	-	(112,989)	-
<u>(26,534,818)</u>	<u>-</u>	<u>(26,534,818)</u>	<u>(2,667,321)</u>
-	(1,045,187)	(1,045,187)	-
-	171,639	171,639	-
<u>-</u>	<u>(873,548)</u>	<u>(873,548)</u>	<u>-</u>
<u>(26,534,818)</u>	<u>(873,548)</u>	<u>(27,408,366)</u>	<u>(2,667,321)</u>
15,220,563	-	15,220,563	-
1,417,166	-	1,417,166	-
8,520,577	-	8,520,577	-
6,506,095	-	6,506,095	-
1,317,960	-	1,317,960	-
1,201,808	-	1,201,808	-
29,722	-	29,722	2,596,763
724,026	466,449	1,190,475	368,028
2,686,198	301,331	2,987,529	5,396
<u>37,624,115</u>	<u>767,780</u>	<u>38,391,895</u>	<u>2,970,187</u>
11,089,297	(105,768)	10,983,529	302,866
<u>92,394,555</u>	<u>52,281,657</u>	<u>144,676,212</u>	<u>2,602,445</u>
<u>\$ 103,483,852</u>	<u>\$ 52,175,889</u>	<u>\$ 155,659,741</u>	<u>\$ 2,905,311</u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ABINGTON

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2019

	General	Permanent Improvement	CDBG	Non-major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,618,535	\$ 8,409,195	\$ 54,406	\$ 1,181,646	\$ 15,263,782
Restricted cash	-	2,682,490	-	-	2,682,490
Investments	7,902,812	1,314,850	-	-	9,217,662
Receivables	2,991,920	-	-	133,039	3,124,959
Prepays	4,765	-	-	-	4,765
Due from other funds	-	-	-	150,453	150,453
Total Assets	\$ 16,518,032	\$ 12,406,535	\$ 54,406	\$ 1,465,138	\$ 30,444,111
LIABILITIES					
Accounts payable and accrued wages	\$ 1,266,901	\$ 615,336	\$ 36,032	\$ 323,822	\$ 2,242,091
Deposits payable	-	2,682,490	-	-	2,682,490
Unearned revenue	39,955	-	-	3,676	43,631
Due to other funds	-	-	-	150,453	150,453
Total Liabilities	1,306,856	3,297,826	36,032	477,951	5,118,665
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - delinquent taxes	207,238	-	-	-	207,238
Total Deferred Inflows of Resources	207,238	-	-	-	207,238
FUND BALANCES					
Nonspendable-prepaid items	4,765	-	-	-	4,765
Restricted for					
Culture and recreation	-	-	-	120,913	120,913
Public works	-	2,858,976	-	1,039,854	3,898,830
Public Safety	-	-	-	9,332	9,332
Community Development	-	-	18,374	7,625	25,999
Committed for					
Administrative	1,312,200	155,165	-	-	1,467,365
Police and fire	-	900,106	-	-	900,106
Public works	-	155,236	-	-	155,236
Library	-	39,994	-	-	39,994
Parks	-	235,794	-	-	235,794
Assigned for					
Capital projects	-	4,763,438	-	-	4,763,438
Unassigned	13,686,973	-	-	(190,537)	13,496,436
Total Fund Balances	15,003,938	9,108,709	18,374	987,187	25,118,208
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,518,032	\$ 12,406,535	\$ 54,406	\$ 1,465,138	\$ 30,444,111

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ABINGTON

RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION

December 31, 2019

TOTAL GOVERNMENTAL FUND BALANCES \$ 25,118,208

Capital assets used in governmental activities are not financial resources
and, therefore, are reported in the funds.

Cost of capital assets	\$ 258,653,690	
Accumulated depreciation	<u>(123,182,936)</u>	135,470,754

Internal service funds are used by management to charge the costs of
self insurance for workers compensation to individual funds. The
assets and liabilities of the internal service fund are included in
governmental activities in the Statement of Net Position. The increase is equal
to the internal service net position applicable to governmental activities. 524,758

Some of the Township's revenues will be collected after year end but are
not available soon enough to pay for the current period's expenditures
and, therefore, are unavailable in the funds. 207,238

Deferred inflows and outflows related to the Township's net position liability
are based on the differences between actuarially determined actual and
expected investment returns and differences between actuarial expected
and actual experience. These amounts will be amortized over the
estimated remaining average service life of the employees.

Deferred outflows of resources - police pension	1,749,124	
Deferred outflows of resources - OPEB	1,782,072	
Deferred inflows of resources - non-uniform pension	(4,632,783)	
Deferred inflows of resources - police pension	(3,232,757)	
Deferred inflows of resources - OPEB	<u>(18,288,659)</u>	(22,623,003)

Long term liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported in the funds.

Bonds and notes payable	(3,304,065)	
Unamortized bond premium	(91,211)	
Interest payable	(77,169)	
Compensated absences	(917,361)	
Net OPEB liability	(12,758,400)	
Net pension liability	<u>(18,065,897)</u>	<u>(35,214,103)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 103,483,852

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ABINGTON

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	<u>General</u>	<u>Permanent Improvement</u>	<u>CDBG</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes:					
Property (including Fire millage)	\$ 15,231,287	\$ -	\$ -	\$ -	\$ 15,231,287
Transfer	1,417,166	-	-	-	1,417,166
Earned income tax	8,520,577	-	-	-	8,520,577
Business and mercantile	6,506,095	-	-	-	6,506,095
Local services tax	1,317,960	-	-	-	1,317,960
Fees, licenses and permits	3,775,089	647,999	-	-	4,423,088
Interest, dividends, and rents	1,249,596	183,271	-	29,877	1,462,744
Intergovernmental revenues	1,860,831	-	225,739	1,918,732	4,005,302
Fines, forfeitures, costs	183,213	-	-	-	183,213
Program revenues	764,735	-	-	-	764,735
Other	1,036,793	-	135,129	179,702	1,351,624
Total Revenues	<u>41,863,342</u>	<u>831,270</u>	<u>360,868</u>	<u>2,128,311</u>	<u>45,183,791</u>
Expenditures					
Current:					
General government	366,975	-	19,169	20,835	406,979
Public safety	23,846,036	-	-	178,450	24,024,486
Highways and roads	4,830,362	-	-	1,921,571	6,751,933
Culture and recreation	6,673,141	-	10,191	36,998	6,720,330
Insurance and employee benefits	2,803,208	-	-	-	2,803,208
Debt service:					
Principal	1,766,000	72,702	-	-	1,838,702
Interest	198,453	-	-	-	198,453
Capital projects	575	2,648,515	313,284	2,054	2,964,428
Total Expenditures	<u>40,484,750</u>	<u>2,721,217</u>	<u>342,644</u>	<u>2,159,908</u>	<u>45,708,519</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	<u>1,378,592</u>	<u>(1,889,947)</u>	<u>18,224</u>	<u>(31,597)</u>	<u>(524,728)</u>
Other Financing Sources (Uses)					
Issuance of debt	-	600,000	-	-	600,000
Sale of capital assets	-	4,560	-	4,800	9,360
Transfers in	-	663,521	-	-	663,521
Transfers out	(663,521)	-	-	-	(663,521)
Total Other Financing Sources (Uses)	<u>(663,521)</u>	<u>1,268,081</u>	<u>-</u>	<u>4,800</u>	<u>609,360</u>
Net Change in Fund Balances	715,071	(621,866)	18,224	(26,797)	84,632
Fund Balances - Beginning	14,288,867	9,730,575	150	1,013,984	25,033,576
Fund Balances - Ending	<u>\$ 15,003,938</u>	<u>\$ 9,108,709</u>	<u>\$ 18,374</u>	<u>\$ 987,187</u>	<u>\$ 25,118,208</u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ABINGTON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 84,632

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 and reported as depreciation expense.

Capital outlay	\$ 1,463,359	
Depreciation expense	<u>(1,957,400)</u>	(494,041)

The effect of sales of capital assets is to decrease Net Position. (59,272)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (10,724)

The change in net position of the internal service fund is reported with governmental activities to the extent of services provided to governmental funds. 327,592

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of debt	(600,000)	
Amortization of discount/premium	91,213	
Repayment of debt	<u>1,838,701</u>	1,329,914

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.

Compensated absences	68,345	
Net pension liability and deferred items	4,618,973	
Net OPEB liability and deferred items	5,229,626	
Accrued interest payable	<u>(5,748)</u>	<u>9,911,196</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 11,089,297

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ABINGTON

BUDGETARY COMPARISON STATEMENT – GENERAL FUND

For the Year Ended December 31, 2019

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property (including Fire millage)	\$ 15,357,671	\$ 15,357,671	\$ 15,231,287	\$ (126,384)
Transfer	1,300,000	1,300,000	1,417,166	117,166
Earned income tax	8,000,000	8,000,000	8,520,577	520,577
Business and mercantile	6,975,000	6,975,000	6,506,095	(468,905)
Local services tax	1,400,000	1,400,000	1,317,960	(82,040)
Fees, licenses and permits	2,983,000	2,983,000	3,775,089	792,089
Interest, dividends, and rents	980,000	980,000	1,249,596	269,596
Intergovernmental revenues	1,728,000	1,728,000	1,860,831	132,831
Fines, forfeitures, costs	220,000	220,000	183,213	(36,787)
Program revenues	918,000	918,000	764,735	(153,265)
Other	<u>1,061,000</u>	<u>1,061,000</u>	<u>1,036,793</u>	<u>(24,207)</u>
Total Revenues	<u>40,922,671</u>	<u>40,922,671</u>	<u>41,863,342</u>	<u>940,671</u>
Expenditures				
Current:				
General government	443,069	504,931	366,975	137,956
Public safety	24,410,132	24,410,132	23,846,036	564,096
Highways and roads	5,119,224	5,057,362	4,830,362	227,000
Culture and recreation	7,127,213	7,127,213	6,673,141	454,072
Insurance and employee benefits	1,360,662	1,360,662	2,803,208	(1,442,546)
Debt service:				
Principal	1,750,000	1,750,000	1,766,000	(16,000)
Interest	291,804	291,804	198,453	93,351
Capital projects	-	151,000	575	150,425
Total Expenditures	<u>40,502,104</u>	<u>40,653,104</u>	<u>40,484,750</u>	<u>168,354</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>420,567</u>	<u>269,567</u>	<u>1,378,592</u>	<u>1,109,025</u>
Other Financing Sources (Uses)				
Transfers out	<u>(663,521)</u>	<u>(663,521)</u>	<u>(663,521)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(663,521)</u>	<u>(663,521)</u>	<u>(663,521)</u>	<u>-</u>
Net Change in Fund Balance	(242,954)	(393,954)	715,071	1,109,025
Fund Balance - Beginning	<u>242,954</u>	<u>242,954</u>	<u>14,288,867</u>	<u>14,045,913</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (151,000)</u>	<u>\$ 15,003,938</u>	<u>\$ 15,154,938</u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ABINGTON

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

December 31, 2019

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Sewer	Sewer Capital	Refuse		Internal Service Funds
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 3,709,785	\$ 2,272,361	\$ 1,831,898	\$ 7,814,044	\$ 1,079,367
Investments	2,069,593	2,788,819	250,693	5,109,105	829,651
Receivables	201,325	-	502,627	703,952	61,982
Total Current Assets	<u>5,980,703</u>	<u>5,061,180</u>	<u>2,585,218</u>	<u>13,627,101</u>	<u>1,971,000</u>
Noncurrent Assets					
Notes receivable	-	150,793	-	150,793	-
Land	281,662	-	-	281,662	-
Construction in progress	872,795	590,714	-	1,463,509	-
Capital assets, net	20,364,990	24,233,593	2,322,534	46,921,117	-
Total Noncurrent Assets	<u>21,519,447</u>	<u>24,975,100</u>	<u>2,322,534</u>	<u>48,817,081</u>	<u>-</u>
Total Assets	<u>27,500,150</u>	<u>30,036,280</u>	<u>4,907,752</u>	<u>62,444,182</u>	<u>1,971,000</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on bond refunding	647	-	-	647	-
Total Deferred Outflows of Resources	<u>647</u>	<u>-</u>	<u>-</u>	<u>647</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 27,500,797</u>	<u>\$ 30,036,280</u>	<u>\$ 4,907,752</u>	<u>\$ 62,444,829</u>	<u>\$ 1,971,000</u>
LIABILITIES					
Current Liabilities					
Accounts payable and accrued wages	\$ 1,156,130	\$ 5,226	\$ 246,467	\$ 1,407,823	\$ 40,793
Claims payable	-	-	-	-	20,000
Compensated absences	13,000	-	5,559	18,559	-
General obligation bonds and notes payable, net	1,720,377	-	247,000	1,967,377	-
Accrued interest	12,661	-	3,917	16,578	-
Total Current Liabilities	<u>2,902,168</u>	<u>5,226</u>	<u>502,943</u>	<u>3,410,337</u>	<u>60,793</u>
Noncurrent Liabilities					
Claims payable	-	-	-	-	130,979
Compensated absences	38,999	-	16,675	55,674	-
OPEB liability	732,649	-	818,506	1,551,155	-
General obligation bonds and notes payable, net	985,000	-	732,421	1,717,421	-
Net pension liability	421,456	-	632,185	1,053,641	-
Total Noncurrent Liabilities	<u>2,178,104</u>	<u>-</u>	<u>2,199,787</u>	<u>4,377,891</u>	<u>130,979</u>
Total Liabilities	<u>5,080,272</u>	<u>5,226</u>	<u>2,702,730</u>	<u>7,788,228</u>	<u>191,772</u>
DEFERRED INFLOWS OR RESOURCES					
Deferred inflow of resources for pension	661,826	-	992,739	1,654,565	-
Deferred inflow of resources for OPEB	982,727	-	1,097,890	2,080,617	-
Total Deferred Inflows of Resources	<u>1,644,553</u>	<u>-</u>	<u>2,090,629</u>	<u>3,735,182</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	18,925,094	24,824,307	1,343,113	45,092,514	-
Restricted-capital projects	-	5,206,747	-	5,206,747	-
Unrestricted	1,850,878	-	(1,228,720)	622,158	1,779,228
Total Net Position	<u>20,775,972</u>	<u>30,031,054</u>	<u>114,393</u>	<u>50,921,419</u>	<u>1,779,228</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 27,500,797</u>	<u>\$ 30,036,280</u>	<u>\$ 4,907,752</u>	<u>\$ 62,444,829</u>	<u>\$ 1,971,000</u>
Adj. for the consolidation of internal service fund activities related to enterprise funds.				<u>1,254,470</u>	
Net Position of business-type activities				<u>\$ 52,175,889</u>	

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ABINGTON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-type Activities				Governmental
	Sewer	Sewer	Refuse	Total	Internal Service
		Capital		Enterprise Funds	Funds
OPERATING REVENUES					
User charges	\$ 7,604,835	\$ -	\$ 5,204,472	\$ 12,809,307	\$ -
Assessments	-	370,964	-	370,964	-
Joint sewer agreements	1,096,933	-	-	1,096,933	-
Charges for services	-	-	-	-	765,000
Miscellaneous	96,235	31	172,242	268,508	114,981
Total Operating Revenues	8,798,003	370,995	5,376,714	14,545,712	879,981
OPERATING EXPENSES					
Operations	2,048,430	-	1,267,422	3,315,852	-
Disposal and collections	1,267,166	880,223	4,016,566	6,163,955	-
Joint sewer agreements	3,160,942	-	-	3,160,942	-
Pension and OPEB payments	45,305	-	147,703	193,008	-
Benefit payments	-	-	-	-	550,609
Insurance premiums	380,530	-	275,587	656,117	1,189
Miscellaneous expense	-	-	25,795	25,795	1,762
Depreciation	1,375,132	928,978	484,324	2,788,434	-
Total Operating Expenses	8,277,505	1,809,201	6,217,397	16,304,103	553,560
Operating Income (Loss)	520,498	(1,438,206)	(840,683)	(1,758,391)	326,421
NONOPERATING REVENUES (EXPENSES)					
Interest and investment income	135,348	248,812	60,784	444,944	55,499
Grants	-	-	1,222,999	1,222,999	-
Interest expense	(37,125)	-	(39,510)	(76,635)	-
Unrealized gain on investments	5,912	-	1,075	6,987	-
Total Nonoperating Revenues (Expense)	104,135	248,812	1,245,348	1,598,295	55,499
Changes in Net Position	624,633	(1,189,394)	404,665	(160,096)	381,920
Total Net Position - Beginning (Restated)	20,151,339	31,220,448	(290,272)		1,397,308
Total Net Position - Ending	\$ 20,775,972	\$ 30,031,054	\$ 114,393		\$ 1,779,228
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				54,328	
Change in Net Position of business-type activities				\$ (105,768)	

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ABINGTON

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-type Activities				Governmental
	Sewer			Total	Activities
	Sewer	Capital	Refuse	Enterprise Funds	Internal Service Funds
Cash flows from operating activities					
Cash received from customers	\$ 8,713,832	\$ 370,964	\$ 4,860,543	\$ 13,945,339	\$ 767,047
Other cash received	96,235	31	172,242	268,508	114,981
Cash paid to employees for services	(1,417,979)	-	(2,038,622)	(3,456,601)	-
Cash paid to vendors for goods and services	(5,653,555)	(903,694)	(3,809,289)	(10,366,538)	(2,951)
Cash paid for employee benefits	-	-	-	-	(821,597)
Net cash provided by (used in) operating activities	<u>1,738,533</u>	<u>(532,699)</u>	<u>(815,126)</u>	<u>390,708</u>	<u>57,480</u>
Cash flows from non-capital financing activities					
Nonoperating grants received	-	-	1,222,999	1,222,999	-
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>-</u>	<u>1,222,999</u>	<u>1,222,999</u>	<u>-</u>
Cash flows from capital and related financing activities					
Purchase of capital assets	(152,762)	(281,224)	(38,743)	(472,729)	-
Principal paid on long-term debt	(2,314,999)	-	(241,000)	(2,555,999)	-
Interest paid on long-term debt	(76,903)	-	(35,593)	(112,496)	-
Net cash provided by (used in) capital and related financing activities	<u>(2,544,664)</u>	<u>(281,224)</u>	<u>(315,336)</u>	<u>(3,141,224)</u>	<u>-</u>
Cash flows from investing activities					
Purchase of investments	(2,204,016)	(1,534,015)	(250,014)	(3,988,045)	(30,000)
Sale of investments	2,275,000	1,864,000	250,000	4,389,000	239,000
Decrease in notes receivable	-	31,278	-	31,278	-
Investment earnings	134,715	130,416	60,799	325,930	23,908
Net cash provided by (used in) investing activities	<u>205,699</u>	<u>491,679</u>	<u>60,785</u>	<u>758,163</u>	<u>232,908</u>
Net increase (decrease) in cash and cash equivalents	(600,432)	(322,244)	153,322	(769,354)	290,388
Cash and cash equivalents - Beginning	<u>4,310,217</u>	<u>2,594,605</u>	<u>1,678,576</u>	<u>8,583,398</u>	<u>788,979</u>
Cash and cash equivalents - Ending	<u>\$ 3,709,785</u>	<u>\$ 2,272,361</u>	<u>\$ 1,831,898</u>	<u>7,814,044</u>	<u>\$ 1,079,367</u>

(continued)

**Reconciliation of Net Operating Income (Loss)
to Net Cash Provided (Used) by Operating Activities**

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Sewer	Sewer Capital	Refuse		Internal Service Funds
Operating income (loss)	\$ 520,498	\$ (1,438,206)	\$ (840,683)	\$ (1,758,391)	\$ 326,421
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities					
Depreciation and amortization	1,375,132	928,978	484,324	2,788,434	-
(Increase) Decrease in assets:					
Accounts receivable	12,064	-	(343,929)	(331,865)	2,047
Prepaid expenses	-	-	-	-	-
Deferred outflows - pension	613,127	-	1,021,878	1,635,005	-
Deferred outflows - OPEB	105,586	-	119,512	225,098	-
Deferred loss on bond refunding	647	-	-	647	-
Increase (Decrease) in liabilities:					
Accounts payable	(129,256)	(23,471)	24,730	(127,997)	(270,988)
Accrued compensated absences	4,753	-	8,135	12,888	-
Deferred inflows - pension	277,173	-	351,650	628,823	-
Deferred inflows - OPEB	(92,197)	-	(118,806)	(211,003)	-
Net pension liability	(685,829)	-	(1,213,291)	(1,899,120)	-
Net OPEB liability	(263,165)	-	(308,646)	(571,811)	-
Interfund balances	-	-	-	-	-
Net adjustments	1,218,035	905,507	25,557	2,149,099	(268,941)
Cash provided (used) by operating activities	<u>\$ 1,738,533</u>	<u>\$ (532,699)</u>	<u>\$ (815,126)</u>	<u>\$ 390,708</u>	<u>\$ 57,480</u>
Noncash investing, capital, and financing activities					
Amortization of bond premium	<u>\$ (110,377)</u>	<u>\$ -</u>	<u>\$ -</u>		
Amortization of deferred loss on refunding	<u>\$ 648</u>	<u>\$ -</u>	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ABINGTON

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

December 31, 2019

	Pension and Other Employee Benefit <u>Trust Plans</u>	Agency <u>Funds</u>
ASSETS		
Cash and cash equivalents	\$ 5,704,230	\$ 22,078
Contributions receivable	2,919	-
Accrued interest	2,966	-
Other receivables	-	18,562
Investments, at fair value:		
Money market funds	2,569,358	-
Mutual funds	<u>144,821,546</u>	<u>-</u>
Total Assets	<u>153,101,019</u>	<u>40,640</u>
LIABILITIES		
Payables	<u>14,186</u>	<u>40,640</u>
Total Liabilities	<u>14,186</u>	<u>40,640</u>
NET POSITION		
Net Position - Restricted for:		
Pension benefits	129,493,243	-
Other post employment benefits	<u>23,593,590</u>	<u>-</u>
Total Net Position	<u>\$ 153,086,833</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ABINGTON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended December 31, 2019

	Pension and Other Employee Benefit <u>Trust Plans</u>
ADDITIONS	
Contributions	
Plan member contributions	\$ 1,096,892
Employer contributions	4,064,079
State aid	<u>1,756,331</u>
Total Contributions	<u>6,917,302</u>
Investment Income	
Net appreciation (depreciation) in fair value of investments	23,274,185
Interest and Dividends	<u>2,738,742</u>
Total investment earnings	26,012,927
Less investment expense	<u>(133,915)</u>
Net Investment Income	<u>25,879,012</u>
Other Income	<u>6,452</u>
Total Additions	<u>32,802,766</u>
DEDUCTIONS	
Benefits paid	8,885,545
Administrative expenses	83,366
Miscellaneous	26,018
Refund of member contributions	<u>82,737</u>
Total Deductions	<u>9,077,666</u>
Change in Net Position	23,725,100
Net Position restricted for Pension, OPEB, and other benefits	
Beginning of Year	<u>129,361,733</u>
End of Year	<u>\$ 153,086,833</u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Abington (the "Township") is a municipal corporation existing and operating under the First Class Township Code of the Commonwealth of Pennsylvania. The Township complies with generally accepted accounting principles, which includes all relevant Governmental Accounting Standards Board ("GASB") pronouncements. The accompanying financial statements present the primary government. In evaluating the Township (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Township have been addressed. 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 financial benefits to, or impose specific financial burdens on, the Township. There is one component unit, described as an entity for which the government is considered to be financially accountable.

Discretely presented component units. The following is a component unit of Abington Township as the Township is financially accountable for the Library, appoints the Library Board, and has the responsibility for funding, funding deficits; and also handles the fiscal management on the Library's behalf. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Abington Township Public Library

The financial statements of the component unit may be obtained at the entity's administrative offices as follows: Abington Township Public Library, 1030 Old York Road, Abington, PA 19001.

Government-wide and Fund 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 nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (except for the agency funds). Agency funds use the accrual basis of accounting but do not use the economic resources measurement focus, as they only report assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Township reports the following major governmental funds:

- The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Permanent Improvement Fund** accounts for the acquisition, construction, or improvement of capital facilities or infrastructure by the Township. It also funds various capital purchases for vehicles, trucks, equipment, etc.
- The **Community Development Block Grant ("CDBG") Fund** is used to account for federal monies received from Housing and Urban Development for the Community Development program. CDBG monies are used in areas of the community deemed to be eligible for improvement due to certain financial criteria, such as low to moderate income families, etc.

Special revenue funds account for the proceeds of specific revenue sources that are restricted or assigned to expenditures for specified purposes. The special revenue funds of the Township are:

- The **Highway Aid Fund** is used to account for state liquid fuels tax monies rebated to the Township. This special fund is required by state law.
- The **Grant Fund** is used to account for the various local, state, and federal grants received by departments. The grant budget is used in the fund, and the expenditures are tracked by grant.
- The **Rental Rehabilitation Fund** is used to account for grant monies received from the HOME program. The HOME program is a federal grant program.
- The **Economic Development Fund** is used to account for activities related to community enhancement. Funds are received from local and state agencies, area businesses, and individuals to rehabilitate or improve areas of the community.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The **Special Investigations Fund** is used to account for monies received from the federal government that represent the Township portion of proceeds from criminal investigations that occurred within the community. The funds are then used for expenditures related to police department equipment.

All of the Township's special revenue funds are considered to be non-major governmental funds. In addition, the Township also maintains a non-major capital projects fund:

- The **Parks Capital Fund** collects contributions and funds to maintain specific areas in the Township.

The Township reports the following major proprietary funds:

- The **Sewer Fund** accounts for operations of the wastewater treatment plant. Sewer service is provided to properties in the Township and, in some cases, certain areas of the surrounding community.
- The **Sewer Capital Fund** accounts for the capital purchases and construction of sewer assets and any related revenues.
- The **Refuse Fund** is used to account for the operations of the refuse department. Refuse service is provided to residential and small commercial establishments (generating less than two tons of refuse per year) for an annual fee set by the Board of Commissioners. Customers must separate certain recyclable materials from the regular municipal waste.

Fiduciary funds are used to account for assets held by the Township in a trustee capacity for the future payments of benefits to employees. The Township reports the following fiduciary funds:

- The **Police Pension Fund** and the **Non-Uniformed Pension Fund** account for activities of the Police and Non-Uniformed Pension plans, which accumulate resources for pension benefit payments to qualified employees.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The **Health Care Offset Fund** (OPEB Trust) was established as a result of a 1992 settlement with the Police Benevolent Association. It is used to account for funds set aside to help defray the health costs for all retired Township employees.
- The **Tuition Reimbursement Fund** was established to cover costs of employee education reimbursements.

Additionally, the Township reports the following fund types:

The **Internal Service Fund** accounts for the self-insured workers' compensation program. Fees are charged to the General Fund, Sewer Fund, and Refuse Fund to cover their respective cost of workers' compensation insurance.

The **Agency Fund** is used to account for transactions that occur on behalf of other entities: an area corporation and other governments. For instance, funds collected for payment of Pennsylvania sales tax and DCED State Mandated permit fees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other changes between the government's sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer fund, sewer capital fund, and internal service fund are charges to customers for services. The sewer fund and sewer capital fund also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Use of Estimates in the Preparation of Financial Statements

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

Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

With the exception of pension trust funds, state law allows the Township to invest in obligations of the United States of America, the Commonwealth of Pennsylvania, or any agency or instrumentality of either, which are secured by the full faith and credit of such entity. The law also allows for the Township to invest in certificates of deposit of banks, savings and loans, and savings banks both within and outside the Commonwealth of Pennsylvania, provided such amounts are insured by the Federal Deposit Insurance Corporation ("FDIC") or other like insurance, and that deposits in excess of such insurance are collateralized by the depository. The state also imposes limitations with respect to the amount of investment in certificates of deposit to the extent that such deposits may not exceed 20 percent of a bank's total capital surplus or 20 percent of a savings and loan's or savings bank's assets, net of its liabilities. The Township may also invest in shares of registered investment companies, provided that investments of the company are authorized investments, as noted above.

The Township may invest in obligations and agencies of the United States of America. These investments are comprised of U.S. Treasury obligations. The Township recognizes interest rate risk and extension risk with some of these obligations. The Township has stratified their portfolio so that the investments with extension risk are comprised of monies needed on a long-term basis. Investments with interest rate risk are selected so that the risk of interest decline below area savings accounts rates is minimal.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits and Investments (continued)

The law provides that the Township's pension trust funds may invest in any form or type of investment, financial instrument, or financial transaction if determined by the Township to be prudent.

Investments for the Township, as well as for its component unit, are reported at fair value.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. At December 31, 2019, an allowance for trade receivables was recorded based on historical trends and circumstances, which existed at year end. The property tax receivable allowance has not been established since all property taxes are deemed fully collectible.

Property taxes are levied as of January 1 on property values assessed as of the same date. Taxes are billed in February and payable under the following terms: a two percent discount is applied if paid within 60 days of the billed date, face amount is payable from 61 days to 120 days past billed date, and a 10 percent penalty is assessed if paid after 120 days past billed date. Any unpaid bills at December 31 are subject to lien, and penalties and interest are assessed.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Expenditures for prepayments are recognized during the period benefited by the prepayment, the consumption method.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

All inventories are valued at cost using the first-in/first-out (“FIFO”) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Building improvements	30 years
Roads and bridges	45 - 75 years
Storm sewers	100 years
Lighting	20 years
Trucks and heavy equipment	10 years
Vehicles	7 years

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

- *Vacation Pay* - Unused vacation benefits lapse at year-end and, accordingly, are not provided for in these financial statements.
- *Sick Pay* - Unused sick pay accumulates at different dates for the various classes of Township employees. All sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.
- *Holiday Pay* - Each police officer can carry over 48 holiday hours in any calendar year up to a maximum of 300 hours. These hours will be compensated for at retirement or resignation. Amounts over 48 hours up to a maximum of 300 hours can be applied to early retirement.
- *Personal Time Off* - Unused personal days may be accumulated from year to year with a maximum accumulation of 15 days (120 hours). These hours will be compensated for at retirement or resignation.

Historically, the general fund has been responsible for liquidation of compensated absences associated with governmental activities. Compensated absences associated with business-type activities are liquidated from the fund in which the liability was generated.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Obligations (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Township has the following items that qualify for reporting in this category:

1. *Unamortized deferred loss on refunding* is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
2. *Differences between expected and actual experience* is reported in the government-wide statement. A difference results when actual economic or demographic factors differ from expected results. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
3. *Change in assumptions* is reported in the government-wide statement of net position. A net difference results when actuarial assumptions are changed. This amount is deferred and amortized over a five-year period.
4. *Net difference between projected and actual earnings* is reported in the government-wide statement of net position. A net difference results from the actual earnings in the plan either exceeding or falling short of projected earnings. This amount is deferred and amortized over a five-year period.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has the following items that qualify for reporting in this category:

1. *Differences between expected and actual experience* is reported in the government-wide statement. A difference results when actual economic or demographic factors differ from expected results. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
2. *Change in assumptions* is reported in the government-wide statement of net position. A net difference results when actuarial assumptions are changed. This amount is deferred and amortized over a five-year period.
3. *Net difference between projected and actual earnings* is reported in the government-wide statement of net position. A net difference results from the actual earnings in the plan either exceeding or falling short of projected earnings. This amount is deferred and amortized over a five-year period.
4. *Unavailable revenue - delinquent taxes* is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets - This category groups all capital assets, including infrastructure, into one component of Net Position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance of this category.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position (continued)

Restricted net position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This category represents net position of the entity, not restricted for any project or other purpose.

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

Fund Balances

Governmental funds report fund balance in classifications based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

Nonspendable Fund Balance - includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained 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 Fund Balance - includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance - includes amounts that can only be used for the specific purposes determined by a resolution of the Township's highest level of decision-making authority, the Board of Commissioners. Commitments may be changed or lifted only by the Township taking the same formal action that imposed the constraint original (for example: resolution).

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (continued)

Assigned Fund Balance - includes amounts that are intended to be used by the Township for specific purposes that are neither restricted nor committed. In accordance with Township policy, intent is expressed by (a) the Board of Commissioners or (b) a body (a budget, finance committee, or Township Manager and Finance Director) to which the assigned amounts are to be used for specific purposes.

Unassigned Fund Balance - This residual classification is used for all negative fund balances in special revenue and capital projects funds, or any residual amounts in the General Fund that are not classified as nonspendable, restricted, committed, or assigned. In circumstances when an expenditure is made for purposes for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Sewer Fund, Refuse Fund, Highway Aid Fund, Permanent Improvement Fund, Workers' Compensation Fund, and the Tuition Reimbursement Fund. All annual appropriations lapse at fiscal year-end. The General Fund budget is presented in the basic financial statements. Budgets for the other funds are shown in supplemental information.

During November, the Township holds budget hearings for the purpose of receiving oral and written comments from interested parties in regard to the proposed budget for the following year. The Township makes available to the public its proposed operating budget for all funds. The operating budget includes proposed expenditures and the means of financing them. The Board holds public hearings, and a final budget must be prepared and adopted no later than December 31 through the passage of an ordinance.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

All budget revisions require the approval of the Township Board of Commissioners. There were budget revisions made during the year. The Board also authorized the use of unallocated fund balances in 2019.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders) outstanding at year end lapse.

Minimum Fund Balance Policy - It is the desire of Abington Township to maintain adequate General Fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The Township's Board of Commissioners have adopted a financial standard to maintain a General Fund unassigned fund balance minimum of approximately one month and a maximum of three months of expenses.

Excess of Expenditures Over Appropriations - For the year ended December 31, 2019, expenditures over appropriations for the General Fund were as follows: insurance and employee benefits \$1,442,546, and debt principal \$16,000. The over expenditures were covered through revenues in excess of budget and expenditures under budget in other areas.

Deficit Net Position and Fund Balance - Governmental Activities had a deficit unrestricted net position balance of \$33,243,707 and the Refuse fund had a deficit unrestricted net position balance of \$1,228,720. These deficits were caused by the recognition of a net pension liability and net OPEB liability. The Grant fund had an unrestricted deficit fund balance of \$190,537. This deficit is expected to be eliminated with the reduction of the benefits payable in 2020 through grants received.

NOTE 3 DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2019, the Township's bank balance was \$27,571,994. Of the bank balance, \$500,000 was covered by federal depository insurance, and remaining balance was exposed to custodial credit risk because, in accordance with Act 72 of the Commonwealth of Pennsylvania, it was uninsured and the collateral held by the depository's agent was not in the Township's name.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Township manages its custodial credit risk through requiring that its broker-dealer or custodian shall be a member in good standing of the Securities Investor Protection Corporation, established under the Securities Investor Protection Act of 1970 and, additionally, provide a certificate of insurance demonstrating that a surety bond be maintained in the amount of 125 percent of the value of the Township's assets at any given time.

	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	<u>More Than Ten Years</u>
GOVERNMENTAL ACTIVITIES					
Certificates of Deposit	<u>\$ 9,515,336</u>	<u>\$ 9,201,686</u>	<u>\$ 272,317</u>	<u>\$ 41,333</u>	<u>\$ -</u>
BUSINESS-TYPE ACTIVITIES					
Certificates of Deposit	<u>\$ 5,641,082</u>	<u>\$ 3,866,349</u>	<u>\$ 1,222,346</u>	<u>\$ 188,928</u>	<u>\$ 363,459</u>

Fair Value Measurements: The Township categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs that include quoted prices for similar assets in active markets and inputs that are observable for the asset, either directly, or indirectly, for substantially the full term of the financial instrument. Fair values of these instruments are estimated using pricing models, quoted pricing models, quoted prices of securities with similar characteristics, or discounted cash flows; Level 3 inputs are significant unobservable inputs. The Township has the following recurring fair value measurements as of December 31, 2019:

	<u>Level 1 Fair Value</u>	<u>Level 2 Fair Value</u>
FIDUCIARY FUNDS		
Money Market Funds	\$ 2,569,358	\$ -
Mutual Funds-International Equity	32,552,384	-
Mutual Funds-Domestic Equity	-	72,369,774
Mutual Funds-Fixed Income	-	39,899,388
	<u>\$ 35,121,742</u>	<u>\$ 112,269,162</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk. For fixed income securities: except for issues of the U.S. Government, its agencies, and instrumentalities of the U.S. Government, no more than five percent of the portfolio at market should be invested in the issues of a single issuer. For equities: no single issue should represent more than five percent at cost or 7.5 percent at market of the portfolio, and no more than 25 percent of the portfolio at market value should be invested in any one industry as defined by the appropriate benchmark. At December 31, 2019, no investment in any one organization represented five percent or more of net position available for benefits.

Interest Rate Risk. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The Township's policy is to follow state law as noted in Note 1. The types of investments allowable under state law are fully insured either by FDIC insurance or government agencies with an implied AAA rating. The Township has no investments subject to credit risk.

Discretely Presented Component Unit At December 31, 2019, the bank balance of the Abington Township Public Library's deposits was \$1,392,338. Of the balance, \$549,308 was covered by federal depository insurance. The remaining balance of deposits was exposed to custodial credit risk because, in accordance with Act 72 of the Commonwealth of Pennsylvania, it was uninsured and the collateral held by the depository's agent was not in the Library's name. As of December 31, 2019, the Library had the following investments:

	Level 1 <u>Fair Value</u>	Less Than <u>One Year</u>
Mutual funds	\$ 1,436,009	\$ 1,436,009
Preferred securities	285,231	285,231
Corporate bonds	<u>154,950</u>	<u>154,950</u>
	<u>\$ 1,876,190</u>	<u>\$ 1,876,190</u>

Investments in external investment pools, such as those in mutual funds, are disclosed but not subject to interest rate, custodial, credit, or concentration risks because they are not evidenced by securities that exist in physical or book entry form. The Library's investments in corporate bonds are subject to custodial credit risk.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 4 RECEIVABLES

Receivables as of year-end for the Township’s individual major funds and non-major, proprietary, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Sewer</u>	<u>Sewer Capital</u>	<u>Refuse Fund</u>	<u>Fiduciary Funds</u>	<u>Agency Fund</u>	<u>Internal Service</u>	<u>Non-major and Other Funds</u>	<u>Total</u>
Receivables:									
Taxes	\$ 2,453,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,453,140
Accounts	538,780	201,325	-	502,627	-	18,562	61,982	133,039	1,456,315
Contributions	-	-	-	-	2,919	-	-	-	2,919
Notes	-	-	150,793	-	-	-	-	-	150,793
Total Receivables	<u>\$ 2,991,920</u>	<u>\$ 201,325</u>	<u>\$ 150,793</u>	<u>\$ 502,627</u>	<u>\$ 2,919</u>	<u>\$ 18,562</u>	<u>\$ 61,982</u>	<u>\$ 133,039</u>	<u>\$ 4,063,167</u>

NOTE 5 INTERNAL BALANCES

The Township reports interfund activity between the governmental activities and the business-type activities. For the year ended December 31, 2019 the balances were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Nonmajor Governmental Funds	\$ 150,453	150,453
Total	<u>\$ 150,453</u>	<u>\$ 150,453</u>

The interfund balances result from the time lag between the dates that payments between funds are made.

	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ -	\$ 663,521
Permanent Improvement Fund	663,521	-
Total	<u>\$ 663,521</u>	<u>\$ 663,521</u>

These transfers are initiated in the normal course of operation to address individual fund needs throughout the year. Interfund transfers are used to permanently move resources.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

Primary Government	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,103,972	\$ -	\$ -	\$ 13,103,972
Construction in progress	<u>5,153,597</u>	<u>289,859</u>	<u>(5,059,712)</u>	<u>383,744</u>
Total capital assets, not being depreciated	<u>18,257,569</u>	<u>289,859</u>	<u>(5,059,712)</u>	<u>13,487,716</u>
Capital assets, being depreciated:				
Buildings and improvements	12,181,460	-	-	12,181,460
Machinery and equipment	11,992,534	-	-	11,992,534
Vehicles	10,972,775	1,046,342	(218,530)	11,800,587
Infrastructure	<u>204,004,523</u>	<u>5,186,870</u>	<u>-</u>	<u>209,191,393</u>
Total capital assets, being depreciated	<u>239,151,292</u>	<u>6,233,212</u>	<u>(218,530)</u>	<u>245,165,974</u>
Less accumulated depreciation for:				
Buildings and improvements	7,400,561	264,503	-	7,665,064
Machinery and equipment	9,963,581	165,631	-	10,129,212
Vehicles	7,790,188	726,186	(159,258)	8,357,116
Infrastructure	<u>96,230,464</u>	<u>801,080</u>	<u>-</u>	<u>97,031,544</u>
Total accumulated depreciation	<u>121,384,794</u>	<u>1,957,400</u>	<u>(159,258)</u>	<u>123,182,936</u>
Total capital assets, being depreciated, net	<u>117,766,498</u>	<u>4,275,812</u>	<u>(59,272)</u>	<u>121,983,038</u>
Governmental activities capital assets, net	<u>\$ 136,024,067</u>	<u>\$ 4,565,671</u>	<u>\$ (5,118,984)</u>	<u>\$ 135,470,754</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 281,662	\$ -	\$ -	\$ 281,662
Construction in progress (restated)	<u>1,492,617</u>	<u>326,237</u>	<u>(355,345)</u>	<u>1,463,509</u>
Total capital assets, not being depreciated	<u>1,774,279</u>	<u>326,237</u>	<u>(355,345)</u>	<u>1,745,171</u>
Capital assets, being depreciated:				
Buildings and improvements	38,269,944	20,000	-	38,289,944
Sewer lines	69,528,601	-	-	69,528,601
Equipment/vehicles	<u>11,315,369</u>	<u>481,837</u>	<u>(550,860)</u>	<u>11,246,346</u>
Total capital assets, being depreciated	<u>119,113,914</u>	<u>501,837</u>	<u>(550,860)</u>	<u>119,064,891</u>
Less accumulated depreciation for:				
Buildings and improvements	21,100,069	874,153	-	21,974,222
Sewer lines	40,771,042	1,313,920	-	42,084,962
Equipment/vehicles	<u>7,925,359</u>	<u>710,091</u>	<u>(550,860)</u>	<u>8,084,590</u>
Total accumulated depreciation	<u>69,796,470</u>	<u>2,898,164</u>	<u>(550,860)</u>	<u>72,143,774</u>
Total capital assets, being depreciated, net	<u>49,317,444</u>	<u>(2,396,327)</u>	<u>-</u>	<u>46,921,117</u>
Business-type activities capital assets, net	<u>\$ 51,091,723</u>	<u>\$ (2,070,090)</u>	<u>\$ (355,345)</u>	<u>\$ 48,666,288</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 6 CAPITAL ASSETS (Continued)

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

Governmental activities:	
Administrative	\$ 144,402
Police and emergency services	384,683
Codes and engineering	16,249
Public works, including depreciation of general infrastructure except park systems	1,231,685
Library	45,658
Parks, including depreciation related to park systems	134,723
Total depreciation expense-governmental activities	<u>\$ 1,957,400</u>
Business type activities:	
Sewer	\$ 2,413,840
Refuse	484,324
Total depreciation expense-business type activities	<u>\$ 2,898,164</u>

Commitments - The Township has active construction projects as of December 31, 2019. The projects include street construction and sewer projects. At year-end, the Township's commitments with contractors are as follows:

	<u>Contract Amount</u>	<u>Completed at 12/31/2019</u>	<u>Balance to Complete</u>
Capital projects	<u>\$ 5,000,000</u>	<u>\$ 2,137,359</u>	<u>\$ 2,862,641</u>

Discretely Presented Component Unit - Activity for the Abington Township Public Library for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Library</u>				
Building improvements	\$ 655,742	\$ 68,533	\$ -	\$ 724,275
Furniture and fixtures	281,594	-	-	281,594
Books and audio material	4,110,308	126,693	-	4,237,001
Total Capital Assets	5,047,644	195,226	-	5,242,870
Less accumulated depreciation	(4,431,172)	(220,177)	-	(4,651,349)
Total Capital Assets, net	<u>\$ 616,472</u>	<u>\$ (24,951)</u>	<u>\$ -</u>	<u>\$ 591,521</u>

Depreciation expense for the year ended December 31, 2019 was \$220,177.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 7 OPERATING LEASES

The Township leases equipment under various long-term operating lease agreements expiring at various dates through 2021. Scheduled minimum rental payments for succeeding years ending December 31 are as follows:

Year Ending Dec. 31	Governmental <u>Activities</u>
2020	\$ 8,552
2021	<u> 3,934</u>
Total lease payments	<u>\$ 12,486</u>

For the year ended December 31, 2019, rental expenditures totaled \$19,693.

NOTE 8 GENERAL DEBT

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

In 2017, the Township issued General Obligation bonds in the amount of \$6,500,000 to fund capital projects within the Township. The interest rate on the bonds is 2.45%, with a maturity date of November 2023. The bond proceeds are available for draw-down by the Township. At December 31, 2019, the amount drawn down and payable on the bonds was \$3,136,238.

Advance Refunding - Certain outstanding general obligation bonds of the Township have been defeased by placing the proceeds of refunding bonds into an irrevocable escrow account held and managed by bank trustees and invested in U.S. Treasury obligations, the principal and interest on which would provide amounts sufficient to pay the principal and interest on the defeased bonds in accordance with the schedule of remaining payments due. Accordingly, the escrow account and the defeased bonds are not included in the Township's financial statements. At December 31, 2019, \$1,525,000 of bonds outstanding is considered defeased.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 8 GENERAL DEBT (Continued)

Debt activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
Governmental activities:					
Bonds payable	\$ 4,397,816	\$ 600,000	\$ (1,766,000)	\$ 3,231,816	\$ 1,855,000
Deferred amounts:					
For issuance premiums	<u>182,424</u>	<u>-</u>	<u>(91,213)</u>	<u>91,211</u>	<u>91,211</u>
Total bonds payable	4,580,240	600,000	(1,857,213)	3,323,027	1,946,211
Notes payable	144,950	-	(72,701)	72,249	72,249
Claims payable	440,966	-	(289,987)	150,979	20,000
Net pension liability	30,141,277	11,636,884	(23,712,264)	18,065,897	-
Net OPEB obligation	17,479,686	2,822,322	(7,543,608)	12,758,400	-
Compensated absences	<u>985,706</u>	<u>324,569</u>	<u>(392,914)</u>	<u>917,361</u>	<u>293,336</u>
Governmental activity					
Long-term liabilities	<u><u>53,772,825</u></u>	<u><u>15,383,775</u></u>	<u><u>(33,868,687)</u></u>	<u><u>35,287,913</u></u>	<u><u>2,331,796</u></u>
Business-type activities:					
Bonds payable	6,130,421	-	(2,556,000)	3,574,421	1,857,000
Deferred amounts:					
For issuance premiums	<u>220,754</u>	<u>-</u>	<u>(110,377)</u>	<u>110,377</u>	<u>110,377</u>
Total bonds payable	6,351,175	-	(2,666,377)	3,684,798	1,967,377
Net pension liability	2,952,761	1,711,609	(3,610,729)	1,053,641	-
Net OPEB obligation	2,122,966	348,826	(920,637)	1,551,155	-
Compensated absences	<u>61,345</u>	<u>22,068</u>	<u>(9,180)</u>	<u>74,233</u>	<u>18,559</u>
Business-type activity					
Long-term liabilities	<u><u>\$ 11,488,247</u></u>	<u><u>\$ 2,082,503</u></u>	<u><u>\$ (7,206,923)</u></u>	<u><u>\$ 6,363,827</u></u>	<u><u>\$ 1,985,936</u></u>

Debt service for general obligation bonds is funded primarily from real estate taxes for governmental activities and charges for service in the business type activities. Any liabilities for compensated absences, net pension liability, and net OPEB obligation are generally liquidated by the general fund. The claims payable is funded through an internal service fund.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 8 GENERAL DEBT (Continued)

The Township's debt consisted of the following:

Governmental Activities:

General Obligation Bonds

Series of 2014, maturing through July 2020, bearing interest of 5%,
interest payable semi-annually in January and May. \$ 1,075,000

Series of 2017, maturing through November 2023, bearing interest of
2.45%, interest payable annually. 2,156,816

General Obligation Notes

Radio Loan Note 2015, maturing through January 2020, bearing
no interest. 72,249
\$ 3,304,065

Business-type Activities:

General Obligation Bonds

Series of 2013, maturing through May 2022, bearing interest ranging
from 2.00% to 4.00%, interest payable semi-annually in May and
November. \$ 2,595,000

Series of 2017, maturing through November 2023, bearing interest of
2.45%, interest payable annually. 979,421
\$ 3,574,421

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

	<u>Governmental</u>		<u>Business-type</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,927,249	\$ 176,201	\$ 1,857,000	\$ 62,873
2021	1,376,816	73,836	737,000	35,630
2022	-	-	760,000	18,613
2023	-	-	220,421	5,401
	<u>\$ 3,304,065</u>	<u>\$ 250,037</u>	<u>\$ 3,574,421</u>	<u>\$ 122,517</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 9 RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government participates in the Delaware Valley Property & Liability Trust pool, the Delaware Valley Workers' Compensation Trust pool, and the Delaware Valley Health Trust pool. Settled claims from these risks have not exceeded insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

The Delaware Valley Property & Liability Trust is a public entity risk pool operated for the benefit of approximately 33 municipalities. Trust underwriting and rate-setting policies are established after consultation with independent insurance consultants. Any member may withdraw from the Trust by giving 150 days written notice to the Executive Committee. The insurance expense for the year ended December 31, 2019 was \$860,122. The pooling agreement permits the pool to make additional assessments to its members. At December 31, 2019, there were no additional assessments due or anticipated; instead, the pool declared a dividend of which the Township's share was \$190,465.

The Delaware Valley Workers' Compensation Trust is a public entity risk pool operated for the benefit of approximately 33 municipalities. Trust underwriting and rate-setting policies are established after consultation with independent insurance consultants. Any member may withdraw from the Trust by giving 150 days written notice to the Executive Committee. The insurance expense for the year ended December 31, 2019 was \$815,036. The Township also received \$15,800 as a result from a payroll audit of the 2018 coverage year. There were no additional assessments due or anticipated. An audit of the 2019 payroll will be performed in 2020. At December 31, 2019, the pool declared a dividend of which the Township's share was \$15,393.

The Delaware Valley Health Trust is a public entity risk pool operated for the benefit of approximately 33 municipalities. Trust underwriting and rate-setting policies are established after consultation with independent insurance consultants. Any member may withdraw from the Trust by giving 150 days written notice to the Executive Committee. The insurance expense for the year ended December 31, 2019 was \$6,022,212. There were no additional assessments due or anticipated. At December 31, 2019, the pool did not declare a dividend.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 9 RISK MANAGEMENT (Continued)

The government established a self-insured risk management program for workers' compensation. Premiums are paid into the workers' compensation fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program. The amount of expense is charged back to the General Fund, Sewer Fund, and Refuse Fund based on their respective share of the losses incurred.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported ("IBNRs"). The result of the process to estimate the claim liability is not an exact amount, as it depends on many complex factors such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustments expenses regardless of whether allocated to specific claims. Estimated recoveries, for example, from salvage or subrogation are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of \$400,000. Settlements have not exceeded coverage for each of the past three fiscal years.

The General Fund, Sewer Fund, and Refuse Fund participate in the program and make payments to the Internal Service Fund based on estimates of the amounts needed to pay prior and current year claims. The claims liability of \$150,979 reported in the Funds at December 31, 2019 is based on the requirements of Governmental Accounting Standards Board ("GASB") Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount were as follows:

	<u>Year Ended</u> <u>12/31/2019</u>	<u>Year Ended</u> <u>12/31/2018</u>
Unpaid claims, beginning of fiscal year	\$ 440,966	\$ 575,445
Changes in claim estimate	(269,529)	(97,838)
Claim payments	<u>(20,458)</u>	<u>(36,641)</u>
Unpaid claims, end of fiscal year	<u>\$ 150,979</u>	<u>\$ 440,966</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 10 CONTINGENCIES AND COMMITMENTS

Amounts received or receivables from grant agencies are subject to audit and any adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS

The Township sponsors a contributory, single-employer post-employment benefit plan (OPEB) for eligible employees of the Township. The OPEB Plan is governed by the Board of Commissioners. The Board of Commissioners has delegated the authority to manage plan assets to US Bank.

The plan is reported as an OPEB Trust Fund in the accompanying financial statements, titled Health Care Offset Fund, and does not issue a stand-alone report. The plan is administered by the Township. The most recent valuation was as of January 1, 2018. Details below are from the valuation.

As of December 31, 2019, the most recent actuarial valuation, plan membership is as follows:

	<u>OPEB</u>
Inactive employees (or their beneficiaries) currently receiving benefits	228
Inactive employees entitled to benefits but not yet receiving them	0
Active employees	<u>246</u>
	<u>474</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (Continued)

Eligibility

There are three classes of membership in the Township of Abington's postemployment benefits plan:

Per Diem Employees: Eligibility begins upon attainment of the earlier of age 55 with 10 years of service, age 65, or Rule of 85. Employees hired after December 31, 2014 are not eligible for health benefits.

Police Employees: Eligibility begins upon attainment of age 50 with 25 years of service.

Salaried Employees: Eligibility begins upon attainment of the earlier of age 55 with 10 years of service, age 65, or Rule of 85. Employees hired after December 31, 2013 are not eligible for health benefits.

Benefits Provided

Benefit and contribution provisions are established by, and may be amended only as allowed by the following:

- Per Diem Employees by Union Labor Contract
- Police Employees by the Police Collective Bargaining Agreement
- Salaried Employees by the Board of Commissioners

Per diem employees - The amount paid by per diem retirees is the ratio of their insurance payment to their total salary at retirement applied to the insurance payment. The amount that the Township pays is limited to 150 percent of the amount of premium paid by the Township in the final year of their employment.

Police employees - Police retiring after 1993 are limited to an HMO, the cost of which is covered by the Township. For Officers hired after January 1, 2019, retiree health insurance for the retiree and spouse shall cease upon the each covered individual's eligibility for Medicare. Police who retired after January 1, 1993 receive a prescription plan providing an 80 percent/20 percent basis, which means the insured is responsible for 20 percent of the cost of each prescription if similar coverage is not available via the spouse. For those retiring before 2006, the Township's cost is limited to \$55 per month for a single person and \$110 per month for a couple. For those that retire after 2005, the Township will pay 75 percent of the cost for prescription drug benefits. Any cost over that is charged to the retiree.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (Continued)

Benefits Provided (continued)

Salaried employees - Retirees and their spouse receive lifetime medical benefits with no required contributions.

There is a provision under the plan that the retirees apply for Medicare as soon as they are eligible. The annual health insurance costs for the employees are fully funded, and the Township intends to add funds to the trust annually to fund future liabilities as it is able. Costs to administer the plan are paid from the trust's assets.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting. OPEB plan financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Employee and employer contributions are recognized as when due pursuant to formal commitments, as well as statutory or contractual requirements. Investment income is recognized as revenue when earned. Post employment benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation/(depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments. The entire expense of Plan administration is charged against the earnings of the Plan. Investment earnings are reduced for investment management fees, portfolio evaluation, custodial services, and actuarial services, as required by State statutes.

Method Used to Value Investments. OPEB plan equity securities are reported at market value. Fixed income securities are reported at market value, investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date. Market-related value of assets is used to determine the indicated contribution.

At December 31, 2019, there were no individual investments that constituted more than five percent of plan net position available for benefits that were required to be reported. Investments in mutual funds are disclosed but not subject to interest rate, custodial, credit, or concentration risks because they are not evidenced by securities that exist in physical or book entry form.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (Continued)

Contributions

Police hired after April 20, 2006 will contribute one percent of wages (base salary, shift differential and longevity) toward the cost of retiree medical coverage beginning January 1 of the third calendar year of employment.

Per Diem employees hired between January 1, 2007 and December 31, 2009 contribute one percent of wages (wages plus longevity) toward the cost of retiree medical coverage. Per Diem employees hired between January 1, 2010 and December 31, 2014 contribute two percent of wages (wages plus longevity). Per Diem employees hired on or after January 1, 2015 are not eligible for post-retirement medical benefits.

Salaried employees hired in a full-time capacity on or after January 1, 2007 through December 31, 2013 will contribute one percent of salary toward the cost of retiree medical coverage. Salaried/Clerical employees hired on or after January 1, 2014 are not eligible for post-retirement medical benefits.

The Township does not have a set policy for employer contributions to the plan. Employer contributions will be determined annually by the Board of Commissioners based on funding needs. For the year end December 31, 2019, the employer contributions totaled \$3,273,306. There are no legal or contractual requirements for employer contributions to the plan.

Investments

Investment Policy: The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Commissioners. 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 OPEB 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.

Rate of Return: For the year ended December 31, 2019, the annual money-weighted rate of return on Plan investments, net of investment expense was 21.24% for the OPEB Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (Continued)

Net OPEB Liability

The Township's net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

	<u>OPEB</u>	
Inflation	4.65%	
Salary Increases	4.5%	(including inflation)
Investment Rate of Return	5.0%	(net of OPEB plan investment expense, including inflation)
Healthcare Cost Trend Rates	Pre-65 Med 6.95%, Post-65 Med 5.4%, and Rx 9.4% for 2019, decreasing .3% per year to an ultimate rate of 4.5% for 2022 and later years.	

Mortality rates were based on the RP-2014 employee and healthy annuitant mortality table projection: Mortality rates are projected generationally from 2006 using Scale MP-2019.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study from the period January 1, 2016 to December 31, 2017.

The net OPEB liability was measured as of December 31, 2019 and the total OPEB liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2018. The assumption changes for 2019 - The mortality table, health care cost trend, and excise tax impact were updated. The discount rate increased from 4.65% in 2018 to 5% in 2019. There were no benefit changes since the valuation date. The mortality table, healthcare cost trend rates, and excise tax impact were updated.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (Continued)

Asset Allocation and Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Below is the target allocation of the OEPB plan as of December 31, 2019.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash and Equivalents	0.00%	1.00%
Mutual Funds - Equity	65.00%	5.00%
Mutual Funds - Fixed Income	35.00%	3.20%

Discount Rate

The discount rate used to measure the total OPEB liability was 5 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the pay-as-you-go amount plus an additional \$200,000 annually. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on these assumptions, the OPEB Fund's fiduciary net position is projected to be exhausted in 2042. Therefore, a blended rate based on the long-term expected rate of return on OPEB Plan investments and the Bond Buyer GO 20-Bond Municipal Bond Index was applied to all periods of projected benefit payments to determine the total OPEB liability.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (Continued)

Change in Net OPEB Liability

	Increase (Decrease)		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
<u>OPEB Plan</u>			
Balance at December 31, 2018	\$ 37,990,063	\$ 18,387,411	\$ 19,602,652
Changes for the year:			
Service cost	1,368,420	-	1,368,420
Interest	1,802,728	-	1,802,728
Change of benefit terms	-	-	-
Differences between expected and actual experience	(106,737)	-	(106,737)
Change of assumptions	(1,957,476)	-	(1,957,476)
Contributions - employer	-	3,273,306	(3,273,306)
Contributions - employee	-	-	-
Net investment income	-	3,136,048	(3,136,048)
Benefit payments, including refunds of employee contributions	(1,193,852)	(1,193,852)	-
Administrative expense	-	(9,322)	9,322
Other changes	-	-	-
Net Changes	<u>(86,917)</u>	<u>5,206,180</u>	<u>(5,293,097)</u>
Balance at December 31, 2019	<u>\$ 37,903,146</u>	<u>\$ 23,593,591</u>	<u>\$ 14,309,555</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability calculated using the discount rate of 5 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4 percent) or one percentage point higher (6 percent) than the current rate:

	1% Decrease (4%)	Current Discount Rate (5%)	1% Increase (6%)
Net OPEB liability	\$ 19,344,921	\$ 14,309,555	\$ 10,141,481

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease Valuation Rates	Healthcare Cost Trend Valuation Rates	1% Increase Valuation Rates
Net OPEB liability	\$ 9,312,299	\$ 14,309,555	\$ 20,311,223

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (Continued)

The schedule of changes in the OPEB liability, schedule of contributions, and a schedule of investment returns are presented as required supplementary information (“RSI”) following the notes to the financial statements.

OPEB Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2019, the Township recognized OPEB expense/(income) of (\$1,907,356). At December 31, 2019, the Township reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>OPEB Plan</u>		
Differences between expected and actual experience	\$ -	\$ 4,152,560
Changes in assumptions	1,117,457	14,985,570
Net difference between projected and actual earnings on OPEB plan investments	-	1,173,211
Total	\$ 1,117,457	\$ 20,311,341

The deferred amounts related to OPEB will be recognized in expense as follows:

	<u>Governmental- Activities OPEB</u>	<u>Proprietary - Activities OPEB</u>	<u>Total OPEB</u>
Year Ended December 31:			
2019	\$ (3,671,014)	\$ (446,319)	\$ (4,117,333)
2020	(3,671,013)	(446,319)	(4,117,332)
2021	(3,454,280)	(419,968)	(3,874,248)
2022	(3,825,753)	(465,132)	(4,290,885)
2023	(2,331,535)	(283,466)	(2,615,001)
Thereafter	(159,672)	(19,413)	(179,085)
Total	\$ (17,113,267)	\$ (2,080,617)	\$ (19,193,884)

Payable to the OPEB Plan: For the year ended December 31, 2019, there was no amount payable for contributions to the OPEB plan.

The OPEB trust does not issue a standalone statement but is included in the statements for the Township. Financial statements for the trust are included in Note 12 with the pension statements.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Benefit Pension Plan

The Township sponsors two single-employer defined benefit pension plans, the Non-Uniformed Pension Plan and the Police Pension Plan. These plans are reported as Pension Trust Funds in the accompanying financial statements and do not issue stand-alone reports. The plans are administered by the Township. The most recent valuation was as of January 1, 2019. Details below are from the valuation.

Non-Uniformed Pension Plan: The plan is a contributory, single employer defined benefit plan that covers all full-time non-uniformed employees of the Township hired prior to December 31, 2015. The plan is closed to new entrants as of December 31, 2015.

Police Pension Plan: The plan is a contributory, single employer defined benefit plan that covers all full-time uniformed employees of the Township. An employee may become a participant of the plan on the first day of the month coincident with or next following commencement of employment, provided he agrees to make the necessary contributions.

The Pension Plans are governed by the Board of Commissioners. The Board of Commissioners has delegated the authority to manage Plan assets to PFM Asset Management, LLC.

At December 31, 2019, the Abington Township Pension Plans consisted of the following:

	<u>Non-Uniform</u>	<u>Police</u>
Inactive employees (or their beneficiaries)		
currently receiving benefits	126	85
Inactive employees entitled to benefits		
but not yet receiving them	12	3
Active employees	<u>134</u>	<u>89</u>
	<u>272</u>	<u>177</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Description of the Non-Uniformed Pension Plan

The Non-Uniformed Pension Plan provides retirement benefits as well as disability benefits. All benefits vest at 100 percent after five years of credited service. Employees who retire at or after age 65, or after their age plus service equals 85, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to two percent of the final average earnings times years and months of credited service. Final average earnings are the employee's average salary over the period of 36 consecutive calendar months during which the employee was an active participant yielding the highest average.

Covered employees are required to contribute 5.0 percent of their salary to the Non-Uniformed Pension Plan. If an employee leaves covered employment or dies before five years of credited service, accumulated employee contributions plus related interest earnings are refunded to the employee or designated beneficiary. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the fund. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law. Administrative costs are included in the calculation of the Township contribution and, thus, are financed by the Township.

Deferred Retirement Option Program - The Non-Uniformed Pension Plan offers a Deferred Retirement Option Program (DROP) to full-time non-uniformed employees who are eligible to retire. A member is eligible to enter the DROP program on or after his normal retirement date. Upon entering the DROP program, the member's retirement benefit is frozen and his retirement benefit payments will be deposited into an account that will be credited with interest and paid to the participant in a lump sum at his actual retirement in addition to his monthly pension payments. The member must retire within 24 months after entering the DROP. As of December 31, 2019, the balance of the amounts held by the Plan pursuant to the DROP was \$231,321.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Description of the Police Pension Plan

The Police Pension Plan provides retirement benefits as well as disability benefits. All benefits vest after 12 years of credited service. Employees who retire at or after age 50 with 25 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 50 percent of their final-average salary. Final-average salary is the employee's average salary, including overtime, over the last three years of credited service.

Police officers are currently required to contribute 5.0 percent of compensation to the Police Pension Plan.

If an employee leaves covered employment or dies before 12 years of credited service, accumulated employee contributions of the Police Pension Plan (not the Association) plus related interest earnings are refunded to the employee or designated beneficiary. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the Pension Plan. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law. Administrative costs are included in the calculation of the Township contribution and, thus, are financed by the Township.

An active member who has met the eligibility requirements for normal retirement may elect to participate in the deferred retirement option program for a period of up to 48 months. The monthly pension shall be calculated as of the date of participation in the program. The balance in deferred retirement option program plan is distributed to the employee in a lump sum at the termination of the program.

Deferred Retirement Option Program

The Police Pension Plan offers a Deferred Retirement Option Program (DROP) to officers who are eligible to retire. A member is eligible to enter the DROP program on or after his normal retirement date. Upon entering the DROP program, the member's retirement benefit is frozen and his retirement benefit payments will be deposited into an account that will be credited with interest and paid to the participant in a lump sum at his actual retirement in addition to his monthly pension payments. The member must retire within 48 months for officers, and 60 months for lieutenants, after entering the DROP. As of December 31, 2019, the balance of the amounts held by the Plan pursuant to the DROP was \$718,459.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting. Pension plan financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Employee and employer contributions are recognized as when due pursuant to formal commitments, as well as statutory or contractual requirements. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation/(depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments. The entire expense of Plan administration is charged against the earnings of the Plan. Investment earnings are reduced for investment management fees, portfolio evaluation, custodial services, and actuarial services, as required by State statutes.

Method Used to Value Investments. Pension plan equity securities are reported at market value. Fixed income securities are reported at market value, investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date. Market-related value of assets is used to determine the indicated contribution.

At December 31, 2019, there were no individual investments that constituted more than five percent of plan net position available for benefits that were required to be reported. Investments in mutual funds are disclosed but not subject to interest rate, custodial, credit, or concentration risks because they are not evidenced by securities that exist in physical or book entry form.

Contributions Required and Contributions Made

The pension plan funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level of percentage of employer contribution rates is determined using the entry age normal actuarial funding method as required by Pennsylvania Act 205. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

The Township's annual required contribution is equal to its minimum municipal obligation ("MMO") as calculated in accordance with Pennsylvania law (Act 205 of 1984) less state aid and employee contributions deposited in the pension fund during the year. State law requires that state aid be used first to fund the plan, then employee contributions and finally general Township funds. The Township received state aid, which is recognized as revenue and expenses, in the amount of \$1,756,331 for the pensions for the year ended December 31, 2019.

Investments

Investment Policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Commissioners. 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.

Rate of Return: For the year ended December 31, 2019, the annual money-weighted rate of return on Plan investments, net of investment expense was 20.6% for the Police Plan and -20.4% for the Non-Uniformed Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the pension plans at December 31, 2019 is as follows:

	<u>Non-Uniform</u>	<u>Police</u>
Total pension liability	\$ 65,989,230	\$ 82,058,643
Plan fiduciary net position	<u>(61,985,394)</u>	<u>(66,942,941)</u>
Net pension liability	<u>\$ 4,003,836</u>	<u>\$ 15,115,702</u>
Plan fiduciary net position as a percentage of the total pension liability	94%	82%

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Actuarial Assumptions: The total pension liability in the January 1, 2019 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

	<u>Police</u>	<u>Non-Uniform</u>	
Inflation	2.1%	2.1%	
Salary Increases	4.5%	4.5%	
Investment Rate of Return	7.5%	7.5%	(including inflation)
Postretirement Cost of Living Increase	3.0%	3.0%	

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for males or females. This table does not include projected mortality improvements.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2017 to December 31, 2018.

The net pension liability for Police was measured as of December 31, 2019 and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2019. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

Asset Allocation and Long-Term Expected Rate of Return

The long-term expected rate of return on the pension plans investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Below is the target allocation of the pension plans as of December 31, 2019.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Non-Uniformed Pension and Police Pension

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	42.00%	5.00%
International Equity	16.00%	4.90%
Emerging Equity	7.00%	5.00%
Core Fixed Income	17.50%	2.60%
Intermediate Inv. Grade Corp.	8.75%	3.60%
High Yield	4.38%	4.10%
Emerging Debt	4.38%	4.20%
Cash	0.00%	1.00%

Discount Rate

The discount rate used to measure the total pension liability for the police and non-uniformed pension plans was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Based upon the Plan's current target investment allocation and the associated long-term expected investment returns for its asset classes, the Plan's long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability. This may result in future increased total and net pension liability.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

	Increase (Decrease)		
	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>Liability</u>
<u>Police Pension Plan</u>			
Balance at December 31, 2018	\$ 77,587,433	\$ 56,796,565	\$ 20,790,868
Changes for the year:			
Service cost	1,242,314	-	1,242,314
Interest	5,766,887	-	5,766,887
Change of benefit terms	-	-	-
Differences between expected and actual experience	1,409,208	-	1,409,208
Change of assumptions	-	-	-
Contributions - employer	-	1,907,290	(1,907,290)
Contributions - employee	-	520,887	(520,887)
Net investment income	-	11,702,832	(11,702,832)
Benefit payments, including refunds of employee contributions	(3,947,199)	(3,947,199)	-
Administrative expense	-	(37,434)	37,434
Other changes	-	-	-
Net Changes	<u>4,471,210</u>	<u>10,146,376</u>	<u>(5,675,166)</u>
Balance at December 31, 2019	<u>\$ 82,058,643</u>	<u>\$ 66,942,941</u>	<u>\$ 15,115,702</u>

	Increase (Decrease)		
	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>Liability</u>
<u>Non-Uniform Pension Plan</u>			
Balance at December 31, 2018	\$ 66,209,457	\$ 53,906,287	\$ 12,303,170
Changes for the year:			
Service cost	1,408,835	-	1,408,835
Interest	4,930,457	-	4,930,457
Change of benefit terms	-	-	-
Differences between expected and actual experience	(2,732,618)	-	(2,732,618)
Change of assumptions	-	-	-
Contributions - employer	-	518,168	(518,168)
Contributions - employee	-	454,359	(454,359)
Net investment income	-	10,970,091	(10,970,091)
Benefit payments, including refunds of employee contributions	(3,826,901)	(3,826,901)	-
Administrative expense	-	(36,610)	36,610
Other changes	-	-	-
Net Changes	<u>(220,227)</u>	<u>8,079,107</u>	<u>(8,299,334)</u>
Balance at December 31, 2019	<u>\$ 65,989,230</u>	<u>\$ 61,985,394</u>	<u>\$ 4,003,836</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the non-uniformed and police pension plans calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate:

	1% Decrease <u>(6.5%)</u>	Current Discount <u>Rate (7.5%)</u>	1% Increase <u>(8.5%)</u>
Net pension liability			
Police	\$ 25,309,706	\$ 15,115,702	\$ 6,651,642
Non-Uniform	11,598,611	4,003,836	(2,479,915)

The schedule of changes in the pension liability, schedule of contributions, and a schedule of investment returns are presented as required supplementary information (“RSI”) following the notes to the financial statements.

Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2019, the Township recognized pension expense of \$1,044,775 for Non-Uniformed Pension and \$3,233,517 for Police Pension. At December 31, 2019, the Township reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Non-Uniform Pension</u>		
Differences between expected and actual experience	\$ -	\$ 3,279,040
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	3,008,308
Total	<u>\$ -</u>	<u>\$ 6,287,348</u>
<u>Police Pension</u>		
Differences between expected and actual experience	\$ 1,749,124	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	3,232,757
Total	<u>\$ 1,749,124</u>	<u>\$ 3,232,757</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

The deferred amounts related to the pension will be recognized in pension expense as follows:

Year Ended December 31:	Governmental- Activities Non-Uniform	Proprietary - Activities Non-Uniform	Total Non-Uniform	Governmental- Activities Police
2020	\$ (1,775,464)	\$ (634,095)	\$ (2,409,559)	\$ (43,748)
2021	(1,715,085)	(612,531)	(2,327,616)	(434,140)
2022	(1,549,933)	(553,548)	(2,103,481)	340,549
2023	(1,418,598)	(506,640)	(1,925,238)	(1,346,294)
2024	(103,160)	(36,843)	(140,003)	-
2025	1,929,457	689,092	2,618,549	-
Total	<u>\$ (4,632,783)</u>	<u>\$ (1,654,565)</u>	<u>\$ (6,287,348)</u>	<u>\$ (1,483,633)</u>

Payable to the Pension Plan: For December 31, 2019, there were no amounts payable for contributions to the pension plans.

Neither plan issues a stand-alone financial statement. Below are the financial statements for each plan. Also included are the financial statements for the healthcare trust plan.

	Pension and Other Employee Benefit Trust Plans					
	Police Pension	Non-Uniformed Pension			Health Care Offset Fund	Total
		Defined Benefit	Defined Contribution	Total Non-Uniformed		
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 5,704,230	\$ 5,704,230
Contributions receivable	-	2,919	-	2,919	-	2,919
Accrued interest	1,638	1,328	-	1,328	-	2,966
Investments, at fair value:						
Money market funds	1,247,417	1,321,941	-	1,321,941	-	2,569,358
Mutual funds	65,693,885	60,663,561	564,910	61,228,471	17,899,190	144,821,546
Total Assets	<u>66,942,940</u>	<u>61,989,749</u>	<u>564,910</u>	<u>62,554,659</u>	<u>23,603,420</u>	<u>153,101,019</u>
LIABILITIES						
Benefits Payable	-	4,356	-	4,356	9,830	14,186
Total Liabilities	<u>-</u>	<u>4,356</u>	<u>-</u>	<u>4,356</u>	<u>9,830</u>	<u>14,186</u>
NET POSITION						
Net Position - Restricted for:						
Pension benefits	66,942,940	61,985,393	564,910	62,550,303	-	129,493,243
Other post employment benefits	-	-	-	-	23,593,590	23,593,590
Total Net Position	<u>\$ 66,942,940</u>	<u>\$ 61,985,393</u>	<u>\$ 564,910</u>	<u>\$ 62,550,303</u>	<u>\$ 23,593,590</u>	<u>\$ 153,086,833</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

	<u>Police Pension</u>	<u>Non-Uniformed Pension</u>			<u>Health Care Offset Fund</u>
		<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Total Non-Uniformed</u>	
Additions					
Contributions					
Member contributions	\$ 520,887	\$ 454,359	\$ 121,646	\$ 576,005	\$ -
Employer contributions	669,127	-	121,646	121,646	3,273,306
State aid	<u>1,238,163</u>	<u>518,168</u>	<u>-</u>	<u>518,168</u>	<u>-</u>
Total Contributions	<u>2,428,177</u>	<u>972,527</u>	<u>243,292</u>	<u>1,215,819</u>	<u>3,273,306</u>
Investment Income					
Net appreciation (depreciation) in					
fair value of investments	10,358,614	9,705,959	73,564	9,779,523	3,136,048
Interest and Dividends	<u>1,408,938</u>	<u>1,329,645</u>	<u>-</u>	<u>1,329,645</u>	<u>-</u>
Total investment earnings	11,767,552	11,035,604	73,564	11,109,168	3,136,048
Less investment expense	<u>(64,721)</u>	<u>(65,513)</u>	<u>(3,681)</u>	<u>(69,194)</u>	<u>-</u>
Net Investment Income	<u>11,702,831</u>	<u>10,970,091</u>	<u>69,883</u>	<u>11,039,974</u>	<u>3,136,048</u>
Other Income					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Additions	<u>14,131,008</u>	<u>11,942,618</u>	<u>313,175</u>	<u>12,255,793</u>	<u>6,409,354</u>
Deductions					
Benefits	3,894,548	3,797,145	-	3,797,145	1,193,852
Administrative expenses	37,434	36,610	-	36,610	9,322
Miscellaneous	-	-	-	-	-
Refund of member contributions	<u>52,651</u>	<u>29,756</u>	<u>330</u>	<u>30,086</u>	<u>-</u>
Total Deductions	<u>3,984,633</u>	<u>3,863,511</u>	<u>330</u>	<u>3,863,841</u>	<u>1,203,174</u>
Net Increase	10,146,375	8,079,107	312,845	8,391,952	5,206,180
Net Position restricted for Pension, OPEB, and other benefits					
Beginning of Year	<u>56,796,565</u>	<u>53,906,286</u>	<u>252,065</u>	<u>54,158,351</u>	<u>18,387,410</u>
End of Year	<u>\$ 66,942,940</u>	<u>\$ 61,985,393</u>	<u>\$ 564,910</u>	<u>\$ 62,550,303</u>	<u>\$ 23,593,590</u>

Defined Contribution Pension Plan

Non-Uniformed Defined Contribution Pension Plan

Abington Township sponsors a defined contribution pension plan to provide pension benefits for all full-time non-uniformed employees of the Township hired after the transition date of January 1, 2016. As of December 31, 2019, there were 41 active participants in the plan.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Non-Uniformed Defined Contribution Pension Plan (continued): The Township is required to contribute 5% of eligible compensation annually. Employer contributions to the plan for 2019 totaled \$121,646. Participants are required to contribute 5% of their covered compensation to the Plan. Employee contributions to the Plan for 2019 totaled \$121,646. Plan provisions and contribution requirements are established and may be amended by ordinance enacted by the Abington Township Board of Commissioners.

Each full-time, permanent, non-uniformed employee of the Township hired on or after January 1, 2016, shall become eligible. The plan provides retirement, death, and disability benefits to plan members and their beneficiaries. All amounts are fully vested. Administrative costs of the Plan are financed through investment earnings. The Plan is managed by an outside trustee appointed by the Township.

This plan is part of the Non-Uniformed Pension Plan. It is reported as Pension Trust Fund in the accompanying financial statements and does not issue stand-alone reports. Pension Plan financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Pension Plan investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchanges of securities are recognized on the transaction date. The net appreciation/(depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments.

NOTE 13 RESTATEMENT

Sewer Capital Net Position has been restated to reflect the reclassification of an expense out of construction-in-progress. The expense will not result in a capital asset.

	Business-type Activity
	Sewer Capital
Net position originally reported at December 31, 2018	\$ 32,265,053
Reclassification of expense	<u>(1,044,605)</u>
Restated Net position for December 31, 2018	<u>\$ 31,220,448</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 14 SUBSEQUENT EVENTS

The Township has evaluated all subsequent events through June 20, 2020, the date the financial statements were available for release. No subsequent events have been recognized.

Subsequent to year end, a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. The pandemic has led to widespread voluntary and government-mandated closings of local stores and businesses, which has resulted in significant job losses. These job losses have the potential to have a significant impact on Abington Township as tax collection may decrease along with potential job losses of Abington Township's own employees. Also, there is the risk of declines in market values of investments.

REQUIRED

SUPPLEMENTARY INFORMATION

TOWNSHIP OF ABINGTON

SCHEDULE OF CHANGES IN NET PENSION LIABILITY, RELATED RATIOS,
AND INVESTMENT RETURNS – NON-UNIFORMED PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability						
Service cost	\$ 1,408,835	\$ 1,386,870	\$ 1,290,112	\$ 1,575,939	\$ 1,465,990	\$ 1,520,570
Interest	4,930,457	4,749,817	4,622,097	4,376,524	4,243,608	3,982,642
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(2,732,618)	-	(1,136,534)	-	(1,966,705)	-
Changes of assumptions	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	<u>(3,826,901)</u>	<u>(3,742,507)</u>	<u>(2,596,497)</u>	<u>(2,188,146)</u>	<u>(1,973,120)</u>	<u>(1,965,034)</u>
Net change in total pension liability	(220,227)	2,394,180	2,179,178	3,764,317	1,769,773	3,538,178
Total pension liability - beginning	<u>66,209,457</u>	<u>63,815,277</u>	<u>61,636,099</u>	<u>57,871,782</u>	<u>56,102,009</u>	<u>52,563,831</u>
Total pension liability - ending (a)	<u>\$ 65,989,230</u>	<u>\$ 66,209,457</u>	<u>\$ 63,815,277</u>	<u>\$ 61,636,099</u>	<u>\$ 57,871,782</u>	<u>\$ 56,102,009</u>
Plan fiduciary net position						
Contributions - employer	\$ 518,168	\$ 552,359	\$ 672,666	\$ 782,023	\$ 1,139,029	\$ 1,069,091
Contributions - employee	454,359	467,457	495,738	530,640	472,704	462,059
Net investment income	10,970,091	(2,907,339)	8,407,254	3,281,954	(425,016)	1,810,819
Benefit payments, including refunds of employee contributions	(3,826,901)	(3,742,507)	(2,596,497)	(2,188,146)	(1,973,120)	(1,965,034)
Administrative expense	<u>(36,610)</u>	<u>(25,505)</u>	<u>(32,991)</u>	<u>(33,453)</u>	<u>(55,380)</u>	<u>(23,937)</u>
Net change in plan fiduciary net position	8,079,107	(5,655,535)	6,946,170	2,373,018	(841,783)	1,352,998
Plan fiduciary net position - beginning	<u>53,906,287</u>	<u>59,561,822</u>	<u>52,615,652</u>	<u>50,242,634</u>	<u>51,084,417</u>	<u>49,731,419</u>
Plan fiduciary net position - ending (b)	<u>\$ 61,985,394</u>	<u>\$ 53,906,287</u>	<u>\$ 59,561,822</u>	<u>\$ 52,615,652</u>	<u>\$ 50,242,634</u>	<u>\$ 51,084,417</u>
Township's net pension liability - ending (a)-(b)	<u>\$ 4,003,836</u>	<u>\$ 12,303,170</u>	<u>\$ 4,253,455</u>	<u>\$ 9,020,447</u>	<u>\$ 7,629,148</u>	<u>\$ 5,017,592</u>
Plan fiduciary net position as a percentage of the total pension liability	93.9%	81.4%	93.3%	85.4%	86.8%	91.1%
Covered payroll	\$ 9,109,039	\$ 10,609,257	\$ 10,152,399	\$ 12,070,121	\$ 11,550,355	\$ 11,491,057
Net pension liability as a percentage of covered payroll	44.0%	116.0%	41.9%	74.7%	66.1%	43.7%
Annual money-weighted return, net of investment expenses	20.40%	-4.93%	16.10%	6.53%	-0.84%	3.41%

Notes to Schedule:

Change in benefit terms: None since 1/1/2019

Note on Cumulative Information:

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

TOWNSHIP OF ABINGTON

SCHEDULE OF CHANGES IN NET PENSION LIABILITY, RELATED RATIOS,
AND INVESTMENT RETURNS – POLICE PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability						
Service cost	\$ 1,242,314	\$ 1,222,946	\$ 1,137,624	\$ 1,085,262	\$ 1,009,546	\$ 943,406
Interest	5,766,887	5,544,596	5,191,690	5,013,437	4,831,429	4,675,733
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	1,409,208	-	2,071,939	-	242,467	-
Changes of assumptions	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	<u>(3,947,199)</u>	<u>(3,770,210)</u>	<u>(3,792,111)</u>	<u>(3,756,615)</u>	<u>(3,708,136)</u>	<u>(3,510,550)</u>
Net change in total pension liability	4,471,210	2,997,332	4,609,142	2,342,084	2,375,306	2,108,589
Total pension liability - beginning	<u>77,587,433</u>	<u>74,590,101</u>	<u>69,980,959</u>	<u>67,638,875</u>	<u>65,263,569</u>	<u>63,154,980</u>
Total pension liability - ending (a)	<u>\$ 82,058,643</u>	<u>\$ 77,587,433</u>	<u>\$ 74,590,101</u>	<u>\$ 69,980,959</u>	<u>\$ 67,638,875</u>	<u>\$ 65,263,569</u>
Plan fiduciary net position						
Contributions - employer	\$ 1,907,290	\$ 1,818,362	\$ 1,136,244	\$ 1,139,264	\$ 1,057,363	\$ 1,010,124
Contributions - employee	520,887	501,917	471,816	432,237	414,495	409,246
Net investment income	11,702,832	(3,121,277)	8,772,613	3,431,294	(418,029)	2,028,414
Benefit payments, including refunds of employee contributions	(3,947,199)	(3,770,210)	(3,792,111)	(3,756,615)	(3,708,136)	(3,510,551)
Administrative expense	(37,434)	(25,066)	(33,904)	(30,197)	(52,927)	(26,021)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	10,146,376	(4,596,274)	6,554,658	1,215,983	(2,707,234)	(88,788)
Plan fiduciary net position - beginning	<u>56,796,565</u>	<u>61,392,839</u>	<u>54,838,181</u>	<u>53,622,198</u>	<u>56,329,432</u>	<u>56,418,220</u>
Plan fiduciary net position - ending (b)	<u>\$ 66,942,941</u>	<u>\$ 56,796,565</u>	<u>\$ 61,392,839</u>	<u>\$ 54,838,181</u>	<u>\$ 53,622,198</u>	<u>\$ 56,329,432</u>
Township's net pension liability - ending (a)-(b)	<u>\$ 15,115,702</u>	<u>\$ 20,790,868</u>	<u>\$ 13,197,262</u>	<u>\$ 15,142,778</u>	<u>\$ 14,016,677</u>	<u>\$ 8,934,137</u>
Plan fiduciary net position as a percentage of the total pension liability	81.6%	73.2%	82.3%	78.4%	79.3%	86.3%
Covered payroll	\$ 10,417,732	\$ 9,156,397	\$ 8,762,102	\$ 8,845,979	\$ 8,465,052	\$ 7,485,296
Net pension liability as a percentage of covered payroll	145.1%	227.1%	150.6%	171.2%	165.6%	119.4%
Annual money-weighted return, net of investment expenses	20.60%	-5.09%	16.00%	6.40%	-0.76%	3.68%

Notes to Schedule:

Change in benefit terms: None since 1/1/2019

Note on Cumulative Information:

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

TOWNSHIP OF ABINGTON

SCHEDULE OF CHANGES IN NET OPEB LIABILITY, RELATED RATIOS, AND
INVESTMENT RETURNS – OPEB PLAN

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability			
Service cost	\$ 1,368,420	\$ 2,304,988	\$ 2,248,404
Interest	1,802,728	2,353,036	2,276,858
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(106,737)	(5,824,355)	2,006,678
Changes of assumptions	(1,957,476)	(19,107,396)	-
Benefit payments, including refunds of employee contributions	<u>(1,193,852)</u>	<u>(1,403,188)</u>	<u>(1,379,872)</u>
Net change in total OPEB liability	(86,917)	(21,676,915)	5,152,068
Total OPEB liability - beginning	<u>37,990,063</u>	<u>59,666,978</u>	<u>54,514,910</u>
Total OPEB liability - ending (a)	<u>\$ 37,903,146</u>	<u>\$ 37,990,063</u>	<u>\$ 59,666,978</u>
Plan fiduciary net position			
Contributions - employer	\$ 3,273,306	\$ 3,453,309	\$ 3,308,932
Contributions - employee	-	194,640	193,672
Net investment income	3,136,048	(837,748)	1,915,965
Benefit payments, including refunds of employee contributions	(1,193,852)	(1,403,188)	(1,379,872)
Administrative expense	(9,322)	(5,286)	(4,927)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	5,206,180	1,401,727	4,033,770
Plan fiduciary net position - beginning	<u>18,387,411</u>	<u>16,985,684</u>	<u>12,951,914</u>
Plan fiduciary net position - ending (b)	<u>\$ 23,593,591</u>	<u>\$ 18,387,411</u>	<u>\$ 16,985,684</u>
Township's net OPEB liability - ending (a)-(b)	<u>\$ 14,309,555</u>	<u>\$ 19,602,652</u>	<u>\$ 42,681,294</u>
Plan fiduciary net position as a percentage of the total OPEB liability	62.2%	48.4%	28.5%
Covered payroll	\$ 18,826,140	\$ 19,108,424	\$ 18,477,911
Net OPEB liability as a percentage of covered payroll	76.0%	102.6%	231.0%
Annual money-weighted return, net of investment expenses	21.24%	-5.68%	16.73%

Notes to Schedule:

Change in benefit terms: None since 1/1/2018

Assumption changes: Discount rate increased from 4.65% to 5% in 2019

The mortality table, healthcare cost trend rates, and excise tax impact were updated.

Note on Cumulative Information:

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

TOWNSHIP OF ABINGTON

SCHEDULE OF EMPLOYER CONTRIBUTIONS – NON-UNIFORMED
PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

<u>Fiscal Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2010	\$ 552,346	\$ 588,741	\$ (36,395)	\$ 10,105,957	(1) 5.83%
2011	1,014,432	1,014,432	-	10,711,284	(1) 9.47%
2012	1,269,508	1,269,508	-	10,711,284	(1) 11.85%
2013	1,333,127	1,333,127	-	10,996,227	(1) 12.12%
2014	1,069,091	1,069,091	-	11,491,057	9.30%
2015	1,139,029	1,139,029	-	11,550,355	9.86%
2016	782,023	782,023	-	12,070,121	6.48%
2017	672,666	672,666	-	10,152,399	6.63%
2018	552,359	552,359	-	10,609,257	5.21%
2019	518,168	518,168	-	9,109,039	5.69%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	N/A
Asset valuation method	Asset smoothing
Inflation	2.10%
Projected salary increases	4.5%
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Normal Retirement Age
Mortality	Based on the RP-2000 projected to 2017 using Scale AA with separate rates for Non-Annuitant/Annuitant Tables for Males and Females Mortality Table

Change in benefit terms: None since 1/1/2017

(1) - covered employee payroll taken from 1/1/2009 through 1/1/2013 actuarial valuations

TOWNSHIP OF ABINGTON

SCHEDULE OF EMPLOYER CONTRIBUTIONS – POLICE PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2010	\$ 870,713	\$ 870,713	\$ -	\$ 7,068,175	(1) 12.32%
2011	1,226,787	1,226,787	-	7,255,105	(1) 16.91%
2012	602,907	602,907	-	7,255,105	(1) 8.31%
2013	620,926	621,497	(571)	7,162,963	(1) 8.68%
2014	1,010,124	1,010,124	-	7,485,296	(1) 13.49%
2015	1,057,363	1,057,363	-	8,465,052	12.49%
2016	1,139,264	1,139,264	-	8,845,979	12.88%
2017	1,136,244	1,136,244	-	8,762,102	12.97%
2018	1,818,362	1,818,362	-	9,156,397	19.86%
2019	1,907,290	1,907,290	-	10,417,732	18.31%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	7 years
Asset valuation method	Asset smoothing
Inflation	2.10%
Projected salary increases	4.5%
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Normal Retirement Age
Mortality	Based on the RP-2000 IRS PPA@2017 Non-Annuitant/Annuitant Tables for Males and Females Mortality Table

Change in benefit terms: None since 1/1/2017

(1) - covered employee payroll taken from 1/1/2009 through 1/1/2013 actuarial valuations

TOWNSHIP OF ABINGTON

SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB PLAN

REQUIRED SUPPLEMENTARY INFORMATION

Fiscal Year Ended <u>December 31,</u>	Actuarially Determined <u>Contribution</u>	Actual Employer <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll</u>	Contribution as a Percentage of Covered <u>Payroll</u>
2017	not applicable	\$ 3,308,932	not applicable	\$ 18,477,911	17.91%
2018	not applicable	3,453,309	not applicable	19,108,424	18.07%
2019	not applicable	3,273,306	not applicable	18,826,140	17.39%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2018
Actuarial cost method	Entry Age Normal
Amortization method	Level % Closed
Remaining amortization period	Not Applicable
Asset valuation method	Market Value
Inflation	4.65%
Healthcare cost trend rates	Pre-65 Med 3.95%, Post-65 Med 5.4%, and Rx 9.4% for 2018, decreasing .5% per year to an ultimate rate of 5% for 2022 and later years
Projected salary increases	4.5%, including inflation
Investment rate of return	5%, net of OPEB plan investment expense, including inflation
Retirement age	Per diem and salaries - 100% at the earlier of Age 55 with 10 years of service, Age 65, or Rule of 85. Police - 100% at Age 50 with 25 years of service.
Mortality	RP-2014 Headcount-Weighted Combined Mortality Table projected generationally from the central year using scale MP-2018

Change in benefit terms: None since 1/1/2018

Assumption changes: Discount rate increased from 4.65% to 5% in 2019

The mortality table, healthcare cost trend rates, and excise tax impact were updated.

Note on Cumulative Information:

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SUPPLEMENTARY INFORMATION

ABINGTON TOWNSHIP

DETAILED SCHEDULE OF GENERAL FUND REVENUES
BUDGET AND ACTUAL

For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Real estate taxes				
2019 taxes (net)	\$ 15,046,671	\$ 15,046,671	\$ 14,913,960	\$ (132,711)
Prior years' taxes and penalties	<u>311,000</u>	<u>311,000</u>	<u>317,327</u>	<u>6,327</u>
Total real estate taxes	<u>15,357,671</u>	<u>15,357,671</u>	<u>15,231,287</u>	<u>(126,384)</u>
Earned income taxes	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,520,577</u>	<u>520,577</u>
Other taxes				
Mercantile tax	2,200,000	2,200,000	2,317,739	117,739
Business privilege tax	4,775,000	4,775,000	4,188,356	(586,644)
Local services tax	1,400,000	1,400,000	1,317,960	(82,040)
Deed transfer tax	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,417,166</u>	<u>117,166</u>
Total other taxes	<u>9,675,000</u>	<u>9,675,000</u>	<u>9,241,221</u>	<u>(433,779)</u>
Total taxes	<u>33,032,671</u>	<u>33,032,671</u>	<u>32,993,085</u>	<u>(39,586)</u>
Fees, licenses, and permits				
Registration fees	35,000	35,000	42,675	7,675
Building permits	800,000	800,000	1,660,164	860,164
Other permits, licenses, and fees	381,000	381,000	358,985	(22,015)
Cable franchise fees	1,250,000	1,250,000	1,201,808	(48,192)
Public safety	504,000	504,000	498,807	(5,193)
Liquor license fees	<u>13,000</u>	<u>13,000</u>	<u>12,650</u>	<u>(350)</u>
Total fees, licenses, and permits	<u>2,983,000</u>	<u>2,983,000</u>	<u>3,775,089</u>	<u>792,089</u>
Investment income and rent				
Interest on investments	250,000	250,000	476,884	226,884
Rental revenue	<u>730,000</u>	<u>730,000</u>	<u>772,712</u>	<u>42,712</u>
Total investment income and rent	<u>980,000</u>	<u>980,000</u>	<u>1,249,596</u>	<u>269,596</u>
Intergovernmental revenues	1,728,000	1,728,000	1,860,831	132,831
Fines and forfeitures	220,000	220,000	183,213	(36,787)
Program revenues	918,000	918,000	764,735	(153,265)
Other	<u>1,061,000</u>	<u>1,061,000</u>	<u>1,036,793</u>	<u>(24,207)</u>
Total Revenues	<u>\$ 40,922,671</u>	<u>\$ 40,922,671</u>	<u>\$ 41,863,342</u>	<u>\$ 940,671</u>

ABINGTON TOWNSHIP

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES
BUDGET AND ACTUAL

For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General government				
General management	\$ 234,069	\$ 137,956	\$ -	\$ 137,956
Legal services	<u>209,000</u>	<u>366,975</u>	<u>366,975</u>	<u>-</u>
Total General Government	<u>443,069</u>	<u>504,931</u>	<u>366,975</u>	<u>137,956</u>
Public safety				
Police protection:				
Administration	8,634,072	8,738,282	8,498,946	239,336
Investigations	1,755,110	1,754,610	1,619,883	134,727
Traffic safety	762,952	768,095	754,768	13,327
Crime prevention	-	-	-	-
Animal control	103,410	101,935	99,512	2,423
Field service	9,397,299	9,278,695	9,289,243	(10,548)
Emergency management	123,755	124,556	122,056	2,500
Public safety training facility	128,317	133,292	129,038	4,254
Training	<u>80,000</u>	<u>85,450</u>	<u>81,502</u>	<u>3,948</u>
Total Police Protection	<u>20,984,915</u>	<u>20,984,915</u>	<u>20,594,948</u>	<u>389,967</u>
Code enforcement	917,042	917,042	850,038	67,004
Emergency services	<u>2,508,175</u>	<u>2,508,175</u>	<u>2,401,050</u>	<u>107,125</u>
Total Public Safety	<u>24,410,132</u>	<u>24,410,132</u>	<u>23,846,036</u>	<u>564,096</u>
Highways and roads:				
Street light maintenance	307,000	307,000	294,275	12,725
Public works	4,211,252	4,132,947	3,946,755	186,192
Engineering	600,972	600,972	589,332	11,640
Vehicle maintenance	-	<u>16,443</u>	-	<u>16,443</u>
Total Highways and Roads	<u>5,119,224</u>	<u>5,057,362</u>	<u>4,830,362</u>	<u>227,000</u>
Culture and recreation:				
Library operations	2,723,605	2,723,605	2,656,655	66,950
Recreation management	2,833,424	2,824,682	2,536,057	288,625
Alverthorpe Park	232,518	241,604	216,432	25,172
Ardsley Community Center	216,823	215,565	190,134	25,431
Cresmont Pool	169,079	173,993	171,586	2,407
Penbryn Pool	166,193	162,193	153,407	8,786
Briar Bush Nature Center	<u>785,571</u>	<u>785,571</u>	<u>748,870</u>	<u>36,701</u>
Total Culture and Recreation	<u>7,127,213</u>	<u>7,127,213</u>	<u>6,673,141</u>	<u>454,072</u>
Insurance and employee benefits	1,360,662	1,360,662	2,803,208	(1,442,546)
Debt service	2,041,804	2,041,804	1,964,453	77,351
Capital Projects	-	151,000	575	150,425
Transfers	<u>663,521</u>	<u>663,521</u>	<u>663,521</u>	<u>-</u>
Total Expenditures by Program	<u>\$ 41,165,625</u>	<u>\$ 41,316,625</u>	<u>\$ 41,148,271</u>	<u>\$ 168,354</u>

TOWNSHIP OF ABINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL -
PERMANENT IMPROVEMENT FUND

For the Year Ended December 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fees, licenses and permits	\$ -	\$ 647,999	\$ 647,999
Investment income and rent	-	183,271	183,271
Total Revenues	<u>-</u>	<u>831,270</u>	<u>831,270</u>
Expenditures			
Capital projects			
Administration	711,694	328,059	383,635
Public safety	702,805	598,366	104,439
Engineering	621,536	394,610	226,926
Public works	3,897,818	225,295	3,672,523
Emergency services	1,183,879	824,454	359,425
Community development	93,566	42,682	50,884
Library	77,000	37,006	39,994
Parks and recreation	579,402	198,043	381,359
Debt service			
Principal	-	72,702	(72,702)
Total Expenditures	<u>7,867,700</u>	<u>2,721,217</u>	<u>5,146,483</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,867,700)</u>	<u>(1,889,947)</u>	<u>5,977,753</u>
Other Financing Sources (Uses)			
Issuance of debt	-	600,000	600,000
Sale of capital assets	-	4,560	4,560
Transfers in	-	663,521	663,521
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,268,081</u>	<u>1,268,081</u>
Net Change in Fund Balance	<u>\$ (7,867,700)</u>	(621,866)	<u>\$ 7,245,834</u>
Fund Balance - Beginning		<u>9,730,575</u>	
Fund Balance - Ending		<u>\$ 9,108,709</u>	

TOWNSHIP OF ABINGTON
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

December 31, 2019

	Special Revenue		
	Highway Aid	Grant Fund	Rental Rehab
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,040,100	\$ -	\$ 7,625
Receivables	1,541	131,498	-
Due from other funds	150,453	-	-
Total Assets	\$ 1,192,094	\$ 131,498	\$ 7,625
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable and accrued wages	\$ 152,240	\$ 171,582	\$ -
Unearned revenue	-	-	-
Due to other funds	-	150,453	-
Total Liabilities	152,240	322,035	-
Fund balances			
Restricted for:			
Culture and Recreation	-	-	-
Public Works	1,039,854	-	-
Public Safety	-	-	-
Community Development	-	-	7,625
Unassigned	-	(190,537)	-
Total Fund Balance	1,039,854	(190,537)	7,625
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,192,094	\$ 131,498	\$ 7,625

<u>Special Revenue</u>		<u>Capital Projects</u>	Total Non-major Governmental Funds
<u>Economic Development</u>	<u>Special Investigations</u>	<u>Parks Capital</u>	
\$ 3,676	\$ 9,332	\$ 120,913	\$ 1,181,646
-	-	-	133,039
-	-	-	150,453
<u>\$ 3,676</u>	<u>\$ 9,332</u>	<u>\$ 120,913</u>	<u>\$ 1,465,138</u>
\$ -	\$ -	\$ -	\$ 323,822
3,676	-	-	3,676
-	-	-	150,453
<u>3,676</u>	<u>-</u>	<u>-</u>	<u>477,951</u>
-	-	120,913	120,913
-	-	-	1,039,854
-	9,332	-	9,332
-	-	-	7,625
-	-	-	(190,537)
<u>-</u>	<u>9,332</u>	<u>120,913</u>	<u>987,187</u>
<u>\$ 3,676</u>	<u>\$ 9,332</u>	<u>\$ 120,913</u>	<u>\$ 1,465,138</u>

TOWNSHIP OF ABINGTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	<u>Special Revenue</u>		
	<u>Highway Aid</u>	<u>Grant Fund</u>	<u>Rental Rehab</u>
REVENUES			
Interest, dividends, and rents	\$ 29,877	\$ -	\$ -
Intergovernmental revenues	1,719,188	199,544	-
Other	60,811	118,891	-
Total Revenues	<u>1,809,876</u>	<u>318,435</u>	<u>-</u>
EXPENDITURES			
Current			
General government	-	20,835	-
Public safety	-	178,050	-
Highways and roads	1,690,980	230,591	-
Culture and recreation	-	36,998	-
Capital projects	-	-	-
Total Expenditures	<u>1,690,980</u>	<u>466,474</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>118,896</u>	<u>(148,039)</u>	<u>-</u>
Other Financing Sources (Uses)			
Sale of capital assets	<u>4,800</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>4,800</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	123,696	(148,039)	-
Fund Balance - Beginning	<u>916,158</u>	<u>(42,498)</u>	<u>7,625</u>
Fund Balance - Ending	<u>\$ 1,039,854</u>	<u>\$ (190,537)</u>	<u>\$ 7,625</u>

<u>Special Revenue</u>		<u>Capital Projects</u>	Total Non-major Governmental Funds
<u>Economic Development</u>	<u>Special Investigations</u>	<u>Parks Capital</u>	
\$ -	\$ -	\$ -	\$ 29,877
-	-	-	1,918,732
-	-	-	179,702
-	-	-	2,128,311
-	-	-	20,835
-	400	-	178,450
-	-	-	1,921,571
-	-	-	36,998
-	-	2,054	2,054
-	400	2,054	2,159,908
-	(400)	(2,054)	(31,597)
-	-	-	4,800
-	-	-	4,800
-	(400)	(2,054)	(26,797)
-	9,732	122,967	1,013,984
<u>\$ -</u>	<u>\$ 9,332</u>	<u>\$ 120,913</u>	<u>\$ 987,187</u>

TOWNSHIP OF ABINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL

HIGHWAY AID FUND

For the Year Ended December 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Investment income and rent	\$ 10,000	\$ 29,877	\$ 19,877
Intergovernmental revenues	1,677,000	1,719,188	42,188
Other	5,000	60,811	55,811
Total Revenues	<u>1,692,000</u>	<u>1,809,876</u>	<u>117,876</u>
Expenditures			
Highways and roads	<u>2,006,178</u>	<u>1,690,980</u>	<u>315,198</u>
Total Expenditures	<u>2,006,178</u>	<u>1,690,980</u>	<u>315,198</u>
Excess (Deficiency) of Revenues Over Expenditures	(314,178)	118,896	433,074
Other Financing Sources (Uses)			
Sale of capital assets	<u>20,000</u>	<u>4,800</u>	<u>(15,200)</u>
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>4,800</u>	<u>(15,200)</u>
Net Change in Fund Balance	<u>\$ (294,178)</u>	123,696	<u>\$ 417,874</u>
Fund Balance - Beginning		<u>916,158</u>	
Fund Balance - Ending		<u>\$ 1,039,854</u>	

TOWNSHIP OF ABINGTON

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
BUDGET AND ACTUAL

SEWER FUND

For the Year Ended December 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Sewer charges	\$ 7,853,000	\$ 7,604,835	\$ (248,165)
Joint sewer agreements	1,066,395	1,096,933	30,538
Miscellaneous	41,000	96,235	55,235
Total Revenues	<u>8,960,395</u>	<u>8,798,003</u>	<u>(162,392)</u>
Expenditures			
Sewer operations	2,217,036	2,048,430	168,606
Sewage disposal and collections	3,297,616	1,267,166	2,030,450
Joint sewer agreements	2,805,000	3,160,942	(355,942)
Pension and OPEB payments	-	45,305	(45,305)
Insurance premiums	408,742	380,530	28,212
Depreciation and amortization	-	1,375,132	(1,375,132)
Total Expenditures	<u>8,728,394</u>	<u>8,277,505</u>	<u>450,889</u>
Operating Income (Loss)	<u>232,001</u>	<u>520,498</u>	<u>288,497</u>
Nonoperating Revenues (Expense)			
Interest and Investment income	85,000	135,348	50,348
State grants	100,000	-	(100,000)
Principal payment	(2,315,000)	-	2,315,000
Interest expense	(79,035)	(37,125)	41,910
Unrealized gain on investments	-	5,912	5,912
Total Nonoperating Revenues (Expense)	<u>(2,209,035)</u>	<u>104,135</u>	<u>2,313,170</u>
Change in Net Position	<u>\$ (1,977,034)</u>	624,633	<u>\$ 2,601,667</u>
Net Position - Beginning		<u>20,151,339</u>	
Net Position - Ending		<u>\$ 20,775,972</u>	

TOWNSHIP OF ABINGTON

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
BUDGET AND ACTUAL

REFUSE FUND

For the Year Ended December 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Refuse charges	\$ 5,198,000	\$ 5,204,472	\$ 6,472
Miscellaneous	313,500	172,242	(141,258)
Total Revenues	<u>5,511,500</u>	<u>5,376,714</u>	<u>(134,786)</u>
Expenditures			
Operations	1,456,100	1,267,422	188,678
Disposal and collections	4,054,922	4,016,566	38,356
Pension and OPEB payments	-	147,703	(147,703)
Insurance premiums	279,309	275,587	3,722
Miscellaneous	-	25,795	(25,795)
Depreciation	-	484,324	(484,324)
Total Expenditures	<u>5,790,331</u>	<u>6,217,397</u>	<u>(427,066)</u>
Operating Income (Loss)	<u>(278,831)</u>	<u>(840,683)</u>	<u>(561,852)</u>
Nonoperating Revenues (Expense)			
Interest and Investment income	38,000	60,784	22,784
Grants	404,000	1,222,999	818,999
Capital purchases	(435,000)	-	435,000
Principal payment	(241,000)	-	241,000
Interest expense	(30,993)	(39,510)	(8,517)
Unrealized gain on investments	-	1,075	1,075
Total Nonoperating Revenues (Expense)	<u>(264,993)</u>	<u>1,245,348</u>	<u>1,510,341</u>
Change in Net Position	<u>\$ (543,824)</u>	404,665	<u>\$ 948,489</u>
Net Position - Beginning (Restated)		<u>(290,272)</u>	
Net Position - Ending		<u>\$ 114,393</u>	

TOWNSHIP OF ABINGTON

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
BUDGET AND ACTUAL

WORKERS COMPENSATION FUND

For the Year Ended December 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Charges for services	\$ 765,000	\$ 765,000	\$ -
Other revenues	-	114,981	114,981
Total Revenues	<u>765,000</u>	<u>879,981</u>	<u>114,981</u>
 Expenditures			
Benefit payments	889,009	550,609	338,400
Insurance expense	4,000	1,189	2,811
Miscellaneous expense	<u>11,000</u>	<u>1,762</u>	<u>9,238</u>
Total Expenditures	<u>904,009</u>	<u>553,560</u>	<u>350,449</u>
 Operating Income (Loss)	<u>(139,009)</u>	<u>326,421</u>	<u>465,430</u>
 Nonoperating Revenues			
Interest and Investment income	<u>25,000</u>	<u>55,499</u>	<u>30,499</u>
Total Nonoperating Revenues	<u>25,000</u>	<u>55,499</u>	<u>30,499</u>
 Change in Net Position	<u>\$ (114,009)</u>	381,920	<u>\$ 495,929</u>
Net Position - Beginning		<u>1,397,308</u>	
Net Position - Ending		<u>\$ 1,779,228</u>	

TOWNSHIP OF ABINGTON

COMBINING STATEMENT OF NET POSITION

FIDUCIARY FUNDS-PENSION AND OTHER
EMPLOYEE BENEFIT TRUST PLANS

December 31, 2019

	Pension and Other Employee Benefit Trust Plans					
	Police Pension	Non-Uniformed Pension			Health Care Offset Fund	Total
		Defined Benefit	Defined Contribution	Total Non-Uniformed		
<u>ASSETS</u>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 5,704,230	\$ 5,704,230
Contributions receivable	-	2,919	-	2,919	-	2,919
Accrued interest	1,638	1,328	-	1,328	-	2,966
Investments, at fair value:						
Money market funds	1,247,417	1,321,941	-	1,321,941	-	2,569,358
Mutual funds	<u>65,693,885</u>	<u>60,663,561</u>	<u>564,910</u>	<u>61,228,471</u>	<u>17,899,190</u>	<u>144,821,546</u>
Total Assets	<u>66,942,940</u>	<u>61,989,749</u>	<u>564,910</u>	<u>62,554,659</u>	<u>23,603,420</u>	<u>153,101,019</u>
<u>LIABILITIES</u>						
Benefits Payable	<u>-</u>	<u>4,356</u>	<u>-</u>	<u>4,356</u>	<u>9,830</u>	<u>14,186</u>
Total Liabilities	<u>-</u>	<u>4,356</u>	<u>-</u>	<u>4,356</u>	<u>9,830</u>	<u>14,186</u>
<u>NET POSITION</u>						
Net Position - Restricted for:						
Pension benefits	66,942,940	61,985,393	564,910	62,550,303	-	129,493,243
Other post employment benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,593,590</u>	<u>23,593,590</u>
Total Net Position	<u>\$ 66,942,940</u>	<u>\$ 61,985,393</u>	<u>\$ 564,910</u>	<u>\$ 62,550,303</u>	<u>\$ 23,593,590</u>	<u>\$ 153,086,833</u>

TOWNSHIP OF ABINGTON

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION

FIDUCIARY FUNDS

For the Year Ended December 31, 2019

	Pension and Other Employee Benefit Trust Plans				Health Care Offset Fund	Tuition Reim- bursement	Total
	Police Pension	Non-Uniformed Pension		Total Non-Uniformed			
	Defined Benefit	Defined Contribution					
Additions							
Contributions							
Member contributions	\$ 520,887	\$ 454,359	\$ 121,646	\$ 576,005	\$ -	\$ -	\$ 1,096,892
Employer contributions	669,127	-	121,646	121,646	3,273,306	-	4,064,079
State aid	1,238,163	518,168	-	518,168	-	-	1,756,331
Total Contributions	<u>2,428,177</u>	<u>972,527</u>	<u>243,292</u>	<u>1,215,819</u>	<u>3,273,306</u>	<u>-</u>	<u>6,917,302</u>
Investment Income							
Net appreciation (depreciation) in							
fair value of investments	10,358,614	9,705,959	73,564	9,779,523	3,136,048	-	23,274,185
Interest and Dividends	1,408,938	1,329,645	-	1,329,645	-	159	2,738,742
Total investment earnings	11,767,552	11,035,604	73,564	11,109,168	3,136,048	159	26,012,927
Less investment expense	(64,721)	(65,513)	(3,681)	(69,194)	-	-	(133,915)
Net Investment Income	<u>11,702,831</u>	<u>10,970,091</u>	<u>69,883</u>	<u>11,039,974</u>	<u>3,136,048</u>	<u>159</u>	<u>25,879,012</u>
Other Income							
	-	-	-	-	-	6,452	6,452
Total Additions	<u>14,131,008</u>	<u>11,942,618</u>	<u>313,175</u>	<u>12,255,793</u>	<u>6,409,354</u>	<u>6,611</u>	<u>32,802,766</u>
Deductions							
Benefits	3,894,548	3,797,145	-	3,797,145	1,193,852	-	8,885,545
Administrative expenses	37,434	36,610	-	36,610	9,322	-	83,366
Miscellaneous	-	-	-	-	-	26,018	26,018
Refund of member contributions	52,651	29,756	330	30,086	-	-	82,737
Total Deductions	<u>3,984,633</u>	<u>3,863,511</u>	<u>330</u>	<u>3,863,841</u>	<u>1,203,174</u>	<u>26,018</u>	<u>9,077,666</u>
Net Increase	10,146,375	8,079,107	312,845	8,391,952	5,206,180	(19,407)	23,725,100
Net Position restricted for Pension, OPEB, and other benefits							
Beginning of Year	56,796,565	53,906,286	252,065	54,158,351	18,387,410	19,407	129,361,733
End of Year	<u>\$ 66,942,940</u>	<u>\$ 61,985,393</u>	<u>\$ 564,910</u>	<u>\$ 62,550,303</u>	<u>\$ 23,593,590</u>	<u>\$ -</u>	<u>\$ 153,086,833</u>

TOWNSHIP OF ABINGTON

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
BUDGET AND ACTUAL

TUITION REIMBURSEMENT FUND

For the Year Ended December 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Investment Income			
Interest and dividends	\$ 5,000	\$ 159	\$ (4,841)
Total investment earnings	<u>5,000</u>	<u>159</u>	<u>(4,841)</u>
Other Income	<u>-</u>	<u>6,452</u>	<u>6,452</u>
Total Additions	<u>5,000</u>	<u>6,611</u>	<u>1,611</u>
Deductions			
Miscellaneous	<u>15,000</u>	<u>26,018</u>	<u>(11,018)</u>
Total Deductions	<u>15,000</u>	<u>26,018</u>	<u>(11,018)</u>
Net Increase	<u>\$ (10,000)</u>	<u>(19,407)</u>	<u>\$ (9,407)</u>
Net Position Restricted For Trust for Other Benefits			
Beginning of Year		<u>19,407</u>	
End of Year		<u>\$ -</u>	

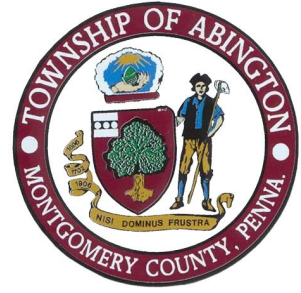
TOWNSHIP OF ABINGTON

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

CLEARING FUND

For the Year Ended December 31, 2019

Clearing Fund	Balance January 1, <u>2019</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2019</u>
Assets:				
Cash	\$ 2,269	\$ 219,542	\$ (199,733)	\$ 22,078
Other receivables	<u>17,946</u>	<u>18,563</u>	<u>(17,947)</u>	<u>18,562</u>
Total Assets	<u>\$ 20,215</u>	<u>\$ 238,105</u>	<u>\$ (217,680)</u>	<u>\$ 40,640</u>
Liabilities:				
Accounts payable	<u>\$ 20,215</u>	<u>\$ 321,711</u>	<u>\$ (301,286)</u>	<u>\$ 40,640</u>



STATISTICAL SECTION

STATISTICAL SECTION

This section of the Township of Abington's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	107
These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.	
Revenue Capacity	113
These schedules contain information to help the reader assess the Township's most significant local revenue source – the property tax.	
Debt Capacity	118
These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.	
Demographic and Economic Information	122
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place.	
Operating Information	125
These schedules contain service and infrastructure data to help the reader understand how the information in the Township's financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year or Township records.

Township of Abington
Montgomery County, Pennsylvania
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016¹</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities										
Net Investment in Capital Assets	\$ 132,148	\$ 131,444	\$ 132,498	\$ 129,121	\$ 126,904	\$ 125,935	\$ 129,729	\$ 130,011	\$ 130,420	\$ 129,445
Restricted	4,580	4,665	5,456	1,174	2,110	1,053	1,439	1,160	1,109	6,048
Unrestricted	(33,244)	(43,714)	(39,028)	(34,100)	(4,444)	14,092	12,935	13,417	13,320	10,952
Total governmental activities net position	<u>\$ 103,484</u>	<u>\$ 92,395</u>	<u>\$ 98,926</u>	<u>\$ 96,195</u>	<u>\$ 124,570</u>	<u>\$ 141,080</u>	<u>\$ 144,103</u>	<u>\$ 144,588</u>	<u>\$ 144,849</u>	<u>\$ 146,445</u>
Business-type activities										
Net Investment in Capital Assets	\$ 45,093	\$ 45,897	\$ 45,014	\$ 44,069	\$ 43,231	\$ 43,058	\$ 42,545	\$ 45,329	\$ 45,605	\$ 44,184
Restricted	6,461	6,948	8,124	8,516	9,938	10,359	10,348	8,801	7,599	8,142
Unrestricted	622	481	640	560	3,331	4,751	5,406	5,886	5,295	5,863
Total business-type activities net position	<u>\$ 52,176</u>	<u>\$ 53,326</u>	<u>\$ 53,778</u>	<u>\$ 53,145</u>	<u>\$ 56,500</u>	<u>\$ 58,168</u>	<u>\$ 58,299</u>	<u>\$ 60,016</u>	<u>\$ 58,499</u>	<u>\$ 58,189</u>
Primary government										
Net Investment in Capital Assets	\$ 177,241	\$ 177,341	\$ 177,512	\$ 173,190	\$ 170,135	\$ 168,993	\$ 172,274	\$ 175,340	\$ 176,025	\$ 173,629
Restricted	11,041	11,613	13,580	9,690	12,048	11,412	11,787	9,961	8,709	14,190
Unrestricted	(32,622)	(43,233)	(38,388)	(33,540)	(1,113)	18,843	18,342	19,303	18,614	16,815
Total primary government net position	<u>\$ 155,660</u>	<u>\$ 145,721</u>	<u>\$ 152,704</u>	<u>\$ 149,340</u>	<u>\$ 181,070</u>	<u>\$ 199,248</u>	<u>\$ 202,403</u>	<u>\$ 204,604</u>	<u>\$ 203,348</u>	<u>\$ 204,634</u>

¹GASB #75 was implemented in 2017, net position was restated for 2016

**Township of Abington
Montgomery County, Pennsylvania
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental Activities:										
Administration	\$ 306	\$ 1,047	\$ 5,123	\$ 5,107	\$ 1,201	\$ 1,374	\$ 1,174	\$ 5,423	\$ 5,699	\$ 4,157
Codes and Engineering	879	925	1,021	1,039	1,051	998	955	801	793	755
Police and Emergency Services	18,108	32,296	22,909	23,628	23,650	21,452	20,208	17,228	17,286	16,911
Public Works	7,621	9,919	6,728	10,054	11,116	10,671	9,866	8,898	9,237	8,562
Library	2,818	2,761	2,626	2,777	2,866	2,641	2,641	2,200	2,211	2,173
Parks	4,469	3,742	3,461	4,181	4,905	4,446	4,376	3,987	4,029	4,503
Community Development	386	919	1,489	802	711	809	1,318	1,148	1,136	987
Economic Development	-	-	-	-	-	-	-	3	-	-
Miscellaneous	-	-	-	-	-	-	22	-	-	-
Interest on debt	113	106	135	174	219	264	215	293	248	339
Total governmental activities expenses	<u>34,700</u>	<u>51,715</u>	<u>43,492</u>	<u>47,762</u>	<u>45,719</u>	<u>42,655</u>	<u>40,775</u>	<u>39,981</u>	<u>40,639</u>	<u>38,387</u>
Business-type activities:										
Sewer	10,118	9,486	8,902	10,070	9,506	9,285	10,706	8,700	9,285	8,893
Refuse	6,256	6,187	6,165	6,417	6,325	5,821	5,844	5,639	5,609	5,319
Total business-type activities expenses	<u>16,374</u>	<u>15,673</u>	<u>15,067</u>	<u>16,487</u>	<u>15,831</u>	<u>15,106</u>	<u>16,550</u>	<u>14,339</u>	<u>14,894</u>	<u>14,212</u>
Total primary government expenses	<u>\$ 51,074</u>	<u>\$ 67,388</u>	<u>\$ 58,559</u>	<u>\$ 64,249</u>	<u>\$ 61,550</u>	<u>\$ 57,761</u>	<u>\$ 57,325</u>	<u>\$ 54,320</u>	<u>\$ 55,533</u>	<u>\$ 52,599</u>
Program Revenues										
Governmental Activities:										
Charges for services:										
Administration	\$ 550	\$ 500	\$ 682	\$ 628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Codes and Engineering	2,074	1,652	1,043	1,512	1,938	1,132	1,096	1,161	1,062	1,218
Police and Emergency Services	682	758	759	701	738	922	397	737	761	511
Public Works	-	-	-	-	-	-	-	10	33	-
Parks	765	792	797	848	933	902	894	846	850	854
Community Development	-	-	-	-	-	-	-	85	-	38
Operating grants and contributions:										
Administration	66	423	182	81	22	23	31	-	-	-
Codes and engineering	79	42	51	58	33	34	37	-	-	-
Police and Emergency Services	1,612	1,199	1,056	1,066	1,171	903	782	139	368	308
Public Works	1,909	1,898	1,813	1,983	1,924	1,552	1,742	2,556	1,811	1,451
Library	85	83	102	139	88	90	103	-	-	-
Parks	118	126	159	147	155	154	174	-	-	-
Community Development	-	-	-	-	22	27	51	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
Administration	-	-	-	-	-	-	-	354	55	292
Police and Emergency Services	-	-	-	451	-	-	-	41	195	2
Public Works	-	391	530	1,044	642	122	155	46	282	970
Parks	-	-	-	-	-	-	-	168	8	59
Community Development	225	754	1,342	655	584	682	1,100	1,073	1,118	923
Economic Development	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>8,165</u>	<u>8,618</u>	<u>8,516</u>	<u>9,313</u>	<u>8,250</u>	<u>6,543</u>	<u>6,562</u>	<u>7,216</u>	<u>6,543</u>	<u>6,626</u>

(continued)

Township of Abington
Montgomery County, Pennsylvania
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Business-type activities:										
Charges for services:										
Sewer	9,073	9,030	9,381	8,892	9,040	9,027	9,178	10,092	9,339	8,842
Refuse	5,204	5,188	5,175	5,158	5,432	5,109	4,879	4,935	5,062	5,113
Operating grants and contributions	1,223	386	613	357	305	497	263	182	-	265
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>15,500</u>	<u>14,604</u>	<u>15,169</u>	<u>14,407</u>	<u>14,777</u>	<u>14,633</u>	<u>14,320</u>	<u>15,209</u>	<u>14,401</u>	<u>14,220</u>
Total primary government program revenues	<u>\$ 23,665</u>	<u>\$ 23,222</u>	<u>\$ 23,685</u>	<u>\$ 23,720</u>	<u>\$ 23,027</u>	<u>\$ 21,176</u>	<u>\$ 20,882</u>	<u>\$ 22,425</u>	<u>\$ 20,944</u>	<u>\$ 20,846</u>
Net (expense)/revenue										
Governmental activities	26,535	43,097	34,976	38,448	37,467	36,112	(34,213)	(32,764)	(34,097)	(31,762)
Business-type activities	874	1,069	(102)	2,080	1,054	474	(2,230)	869	(493)	8
Total primary government net expense	<u>\$ 27,409</u>	<u>\$ 44,166</u>	<u>\$ 34,874</u>	<u>\$ 40,528</u>	<u>\$ 38,521</u>	<u>\$ 36,586</u>	<u>\$ (36,443)</u>	<u>\$ (31,895)</u>	<u>\$ (34,590)</u>	<u>\$ (31,754)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Real Estate taxes	\$ 15,221	\$ 14,552	\$ 14,811	\$ 14,167	\$ 13,316	\$ 13,303	\$ 13,173	\$ 12,982	\$ 12,460	\$ 12,496
Transfer tax	1,417	1,499	1,407	1,291	1,104	1,342	1,153	1,248	724	811
Earned income tax	8,521	8,223	7,957	7,953	7,918	7,329	7,969	6,980	6,675	6,312
Business, Mercantile and LST	7,824	8,034	9,092	8,342	7,804	7,382	7,338	7,012	7,019	6,401
Unrestricted grants and contributions	30	34	33	34	34	38	36	1,260	1,911	1,151
Investment earnings	724	455	334	247	907	757	739	198	204	245
Miscellaneous	3,888	3,768	4,073	3,969	2,886	2,938	3,321	2,890	3,508	3,082
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>37,625</u>	<u>36,565</u>	<u>37,707</u>	<u>36,003</u>	<u>33,969</u>	<u>33,089</u>	<u>33,729</u>	<u>32,570</u>	<u>32,501</u>	<u>30,498</u>
Business-type activities:										
Unrestricted grants and contributions	-	-	-	-	-	-	-	250	406	942
Investment earnings	466	191	204	224	289	255	343	362	313	430
Miscellaneous	301	426	327	381	536	87	171	198	83	69
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>767</u>	<u>617</u>	<u>531</u>	<u>605</u>	<u>825</u>	<u>342</u>	<u>514</u>	<u>810</u>	<u>802</u>	<u>1,441</u>
Total primary government	<u>\$ 38,392</u>	<u>\$ 37,182</u>	<u>\$ 38,238</u>	<u>\$ 36,608</u>	<u>\$ 34,794</u>	<u>\$ 33,431</u>	<u>\$ 34,243</u>	<u>\$ 33,380</u>	<u>\$ 33,303</u>	<u>\$ 31,939</u>
Change in Net Position										
Governmental activities	\$ 11,089	\$ (6,531)	\$ 2,731	\$ (2,444)	\$ (3,499)	\$ (3,023)	\$ (484)	\$ (194)	\$ (1,595)	\$ (1,264)
Business-type activities	(106)	(452)	633	(1,475)	(228)	(131)	(1,717)	1,679	309	1,449
Total primary government	<u>\$ 10,983</u>	<u>\$ (6,983)</u>	<u>\$ 3,364</u>	<u>\$ (3,919)</u>	<u>\$ (3,727)</u>	<u>\$ (3,154)</u>	<u>\$ (2,201)</u>	<u>\$ 1,485</u>	<u>\$ (1,286)</u>	<u>\$ 185</u>

**Township of Abington
Montgomery County, Pennsylvania
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)**

Fiscal Year	Property Tax	Deed Transfer Tax	Earned Income Tax	Business Mercantile and Local Services Tax	Total
2010	12,496 ²	811	6,312	6,402	26,021
2011	12,460 ³	724	6,675	7,019	26,878
2012	12,982 ⁴	1,248	6,980	7,012	28,222
2013	13,173 ⁵	1,153	7,969	7,338	29,633
2014	13,302	1,342	7,329	7,382	29,355
2015	13,316	1,104	7,918	7,840	30,178
2016	14,167 ⁶	1,292	7,953	8,342	31,754
2017	14,811	1,407	7,957	9,092	33,267
2018	14,552	1,499	8,223	8,034	32,308
2019	15,221	1,417	8,521	7,824	32,983

²Increase due to .0841 millage increase for property tax (.0621 general purpose - .022 fire tax)

³Decrease due to change in taxable assessed valuation.

⁴Increase due to .198 millage increase for property (general purpose) tax.

⁵Increase due to .052 millage increase for property (fire) tax.

⁶Increase due to .2319 millage increase for property (.1529 general purpose and .079 fire) tax.

Township of Abington
Montgomery County, Pennsylvania
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011²</u>	<u>2010¹</u>
General Fund										
Reserved										\$ 4
Unreserved, undesignated										5,274
Unassigned										8,252
Nonspendable-prepaid items	\$ 5	\$ 9	\$ -	\$ 19	\$ 5	\$ 23	\$ 19	\$ 1	\$ 3	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	1,312	1,381	1,598	2,234	3,666	4,062	4,062	4,166	6,723	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	13,687	12,899	14,437	14,399	12,746	10,700	15,157	12,289	7,798	-
<i>Total general fund</i>	<u>\$ 15,004</u>	<u>\$ 14,289</u>	<u>\$ 16,035</u>	<u>\$ 16,652</u>	<u>\$ 16,417</u>	<u>\$ 14,785</u>	<u>\$ 19,238</u>	<u>\$ 16,456</u>	<u>\$ 14,524</u>	<u>\$ 13,530</u>
All Other Governmental Funds										
Reserved										\$ -
Unreserved, reported in:										
Special revenue funds										633
Capital projects funds										5,042
Nonspendable-prepaid items			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Restricted	\$ 4,055	\$ 4,467	5,169	865	1,298	302	1,072	926	832	-
Committed	1,486	1,913	1,326	1,145	1,189	1,128	1,128	2,193	2,698	-
Assigned	4,763	4,407	2,170	4,595	3,931	6,907	1,258	1,063	326	-
Unassigned	(190)	(42)	(108)	(10)	-	-	-	-	-	-
<i>Total all other governmental funds</i>	<u>\$ 10,114</u>	<u>\$ 10,745</u>	<u>\$ 8,557</u>	<u>\$ 6,595</u>	<u>\$ 6,418</u>	<u>\$ 8,337</u>	<u>\$ 3,458</u>	<u>\$ 4,182</u>	<u>\$ 3,856</u>	<u>\$ 5,675</u>
<i>Total Government Funds</i>	<u>\$ 25,118</u>	<u>\$ 25,034</u>	<u>\$ 24,592</u>	<u>\$ 23,247</u>	<u>\$ 22,835</u>	<u>\$ 23,122</u>	<u>\$ 22,696</u>	<u>\$ 20,638</u>	<u>\$ 18,380</u>	<u>\$ 19,205</u>

¹The decrease in fund balance was a planned use of fund balance for capital projects.

²New Fund Balance Classifications per GASB #54.

Township of Abington
Montgomery County, Pennsylvania
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues										
Real estate taxes	\$ 15,231	\$ 14,557	\$ 14,835	\$ 14,214	\$ 13,296	\$ 13,324	\$ 13,236	\$ 12,988	\$ 12,435	\$ 12,514
Transfer taxes	1,417	1,499	1,407	1,292	1,104	1,342	1,153	1,248	724	811
Earned income taxes	8,521	8,223	7,957	7,953	7,918	7,329	7,969	6,980	6,675	6,312
Business, Mercantile taxes and LST	7,824	8,034	9,092	8,342	7,840	7,382	7,338	7,012	7,019	6,402
Fees, licenses and permits	4,423	4,070	3,524	3,936	4,322	3,656	3,275	3,230	3,100	2,959
Investment income and rent	1,463	1,230	1,046	912	907	757	729	720	676	685
Grants	4,005	4,910	5,190	5,537	4,675	3,625	4,212	5,466	5,740	5,134
Fines and forfeitures	183	196	202	199	226	239	252	288	298	291
Program revenues	765	792	797	847	933	902	894	846	850	854
Other	1,352	1,103	1,465	1,444	916	1,029	1,254	1,072	1,555	1,180
Total Revenues	<u>45,184</u>	<u>44,614</u>	<u>45,515</u>	<u>44,676</u>	<u>42,137</u>	<u>39,585</u>	<u>40,312</u>	<u>39,850</u>	<u>39,072</u>	<u>37,142</u>
Expenditures										
General government	407	824	1,067	620	829	682	730	778	795	1,040
Public safety	24,025	23,474	21,300	21,328	20,194	19,677	18,852	17,544	17,944	17,368
Highways and roads	6,752	6,269	5,699	5,920	8,364	7,559	6,813	5,378	5,897	6,379
Culture and recreation	6,720	7,156	6,998	6,562	6,668	6,423	6,082	5,804	5,894	5,778
Miscellaneous	2,803	2,874	4,509	3,716	3,321	5,180	2,769	2,503	2,767	1,839
Debt Service:										
Principal	1,839	1,895	1,865	1,665	1,585	1,075	1,570	1,550	1,309	1,009
Interest	199	194	231	270	333	160	219	295	253	277
Capital projects	2,964	2,525	3,291	5,119	1,192	778	1,263	6,315	4,747	4,923
Total Expenditures	<u>45,709</u>	<u>45,211</u>	<u>44,960</u>	<u>45,200</u>	<u>42,486</u>	<u>41,534</u>	<u>38,298</u>	<u>40,167</u>	<u>39,606</u>	<u>38,613</u>
Excess (Deficiency) of revenues over expenditures	(525)	(597)	361	(524)	(349)	(1,949)	2,014	(317)	(534)	(1,471)
Other Financing Sources (uses)										
Issuance of debt	600	1,000	718	363	-	4,150	-	3,000	-	6,115
Payment to refund bond escrow agent	-	-	-	-	-	588	-	-	-	(3,080)
Proceeds from sale of fixed assets	9	38	71	59	47	(1,833)	65	-	-	-
Transfers in	664	2,715	2,553	1,303	467	6,996	500	3,194	500	3,515
Transfers out	(664)	(2,715)	(2,553)	(1,303)	(467)	(6,996)	(500)	(3,619)	(790)	(3,805)
Unrealized loss on investments	-	-	-	-	-	-	(22)	-	-	-
Total other financing sources (uses)	<u>609</u>	<u>1,038</u>	<u>789</u>	<u>422</u>	<u>47</u>	<u>2,905</u>	<u>43</u>	<u>2,575</u>	<u>(290)</u>	<u>2,745</u>
Net Change in Fund Balances	<u>\$ 84</u>	<u>\$ 441</u>	<u>\$ 1,344</u>	<u>\$ (102)</u>	<u>\$ (302)</u>	<u>\$ 956</u>	<u>\$ 2,057</u>	<u>\$ 2,258</u>	<u>\$ (824)</u>	<u>\$ 1,274</u>
Debt service as a percentage of noncapital expenditures	4.61%	4.97%	5.12%	4.74%	4.95%	3.16%	4.95%	5.30%	4.40%	3.89%

Township of Abington
Montgomery County, Pennsylvania
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Deed Transfer Tax	Earned Income Tax	Business, Mercantile and Local Service Tax
2010	12,514	811	6,312	6,402
2011	12,435	724	6,675	7,019
2012	12,988	1,248	6,980	7,012
2013	13,236	1,153	7,969	7,338
2014	13,303	1,342	7,329	7,382
2015	13,295	1,104	7,918	7,840
2016	14,214	1,292	7,953	8,342
2017	14,835	1,406	7,957	9,092
2018	14,557	1,499	8,223	8,034
2019	15,231	1,417	8,521	7,824

Township of Abington
Montgomery County, Pennsylvania
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Real Property Residential Property³	Commercial Property³	Total Assessed Value¹	Exempted Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value²	Ratio of Total Taxable Assessed Value to Total Estimated Actual Value²
2010	\$ 2,871,985	\$ 1,108,001	\$ 3,979,987	\$ 588,557	\$ 3,391,430	3.721	\$ 5,847,293	58.0%
2011	N/A	N/A	3,975,017	589,120	3,385,897	3.721	5,461,125	62.0%
2012	N/A	N/A	3,970,006	588,352	3,381,654	3.919	5,333,839	63.4%
2013	N/A	N/A	3,972,186	590,548	3,381,638	3.971	5,891,356	57.4%
2014	N/A	N/A	3,977,120	594,333	3,382,787	3.971	6,019,194	56.2%
2015	N/A	N/A	3,987,218	593,733	3,393,485	3.971	6,048,993	56.1%
2016	N/A	N/A	3,989,005	594,577	3,394,428	4.203	6,050,674	56.1%
2017	N/A	N/A	4,001,072	595,266	3,405,806	4.203	6,691,171	50.9%
2018	N/A	N/A	4,069,384	598,558	3,470,826	4.203	7,040,215	49.3%
2019	N/A	N/A	4,075,376	619,104	3,456,272	4.443	N/A ⁴	N/A ⁴

Data sources

¹Source: County assessment tax duplicate.

²Source: State Tax Equalization Board Common Level Ratio.

³County Assessor's Office does not provide this information as of 2011 forward.

⁴State Tax Equalization Board Statistics are not available until after July 1st

**Township of Abington
Montgomery County, Pennsylvania
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	<u>Township of Abington</u>			<u>Montgomery County</u>			<u>Abington School District</u>			Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total Township Millage	Operating Millage	Debt Service Millage¹	Total County Millage	Operating Millage	Debt Service Millage²	Total School Millage	
2010	3.321	0.400	3.721	2.695	-	2.695	25.162	1.920	27.080	33.496
2011	3.321	0.400	3.721	2.695	-	2.695	25.108	1.970	27.080	33.496
2012	3.389	0.530	3.919	3.152	-	3.152	25.247	1.830	27.080	34.151
2013	3.451	0.520	3.971	3.152	-	3.152	25.312	1.770	27.080	34.203
2014	3.451	0.520	3.971	3.152	-	3.152	27.246	1.760	29.006	36.129
2015	3.451	0.520	3.971	3.152	-	3.152	28.021	1.869	29.890	37.013
2016	3.683	0.520	4.203	3.459	-	3.459	29.250	1.580	30.830	38.492
2017	3.683	0.520	4.203	3.459	-	3.459	30.037	1.733	31.770	39.432
2018	3.683	0.520	4.203	3.849	-	3.849	30.024	1.746	31.770	39.822
2019	3.923	0.520	4.443	3.849	-	3.849	29.444	2.326	31.770	40.062

Data sources

¹Montgomery County Finance Office

²Abington School District

**Township of Abington
Montgomery County, Pennsylvania
Principal Property Taxpayers
Current Year and Ten Years Ago
(amounts expressed in thousands)**

Taxpayer	Type of Business	2019			2010		
		Taxable Assessed Valuation ¹	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation ²	Rank	Percentage of Total Assessed Valuation
14236404	WG Park L P	\$ 100,980	1	2.92%	\$ 48,090	1	1.42%
31004007	Pleasantville Gardens Associates	31,036	2	0.90%	31,036	2	0.92%
66636006	BSC Jenkintown LP	24,150	3	0.70%			
66648003	Phila Presbytery Homes, Inc.	23,087	4	0.67%	22,165	3	0.65%
49664004	Pavilion Unit Acquisition LP	18,434	5	0.53%	20,808	4	0.61%
49688007	RVT Noble Town Center LLC	18,164	6	0.53%			
49232004	Old York Road LLC	14,861	7	0.43%			
49660008	Plaza Unit Acquisition LP	14,618	8	0.42%	14,618	5	0.43%
14236602	WG Park Anchor B LP	14,000	9	0.41%	14,000	6	0.41%
14236008	WG Park LP	13,554	10	0.39%	13,554	8	0.40%
28936005	Abington Hospital				12,822	10	0.38%
14236206	Bloomingdales ³				13,686	7	0.40%
49884036	Nobletown Center				13,143	9	0.39%
Total:	Totals	<u>\$ 272,884</u>		<u>7.90%</u>	<u>\$ 203,922</u>		<u>6.01%</u>

Data sources

¹Abington Township Tax Duplicate

²2010 Township of Abington CAFR

³Assessment Appeal Pending

³Bloomingdales assessment changed in 2013 to 11,020,000

**Township of Abington
Montgomery County, Pennsylvania
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)**

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 12,620	\$ 12,456	98.7%	157	\$ 12,613	99.9%
2011	12,599	12,453	98.8%	143	12,596	100.0%
2012	13,253	13,097	98.8%	149	13,246	99.9%
2013	13,429	13,266	98.8%	153	13,419	99.9%
2014	13,433	13,302	99.0%	131	13,433	100.0%
2015	13,476	13,331	98.9%	144	13,475	100.0%
2016	14,267	14,134	99.1%	121	14,255	99.9%
2017	14,315	14,197	99.2%	118	14,315	100.0%
2018	14,588	14,439	99.0%	86	14,525	99.6%
2019	15,356	15,263	99.4%			

Township of Abington
Montgomery County, Pennsylvania
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income ²	Per Capita ¹
	General Obligation Bonds ³	Capital Leases	Notes Payable	General Obligation Bonds ³				
2010	\$ 9,719	41	0	\$ 20,600		\$ 30,360	1.57%	552
2011	8,409	0	0	18,270		26,679	1.37%	485
2012	9,860	0	0	16,105		25,965	1.22%	472
2013	8,290	0	0	16,800		25,090	1.17%	456
2014	9,454	0	0	14,435		23,889	1.09%	434
2015	8,817	0	0	12,584		21,401	0.94%	389
2016	6,660	0	290	9,782		16,732	0.68%	304
2017	5,422	0	289	8,792		14,503	0.59%	264
2018	4,580	0	145	6,351		11,076	0.45%	201
2019	3,323	0	72	3,685		7,080	0.29%	129

¹Population information is only available each 10 years from the U.S. Census

²See the Schedule of Demographic and Economic Statistics for personal income and population data.

2018 and 2019 Personal Income Data not available therefore percentage is an estimate.

³Presented net of debt issuance premiums

Township of Abington
Montgomery County, Pennsylvania
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value¹ of Property	Per Capita²
2010	\$ 30,319	0.52%	551
2011	26,679	0.49%	485
2012	25,965	0.49%	472
2013	25,090	0.43%	456
2014	23,350	0.39%	425
2015	19,525	0.32%	355
2016	16,441	0.27%	299
2017	14,214	0.21%	258
2018	10,931	0.16%	199
2019	7,008	N/A ³	127

Note: Details regarding the Township's outstanding debt can be found in the notes to the financial statements.

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

²Population data can be found in the Schedule of Demographic and Economic Statistics.

³State Tax Equalization Board's Common Level Ratio is not available until after July 1st.

**Township of Abington
Montgomery County, Pennsylvania
Direct and Overlapping Governmental Activities Debt
As of December 31, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Township of Abington	\$ 3,395,276	100.00%	\$ 3,395,276
Overlapping:			
Montgomery County ²	385,000,000	5.80%	22,330,000
Abington School District ³	<u>163,165,000</u>	96.75%	<u>157,862,138</u>
Sub Total Overlapping Debt	<u>548,165,000</u>		<u>180,192,138</u>
 Total Direct and Overlapping	 <u><u>\$ 551,560,276</u></u>		 <u><u>\$ 183,587,414</u></u>

Data sources:

¹Assessed value data used to estimate applicable percentages provided by the County Board of Assessment.

²Montgomery County Finance Director

³Abington School District Period Ending June 30, 2019 Audited Financial Statements.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Township. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Township of Abington. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

**Township of Abington
Montgomery County, Pennsylvania
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt limit	\$ 153,344	\$ 150,823	\$ 148,775	\$ 141,689	\$ 137,787	\$ 140,001	\$ 133,702	\$ 129,539	\$ 125,984	\$ 117,285
Total net debt applicable to limit	<u>7,008</u>	<u>10,931</u>	<u>13,898</u>	<u>15,925</u>	<u>19,525</u>	<u>23,980</u>	<u>25,090</u>	<u>25,965</u>	<u>26,679</u>	<u>30,319</u>
Legal debt margin	<u>\$ 146,336</u>	<u>\$ 139,892</u>	<u>\$ 134,877</u>	<u>\$ 125,764</u>	<u>\$ 118,262</u>	<u>\$ 116,021</u>	<u>\$ 108,612</u>	<u>\$ 103,574</u>	<u>\$ 99,305</u>	<u>\$ 86,966</u>
Total net debt applicable to the limit as a percentage of debt limit	4.57%	7.25%	9.34%	11.24%	14.17%	17.13%	18.77%	20.04%	21.18%	25.85%

Debt Limit Formula for Fiscal Year 2019

Total net revenues (2017-2019)	\$ 184,012,595
Three year average (borrowing base)	\$ 61,337,532
Multiplier	250%
Total nonelectoral debt limit	\$ 153,343,829

Note: The Local Government Unit Debt Act (Act 52 of 1978, reenacting and amending Act 185 of 1972) prescribes debt limits, net revenues and the calculation of borrowing base for all local government units in Pennsylvania. The "Debt Act" is

**Township of Abington
Montgomery County, Pennsylvania
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population¹	Personal Income² (in thousands)	Per Capita Personal Income	Median Age¹	School Enrollment³	Unemployment Rate⁴
2010	55,310	\$ 1,928,643	\$ 34,870	42.8	7,465	7.1%
2011	55,310	1,948,344	35,226	42.8	7,434	6.7%
2012	55,310	2,122,088	38,367	42.8	7,601	6.8%
2013	55,310	2,145,434	38,789	42.8	7,639	6.3%
2014	55,310	2,193,347	39,656	42.8	7,677	4.6%
2015	55,310	2,280,870	41,238	42.8	7,816	4.1%
2016	55,310	2,447,646	44,253	42.8	7,970	4.2%
2017	55,310	2,407,343	43,525	42.8	8,160	3.3%
2018	55,310	N/A	N/A	42.8	8,339	3.0%
2019	55,310	N/A	N/A	42.8	8,515	3.4%

Data sources

¹2000 and 2010 Official U.S. Census

²Pennsylvania Department of Education. Information received includes both Abington and Rockledge, therefore the percentage of Rockledge's population as compared to Abington's was used to calculate Abington's portion. 2018 and 2019 data not yet available.

³Abington School District

⁴Pennsylvania Department of Labor and Industry: Center for Workforce Information and Analysis.

Note: Unemployment rate is for Montgomery County as it is not maintained at the municipal level.

**Township of Abington
Montgomery County, Pennsylvania
Principal Employers
Current Year and Ten Years Ago**

Employer	2019			2010		
	Employees ¹	Rank	Percentage of Total Township Employment	Employees ²	Rank	Percentage of Total Township Employment
Abington Memorial Hospital (Hospital)	4,128	1	15.93%	4,479	1	19.31%
Holy Redeemer Health System (Hospital)	2,279	2	8.80%	2,071	2	8.93%
Willow Grove Mall	1,925	3	7.43%	1,871	3	8.06%
Abington School District (Public School District)	1,099	4	4.24%	1,085	4	4.68%
Sarah Care (Adult Day Care Services Center)	863	5	3.33%			
SPS Technologies (Manufacturer)	810	6	3.13%	985	5	4.25%
The Pennsylvania State University (College)	794	7	3.06%	638	7	2.75%
Abington Township (Municipal Government)	561	8	2.17%	640	6	2.76%
Giant (Food Market-2)	462	9	1.78%			
Federated Department Stores (Macy's & Bloomingdale's)	399	10	1.54%	460	8	1.98%
Genuardi Markets (Retail Grocery Stores)				308	10	1.33%
Target (Department Store)				335	9	1.44%
Totals	<u>13,320</u>		<u>51.41%</u>	<u>12,872</u>		<u>55.48%</u>

Data Sources

¹2019- Local Service Tax Records

²2010 Township of Abington CAFR

**Township of Abington
Montgomery County, Pennsylvania
Full-Time Equivalent Employees by Function
Last Ten Fiscal Years**

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Administration	12	12	15	16	16	16	16	16	16	16
Code Enforcement	7	7	7	7	7	7	6	6	6	6
Engineering	3	3	3	3	4	4	4	4	4	4
Sanitation	26	25	25	26	26	26	28	26	26	25
Highways and Streets	31	31	31	30	30	30	30	31	29	31
Vehicle Maintenance	6	6	7	7	7	7	7	6	7	7
Parks and Recreation	23	25	25	25	25	25	26	26	24	25
Public Safety										
Police										
Officers	92	92	92	92	92	92	92	92	87	88
Civilians	20	20	20	21	23	23	22	20	23	26
Fire	3	3	4	4	4	4	4	4	4	4
Library	22	23	23	23	23	23	23	24	24	23
WasteWater	16	17	16	16	16	16	18	18	18	18
Total	261	264	268	270	273	273	276	273	268	273

Source: Township payroll department.

**Township of Abington
Montgomery County, Pennsylvania
Operating Indicators by Function
Last Ten Fiscal Years**

Function¹	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Code Enforcement										
Permits Issued (Building, Electrical and Fire)	3,759	3,218	3,034	3,299	3,276	3,326	2,439	2,168	1,862	1,973
Police										
Physical Arrests	1,499	1,909	2,280	1,685	1,681	1,986	1,722	1,766	1,657	1,753
Total Crimes (Part I and II)	3,112	3,004	3,501	3,464	3,383	3,416	3,212	3,337	3,307	3,191
Traffic and Parking Citations	8,399	8,880	9,799	9,602	10,458	10,718	9,772	11,289	11,823	12,974
Highways and Streets										
Street resurfacing (miles)	17.00	22.00	22.00	18.00	15.30	14.20	8.06	4.70	7.10	7.34
Sanitation										
Tons of Commingled Recyclables	2,628	2,891	3,292	2,815	2,927	3,211	3,040	2,740	2,778	2,681
Tons of Paper	3,136	3,287	3,392	3,435	3,543	3,756	4,198	4,426	4,793	4,797
Tons of Refuse	16,534	16,992	17,900	17,155	17,208	17,575	17,583	17,805	18,328	17,583
Parks and Recreation										
Park Attendance	192,637	192,587	186,402	184,073	208,800	208,809	204,964	147,498	142,509	150,166
Pool Memberships	4,877	4,547	5,831	5,068	5,288	5,241	5,789	6,107	6,927	5,964
Wastewater										
Miles of sanitary sewers	260	260	216	216	216	216	216	216	216	216
Miles of storm sewers	123.6	120	119	119	119	119	119	119	119	119
Number of equivalent dwelling units connected	12,063	12,055	12,046	12,006	12,002	12,001	11,988	11,966	11,951	11,944
Daily average treatment in gallons (millions)	3.76	3.48	2.72	2.71	2.50	2.90	2.66	2.58	3.38	2.40
Maximum daily capacity of treatment plant in gallons (millions)	3.91	3.91	3.91	3.91	3.91	3.91	3.91	3.91	3.91	3.91
Facilities & Services not included in primary government:										
Library ²										
Circulation		474,907	441,939	458,109	459,806	472,830	491,824	492,701	502,424	494,324
Physical Items	454,619									
Digital Items	27,719									
Volumes		150,787	153,686	157,063	160,074	172,689	172,843	172,361	165,893	164,983
Physical Items	143,326									
Digital Items	376,047									
Fire										
Calls	1,663	1,683	1,576	1,581	1,823	1,846	1,498	1,789	1,849	1,705
Inspections	1,608	723	451	910	1,349	1,127	1,138	1,127	1,099	940
Second Alarmers Rescue Squad										
Emergency Rescue Calls	5,701	5,391	5,646	5,466	5,493	5,407	5,476	5,664	5,462	4,824

Data Sources

¹Various Township Departments.

²Beginning in 2019, Library circulation and volumes are broken down between physical and digital items as required by the Office of Commonwealth Libraries

**Township of Abington
Montgomery County, Pennsylvania
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function¹	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Highways and streets										
Streets (miles)										
County	3	3	3	3	3	3	3	3	3	3
Municipal ²	184	184	184	184	184	184	184	184	227	227
State ²	18	18	18	18	18	18	18	18	27	27
Street lights	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
Traffic signals	104	104	104	104	104	104	104	104	104	104
Parks and recreation										
Ball Fields	27	27	27	27	27	27	27	18	18	18
Community Centers	3	2	2	2	2	2	2	2	2	2
Golf Courses	2	2	2	2	2	2	2	2	2	2
Parks	23	23	23	23	23	23	23	23	23	23
Swimming pools	3	3	3	3	3	3	3	3	3	3
Tennis courts	10	10	10	10	10	10	10	12	12	12
Public Safety										
Police										
Station	1	1	1	1	1	1	1	1	1	1
Training Center	1	1	1	1	1	1	1	1	1	1
Sworn Officers	92	92	92	92	92	92	92	92	92	92
Sanitation										
Collection trucks	23	25	24	24	24	24	23	22	22	22
Sewer										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Pump Stations	15	15	15	15	15	15	15	15	15	15
Facilities & Services not included in primary government:										
Library										
Branches	2	2	2	2	2	2	2	2	2	2
Fire Services										
Stations	5	5	5	5	5	5	5	5	5	5
Volunteers	218	218	220	233	222	229	241	235	225	235

¹Source: Various Township Departments

²2012 Municipal and State Miles corrected per Engineering Department.