

PETERS TOWNSHIP

WASHINGTON COUNTY, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2018

PETERS TOWNSHIP

WASHINGTON COUNTY, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2018

PREPARED BY:

DEPARTMENT OF ADMINISTRATION

PAUL F. LAUER

TOWNSHIP MANAGER

RYAN JEROSKI

ASSISTANT TOWNSHIP MANAGER

**Peters Township
Comprehensive Annual Financial Report
Year Ended December 31, 2018
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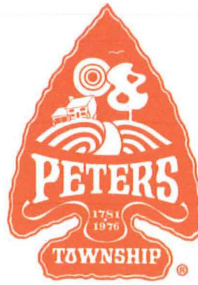
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INTRODUCTORY SECTION

PETERS TOWNSHIP
WASHINGTON COUNTY

Paul F. Lauer, Manager
Ryan Jeroski, Assistant Township Manager



Peters Township Council

Frank Kosir, Jr, Chairman
David M. Ball, Vice Chairman
Frank Arcuri
James F. Berquist
Robert J. Lewis
Monica R. Merrell
Gary J. Stiegel, Jr.

June 5, 2019

TO: The Citizens of Peters Township

Peters Township's Home Rule Charter requires the annual public presentation of an independent financial audit of the Township conducted by a certified public accountant. I am pleased to submit for your review, the Comprehensive Annual Financial Report of Peters Township for the fiscal year ended December 31, 2018 in fulfillment of this requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a framework of internal controls that is established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements

Hosack, Specht, Muetzel and Wood LLP, Certified Public Accountants, have issued an unmodified opinion on Peters Township's financial statements for the year ended December 31, 2018. The independent auditor's report is located at the front 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 statement. Management's discussion and analysis is intended to complement this letter of transmittal and should be read in conjunction with it.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the government's organizational chart and a list of principal officials. The financial section includes the financial statements with an opinion of the independent certified public accountant based upon their audit. The financial section also includes the management's discussion and analysis (MD&A), which is a narrative introduction, overview and analysis of the basic financial statement. The statistical section includes selected financial and demographic information, generally presented in a multi-year basis.

Profile of Government

Peters Township is a general unit of local government, and as such, provides a wide variety of public services. These services include:

Police Protection
Fire Protection
Road Maintenance
Planning

Code Enforcement
Parks and Recreation
Library
Community Television

The Township operates through the authority granted by the Peters Township Home Rule Charter. The Charter provides that the Township be governed by a seven (7) member elected Council. The Council is vested with a broad-range of policy-making powers. To assist the Council in formulation of policy, a variety of boards have been created. These include:

Planning Commission
Zoning Hearing Board
Parks and Recreation Board
Cable T.V. Board

Environmental Quality Board
Library Board
Youth Commission
Construction Code Board of Appeals

Day-to-day administration is the responsibility of the Township Manager. Council appoints the Manager for an indeterminate period. The Township Manager, in turn, recommends to Council the appointment of all Department Heads.

The Peters Township Organization Chart, which follows this letter, provides a visual representation of the Township’s structure.

Local Economy

In 2018, we saw the local economy continue to grow at the accelerated pace begun in 2017. This was evidenced primarily in the residential construction market in the Township. The number of building permits issued for new residential construction units in 2018 was 59; a 26% increase over the 47 issued in 2017. In addition, six (6) new residential developments totaling 186 single-family lots and 124 apartments were approved in 2018, the combined total of which represents a 27% increase in approved residential units from 2017, and a 1,000% increase over 2016. Two new residential zoning overlays adopted by Council in late 2016 were a contributing catalyst to this boom. A new Zoning Ordinance, adopted in August 2017, is expected to facilitate further growth, particularly in the McMurray Town Center. Commercial development in the Township was slower, with 15,476 square feet of new commercial space associated with two commercial developments (Bowers School House and Confluence Financial Partners Office) approved in 2018. A total of nine (9) commercial properties sold in 2018, for a total value of \$12,563,998, the average sale price being \$1,396,000.

Our fund balance in the General Fund decreased, mainly due a transfer of funds to finalize the purchase of Rolling Hills Park, though we continue to maintain a fund balance across all governmental funds that is well above our policy goals. These funds will be reimbursed to the General Fund through a bond issuance in 2019.

The new county tax assessment numbers took effect on January 1, 2017. The Township and School District continued to work proactively with legal counsel to ensure assessment appeals did not cause an undue negative impact to budgeted revenues from real estate tax.

Major Initiatives

The purpose of the Home Rule Government of Peters Township is to efficiently serve the residents, businesses and property owners of the community by providing them with a safe and enjoyable community. This requires the various departments of the municipality to do their share in creating a livable community.

The municipal government's role in achieving this vision is through four basic divisions:

1. General Government
2. Protection of Persons and Property
3. Public Works
4. Culture and Recreation

The community needs a sound infrastructure to serve its residents, businesses and property owners, as well as to protect property values in the future. The municipality must also protect its residents, businesses and property owners, as well as their properties. The municipality must provide a social atmosphere that will encourage the community's viability in the forms of recreation, social services, aesthetics, sound economic base and responsiveness to community problems. Finally, the municipal government has a responsibility to inform the public of its activities and plans to permit the residents and property owners the ability to assess the effectiveness of their government and make known their opinions.

General Government

The basic functions of the municipality need a variety of support and coordinating services to permit them to operate. These services also act as the implementation arm for Council's policies. These services include management, finance, tax collection, communications, and professional services, such as legal, engineering and accounting. The objectives in 2019 include:

1. Communicating to the community through 6 "In Peters Township Magazines", 12 "Insider" newsletters, a calendar, the Township website, cable channels and improved social networking presence through the PT4me! application, a Public Staff Citizen Relationship Management program.
2. Personnel efforts will be focused on hiring a new Public Works Laborer, Assistant Recreation Director, and Deputy Fire Chief. All preparation will be made to assist other departments with filling staffing needs that arise as a result of employee termination.
3. Ensure state-of-good repair in Township facilities by replacing a boiler unit and rooftop package unit in the Municipal Building and beginning design of new condensers for the Library. The brick patio in front of Council Chambers will be replaced with a concrete patio.

4. The Township will assure a sound financial system by continuing to contract for real estate tax collection services and participate in the County-wide Tax Collection Committee for earned income and local services taxes. In the third year of the completed Countywide Reassessment, a proactive approach to assessment appeals will be maintained to ensure there are no major fluctuations in Township real estate tax revenue.
5. Consulting and in-house professional staff will be utilized to conduct an audit, legal, engineering and information technology services. All GASB standards will be met in Township comprehensive and popular annual financial reports, as well as the 2020 Budget. Work with an independent financial consultant to prepare a bond issue to finance the construction of infrastructure and development of Rolling Hills Park.
6. Provide design and oversight of construction projects including resurfacing a roughly \$1.5 million pavement management program, \$250,000 in storm sewers projects, and \$50,000 in storm sewer pond restorations. Provide project management for the construction of Rolling Hills Drive. Oversee the completion of the Township's storm sewer mapping project, and solicit proposals from design firms for a floodplain restoration project
7. Provide a sound technological support system by replacing the Township's server infrastructure, digitizing Township storm sewer maps, implementing a digital document storage solution to be utilized for all Township records, and replacing computers that have reached the end of their useful life.
8. Maintain morale and health of volunteers and paid staff by recognition of service awards and wellness programs promoting healthy living.

Protection of Persons and Property

The Township provides or finances a variety of services to protect the public and property; these include police, fire, ambulance, planning and inspection. The objectives for 2019 include:

1. Initiate enhanced methods of traffic enforcement by assigning a traffic enforcement officer to patrol areas where citizen complaints have been received. Utilize an electronic non-radar speed timing device to assist with these efforts, as well as solar-powered speed display signs. Draft and manage an Aggressive Driving Grant should the Township qualify for this program.
2. To continue a proactive approach to addressing the health and needs of the community, continue to provide prevention programs to students such as DARE and the School Resource Officer; this includes coordinating with the Youth Commission, and Drug Take Back programs.
3. Ensure public safety through a well-managed patrol division with at least 80% of patrol shifts having a minimum of three (3) persons on duty. Ensure this patrol division has proper equipment by purchasing three (3) new patrol vehicles with updated technology, using

modern techniques such as Data Driven Approach to Crime through Traffic Safety and GPS tracking systems and in-car citation capabilities.

4. Provide direction to police officers to ensure they are adequately trained and have the facilities to serve the community by providing at least the minimum Municipal Police Officers Education and Training Commission training, 12 hours of Mandatory In-Service Training, maintaining firearms proficiency, valid first aid and CPR certifications and continuing with the DUI Task Force grant-funded program. Designate one detective as Property Custodian and perform a systematic review and inventory of the Evidence Room. Utilize the South Hills Area Council of Governments officer testing process should the need arise to fill a full-time officer position.
5. Participation in regional programs to increase effectiveness such as the South Hills Council of Government Crisis Intervention Response Team Fire Rapid Intervention Team and mutual aids with North Strabane, Upper St. Clair and Bethel Park Fire Departments as well as active participation in the South Hills Council of Government Police and Fire Chief committees.
6. Continue to operate the deer management program in conjunction with the Environmental Quality Board as well as provide animal control services including dead deer and small animal pick up/disposal.
7. Continue coordination of protection by conducting at least two (2) meetings with Fire, EMS and Police, as well as to continue cooperative efforts between Planning and emergency services for plan reviews and commercial inspections including joint interdepartmental training for emergencies and sharing of technology resources amongst departments such as the Geographic Information System.
8. Oversee renovations to the living quarters of Fire Station #1, to be completed by the Public Works Department, and replacement of the Township's emergency radio communications tower.
9. Proactively prevent public safety matters by conducting commercial and residential safety inspections and drills. Providing smoke detectors, child car seats and fire extinguishers as needed. Host an Open House in Fall 2019 to demonstrate fire prevention, response, and suppression techniques to residents.
10. Prepare the Department for the retirement of the Fire Chief and the promotion of the Deputy Fire Chief to this position in mid-2019. Hire a new Deputy Fire Chief to support the new Fire Chief. Support volunteer efforts of firefighters by providing proboard certified training opportunities as well as continuing the volunteer duty shift program.
11. Continue funding of Senior Citizen Subscriptions to the Ambulance Service.

12. Oversee construction of the McMurray Town Center Streetscape, a project identified in the Township's last Comprehensive Plan, *Plan Peters 2022*.
13. Review the Township's Property Maintenance Code and code enforcement procedures. Prepare a recommendation to Township Council on additions/changes to the Code and procedures to improve the effectiveness of the Township's code enforcement program.
14. Provide support to the Planning Commission and Zoning Hearing Board through professional staff support and training opportunities. Township Building Inspectors will attend a minimum of three (3) continuing education seminars. Work with the GIS Coordinator to update digital property records with current and past Zoning Hearing Board decisions and building inspection reports.

Public Works

The Township maintains a 116.8-mile road network, storm sewers, storm water management facilities and numerous buildings and structures. Health and safety functions are primarily provided through authorities and private contractors. The Township government must be active in these functions to assure that the community has a healthy environment. The objectives in 2019 are:

1. Provide training on heavy equipment, weather safety, and lifts to ensure that Laborers are prepared for all workplace scenarios.
2. Promote the participative nature of our residents by providing a recycling program, 5 fall and 2 spring leaf and 24 year-round brush collection pick-ups. Transition residents to an at-your-door electronic device and household hazardous waste collection program through Waste Management. Utilize the new cardboard compactor at Fire Station #1 to meet the recycling needs of residents and businesses.
3. Participate with the Peters Township Sanitary Authority, Peters Creek Sanitary Authority and Washington County Sewage Council for sewage planning and enforcement.
4. A well-maintained road system is paramount to the safety of residents as well as for the efficient operation of businesses, emergency services and school busing. Continue the third year of a replacement program for Township traffic signs to ensure compliance with federal reflectivity standards. Maintaining roadside safety is also critical and a concerted effort will continue to address tree damage from the Emerald Ash Borer. Oversee the installation of new signal system at Thomas Road and East McMurray Road funded by a PennDOT grant program. Replace one school speed zone sign on East McMurray Road near the high school.
5. Address stormwater issues proactively by funding projects that resolve chronic stormwater problem areas, and continuing a multi-year storm sewer replacement program for aging corrugated metal pipe. Purchase a digital storm sewer camera to allow Public Works to perform camera service that was previously contracted. Preventive stormwater and flooding issues will be addressed by in-house with the repair of at least 25 storm sewer inlets and more frequent street cleaning by the street sweeper with storm inlet vacuuming capabilities.

6. Expand the Public Works equipment fleet by purchasing a 40,000 GVW dump truck to handle new winter snow routes. An additional leaf vacuum to improve efficiency in that program, a new limb chipper, and a replacement roadside riding mower will also be purchased. Install LED lighting and a security camera system in the Public Works Complex. Hire an additional Laborer to assist with the maintenance at Rolling Hills Park.
7. To efficiently and safely perform the mission of the department, purchase needed equipment including MS4 hazardous waste containment items, tailgate salt spreader, portable generator, jack hammer, sub-pump with hoses, jumping jack tamper, mobile truck radios, and an excavator tilt bucket.
8. Maintain Township snow removal objectives of 3 hours salting and 7 hours plowing with adequate number of vehicles and equipment including use of pretreating brine and dual suppliers for salt. Remove snow from Township-maintained sidewalks within 24 hours of a snow event.

Culture and Recreation

The Township provides a well-rounded variety of recreation programs and facilities; it also provides complete Library services and operates and programs multiple cable television channels. The objectives in 2019 include:

1. Continue to provide multiple opportunities for involvement of residents by recruiting over 200 volunteers to assist in recreation, library, and cable programming.
2. Maintain a close cooperation with the school district by sharing of recreation facilities, including joint coaches training and scheduling, coordinating library offerings including attending book clubs/programs at the middle school and high school; operating a cable studio at the high school, with significant capital equipment to improve studio capabilities, participation of media class students and providing 575 cable programs in conjunction with the school district through curriculum and video club.
3. Continue to provide a wide variety of programs for all interests including six (6) summer concerts at the new amphitheater, increased CRC programming, enhanced youth and adult participation at the Tennis Center, and continued offering of the Silver Sneakers Program that provides affordable programs for the wellness of seniors. Hire an Assistant Parks & Recreation Director to expand upon the programming work performed by the Recreation Department. Enhance library programs that address educational interests for all ages including lecture series for adults and student alike, provide on-going outreach to preschools and home-schooled students, and Integrate PA Forward into adult programming. Introduce at least 625 hours of original digitally recorded cable programs, record all productions in high-definition, and produce at least six (6) public service announcements. Utilize social media across all culture and recreation departments to entice interest in programming.

4. Actively pursue the implementation of the *Comprehensive Parks, Recreation, and Open Space Plan* and *Rolling Hills Park Master Plan*, and ensure state-of-good-repair in all facilities by making necessary capital improvements. Construct new playgrounds at Shelter 1 in Peterswood Park and in the park expansion area, reconstruct the Shelter 3, repave the Arrowhead Trail access path, replace the observation deck at Venetia Park, and reconstruct the fencing at Field 5. Prepare for the development of Rolling Hills Park in the next few years by identifying early-action recreation projects to be completed. Replace the roof of the Library and refurbish the bathroom on the first floor. Work with the School District and appropriate utility companies to ensure that the cable studio at the new high school is designed, constructed, and equipped for a seamless transition when the school opens in January 2021.

Accounting and Budgeting

In developing and evaluating the Township's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurances regarding:

1. The safeguarding of assets against loss from unauthorized uses or disposition.
2. Reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

1. The cost of the control should not exceed the benefits likely to be derived.
2. The evaluation of costs and benefits requires estimates and judgment by management.

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

In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the government's governing body. Activities of the General Fund, Special Revenue Funds and the Capital Project Fund are included in the annual appropriated budget. The level of budgetary control is established by function within an individual fund. Budgetary control is that level in which expenditures cannot legally exceed the appropriated amount.

Long Term Financial Planning

It is the stated goal of the Township to maintain a fund balance equal to or in excess of 15% of revenues. Revenues associated with governmental funds in 2018 equaled \$17,810,032. The fund balances as of December 31, 2018 greatly exceeded the target of \$2,671,505. The year-end fund balance totaled \$9,323,826. Of this amount, \$4,867,677 was unassigned.

The Peters Township Home Rule Charter required Peters Township Council to annually adopt a five-year Capital Improvement Plan. The Charter requires that the Capital Improvement Plan include:

1. A simple, clear, general summary of the detailed contents of the program.
2. The capital improvements pending or proposed for the next fiscal year, together with the estimated cost of each improvement and the method of financing it.
3. The capital program proposed for the next four years, together with the estimated cost of each improvement and the proposed method of financing it.
4. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

This Capital Improvement Plan is annually developed, adopted, and published in conjunction with the Township's annual operating budget. The intent of the Plan is to ensure that not only facilities, equipment and infrastructure are well maintained, but that the cost associated with these improvements is financed in a systematic and sound fashion as well.

Projects incorporated into the Plan are derived from a number of sources. In some cases, projects are initially identified within studies commissioned by the Township. These studies include:

- Comprehensive Land Use Plan
- Comprehensive Traffic Study
- Comprehensive Recreation Plan
- Comprehensive Study of Recreational Fields
- Peterswood Park Expansion Plan
- Peters Lake Park Master Plan
- Public Works Facilities Plan
- Rolling Hills Park Master Plan
- Stormwater Management Plan
- Management Study of Fire Department Services
- Fire Station Location Plan

Capital Improvement Projects are proposed and advocated by standing advisory committees which are provided for in the Home Rule Charter or the Peters Township Administrative Code. In addition, potential capital improvement projects are submitted by the Township's department heads.

The 2019-2023 Capital Improvement Plan anticipates the expenditure of \$43,533,038 over the next five years based on the following annual expenditure of funds:

2019	\$ 9,163,818
2020	\$ 8,252,380
2021	\$ 10,134,280
2022	\$ 4,063,280
2023	\$ 11,919,280

Of this amount, \$22,690,000 is designated for the development of infrastructure and recreation facilities at Rolling Hills Park. The remaining expenditures are related to improvements to facilities and infrastructure, as well as vehicle acquisition. A significant portion of the Capital Improvement

Plan is devoted to road improvements. The cost of proposed road improvements contained in the plan total \$8,455,000. The cost associated with improvements to the storm sewer infrastructure is \$2,660,000. The cost designated for vehicle acquisition and replacement is \$2,261,000.

Projects contained in the 2019-2023 Capital Improvement Plan will be financed through the expenditure of excess current funds, capital lease, bond issue, grants, and fees. The Township received block grant funding from the state of Pennsylvania under the Liquid Fuels Program, the Local Share Program, and the Natural Gas Impact Fee Program. These funds are devoted to financing capital improvements. In addition, the Township levies a Traffic Impact Fee on all new developments. These funds are earmarked to finance road improvement projects.

Awards

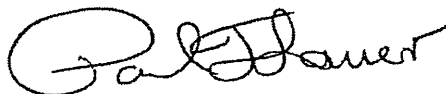
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for excellence in financial reporting to the government for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017. This was the twenty-third consecutive year that Peters Township has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied 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 Comprehensive Annual Financial Report 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.

Acknowledgements

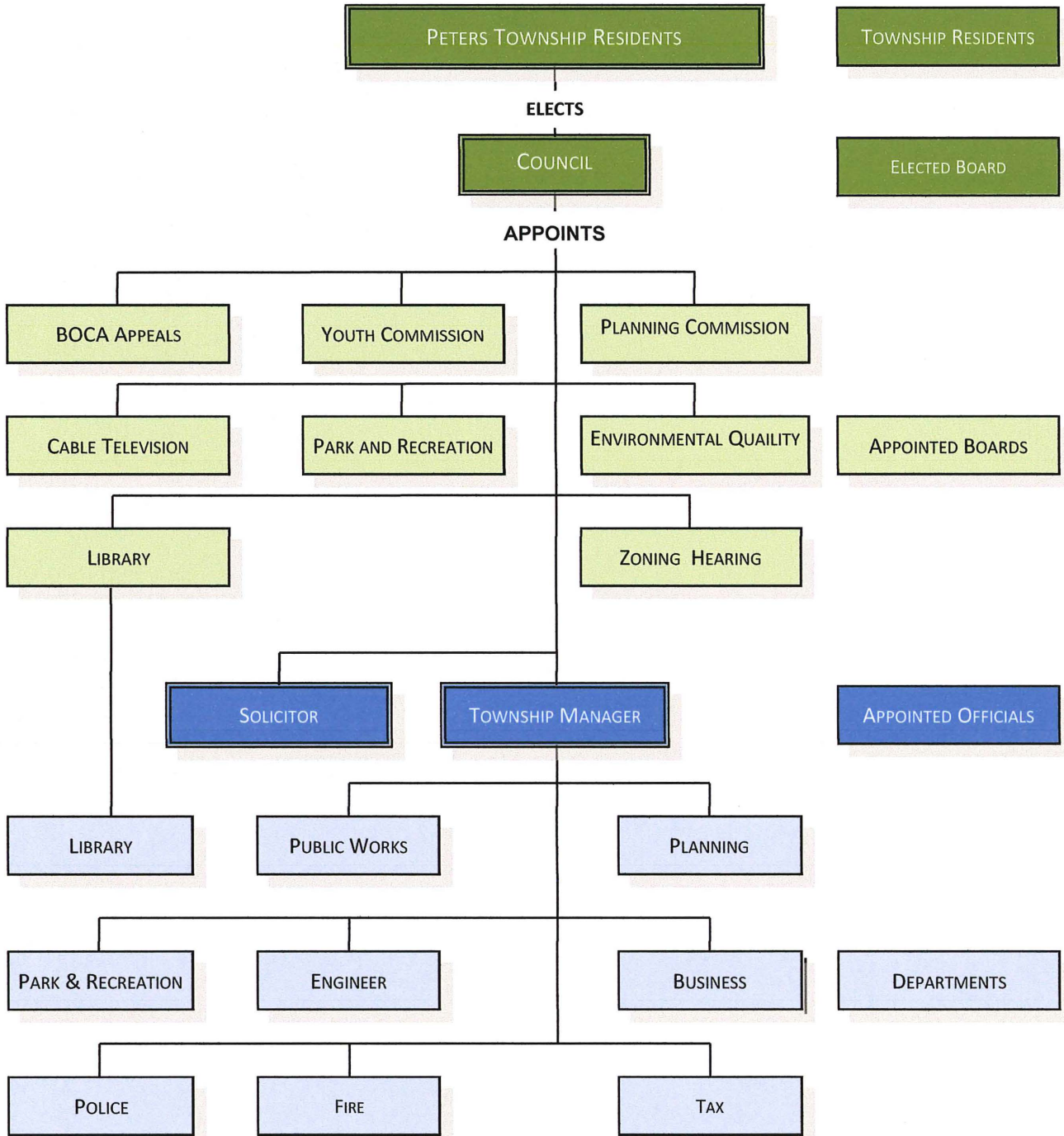
The production of this report was made possible through the efforts of a variety of individuals. The work and cooperation of the Township's administration staff was instrumental in the completion of this report. I also wish to acknowledge the efforts of Council for its support and encouragement. As in other endeavors, Council has committed itself to ensuring that the financial operations of the Township are conducted in a progressive and responsive manner.

Respectfully submitted,



Paul F. Lauer
Township Manager

Peters Township Organizational Chart



PETERS TOWNSHIP
LIST OF PRINCIPAL OFFICIALS
As of June 1, 2019

<u>Title</u>	<u>Name</u>
Chairman, Peters Township Council	Frank Kosir, Jr.
Vice-Chairman, Peters Township Council	David M. Ball
Member, Peters Township Council	Frank Arcuri
Member, Peters Township Council	James F. Berquist
Member, Peters Township Council	Robert Lewis
Member, Peters Township Council	Monica Merrell
Member, Peters Township Council	Gary Stiegel, Jr.
Township Manager	Paul F. Lauer
Assistant Township Manager	Ryan R. Jeroski
Police Chief	Douglas E. Grimes
Fire Chief	Daniel Coyle
Planning Director	Edward J. Zuk
Public Works Director	Joseph Hursen
Parks and Recreation Director	Michele Harmel
Township Engineer	Mark A. Zemaitis
Township Solicitor	John M. Smith



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Peters Township
Pennsylvania**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

HOSACK, SPECHT, MUETZEL & WOOD LLP
CERTIFIED PUBLIC ACCOUNTANTS
2 PENN CENTER WEST, SUITE 326
PITTSBURGH, PENNSYLVANIA 15276
PHONE - 412-343-9200
FAX - 412-343-9209
HSMW@HSMWCPA.COM
WWW.HSMWCPA.COM

Independent Auditor's Report

Members of Council
Peters Township
McMurray, Pennsylvania

Dear Members:

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township'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 Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Peters Township, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension and other post-employment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Matters (Cont'd)

Other Information (Cont'd)

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.

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
June 5, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Peters Township's comprehensive annual financial report presents a narrative overview and analysis of the Township's financial performance for the fiscal year ended December 31, 2018. Please read this management and discussion in conjunction with the preceding transmittal letter and the accompanying financial statements and notes which follow in order to obtain a thorough understanding of the Township's financial condition as of December 31, 2018.

FINANCIAL HIGHLIGHTS

- To finance several capital projects related to municipal facilities, the Township raised its property tax rate from 1.522 mills to 1.622 mills.
- The Township had an adjustment to net position for the prior year (2017), which resulted in a decrease in the beginning net position for 2018 of \$670,365. The adjustment was for the cumulative effect of implementation of Government Accounting Standards Board (GASB) Statement No. 75.
- Peters Township's governmental activity net position increased by \$644,394 from \$39,732,930 to \$40,377,324. This represents an increase of 1.6%.
- The Township's business-type activities (Solid Waste Services Fund) net position decreased by \$22,037 or 10.4%.
- The unrestricted net position of Peters Township as of December 31, 2017 was \$10,131,732. As of December 31, 2018, the unrestricted net position of the Township was \$7,100,226.
- In 2016 Standard and Poor's reaffirmed Peters Township a bond rating of AA+.
- The net outstanding debt associated with bonds decreased by \$860,000 from \$16,940,000 in 2017 to \$16,080,000 in 2018. In addition, the Township has \$330,553 outstanding notes payable as of December 31, 2018.
- The Fund Balance for the General Fund as of December 31, 2018 decreased by \$716,163 from \$6,387,259 to \$5,671,096.
- The plan net position held in trust to pay pension benefits decreased by \$800,237 or 4.7% in 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis section of the comprehensive annual financial report is intended as an introduction to Peters Township's basic financial statements. There are three components to the Township's financial statements. These are: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information designed to enhance the reader's understanding of the Township's finances.

Government-wide financial statements are intended to provide readers with a broad overview of Peters Township's finances. There are two government-wide financial statements presented in this report.

The first is the statement of net position. The statement of net position presents information on all of Peters Township's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the Township's assets and liabilities is shown as the Township's net assets. Increases or decreases in net assets are financial indicators that when tracked over time can be used as a measure of the Township's financial condition.

The second government-wide financial statement is the statement of activities. This statement shows information on how the Township's net position has changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the actual cash flow. Revenues and expenses are reported in the statement for some items that will result in cash flows at some future date. For example, taxes that are levied but yet to be collected or sick days accrued but not yet used.

It is the accepted practice in the government-wide financial statements to distinguish governmental activities from business-type activities. Governmental activities are those functions of the Township that are principally supported by tax dollars and intergovernmental revenues. Governmental activities commonly include services such as police, fire, public works, planning, recreation, and administration. Business-type activities are those that are funded through user fees and charges. These would include such municipal services such as solid waste collection, sewage treatment, public water, or other municipally owned utilities. Peters Township does provide solid waste collection and disposal under contract to a third party. The government-wide financial statements therefore include information both on governmental activities and business-type activities.

The government-wide financial statements are required to include financial information not only on the primary governmental unit but also information for any other component unit for which the primary governmental unit is financially responsible. An example of a component unit of a Township (the primary governmental unit) would be a sewer authority where the Township sets user rates and guarantees the authority's bonds. Peters Township (the primary governmental unit) is not financially responsible for other organizations and therefore information on component units is not incorporated into this report.

The fund financial statements provide detailed information about the Township's funds as opposed to the Township as a whole. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Certain funds are required to exist to comply with requirements of the Commonwealth of Pennsylvania. The funds used by Peters Township are divided into three categories. They are governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, the governmental fund statements focus on near term financial activities. Governmental fund statements report information on revenues and expenditures throughout the year as well as the balances of available resources at the year's end. This information allows the reader to evaluate the Township's short-term financial activities.

By viewing information contained in the government-wide financial statements in conjunction with that contained in the governmental fund statements the reader can appreciate the impact near term

financial activities has on the Township's long-term financial condition. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Peters Township maintains eight individual governmental funds. These include:

General Fund	Library Fund
Cable Television Fund	Series of 2013 Debt Service Fund
Capital Projects Fund	Series of 2016 Debt Service Fund
Highway Aid Fund	

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, and the capital projects fund. These two funds are considered major funds. Information on the non-major funds including the highway aid fund, the cable television fund, the library fund, and debt service funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements.

Peters Township annually adopts budgets for all of the governmental funds. A statement comparing revenues and expenditures to the budget is included for all governmental funds.

Proprietary funds are used to account for the Township's activities that are similar to a business operation in the private sector. For proprietary funds a significant portion of the funding is provided from user charges. The Peters Township Solid Waste Services Fund was created in 2006 to account for the financial activity associated with the collection and disposal of solid waste and recyclables. This fund is a proprietary fund. Accounting for this fund is done on a similar basis as the accounting for a business activity.

Fiduciary funds are used to account for resources held for the benefit of parties other than the Township. Fiduciary funds are not reflected in the government-wide financial statements because the resources contained in these funds are not available to support the programs of Peters Township. Peters Township maintains two fiduciary funds. These include:

Police Pension Fund
Employees' Pension Fund

The notes to the financial statements provide additional information essential for a reader to develop a full understating of the information provided in the government-wide and fund financial statements.

In addition to the basic financial statements and the accompanying notes the report also presents certain required supplementary information. The required supplementary information in Peters Township's comprehensive financial report provides the reader information concerning the Township's progress toward funding its pension obligation for the police pension plan, other post-employment benefits and the budgetary comparison schedules.

The combining statements and schedules referred to earlier in connection with nonmajor governmental fund are presented immediately following the required supplementary information.

FINANCIAL ANALYSIS OF THE MUNICIPALITY AS A WHOLE

The Township's net position at December 31, 2018 and December 31, 2017 (Restated)
are presented below:

Net Position Year Ended December 31

	Governmental Activities		Business-Type Activities		Total	
	2018	2017 (Restated)	2018	2017	2018	2017 (Restated)
ASSETS						
Current and other assets	\$10,698,401	\$13,150,349	\$220,789	\$250,973	\$10,919,190	\$13,401,322
Capital assets	\$49,792,473	\$47,797,146	\$0	\$0	\$49,792,473	\$47,797,146
Total Assets	<u>\$60,490,874</u>	<u>\$60,947,495</u>	<u>\$220,789</u>	<u>\$250,973</u>	<u>\$60,711,663</u>	<u>\$61,198,468</u>
DEFERRED OUTFLOWS OF RESOURCES						
Amounts related to pensions	\$2,894,031	\$1,156,226	\$0	\$0	\$2,894,031	\$1,156,226
Deferred charge on refunding	\$409,188	\$464,644	\$0	\$0	\$409,188	\$464,644
Total deferred outflow of resources	<u>\$3,303,219</u>	<u>\$1,620,870</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,303,219</u>	<u>\$1,620,870</u>
LIABILITIES						
Current and other liabilities	\$1,339,846	\$1,471,271	\$30,758	\$38,905	\$1,370,604	\$1,510,176
Non-current liabilities	\$21,513,419	\$20,306,774	\$0	\$0	\$21,513,419	\$20,306,774
Total Liabilities	<u>\$22,853,265</u>	<u>\$21,778,045</u>	<u>\$30,758</u>	<u>\$38,905</u>	<u>\$22,884,023</u>	<u>\$21,816,950</u>
DEFERRED INFLOWS OF RESOURCES						
Amounts related to pensions	\$563,504	\$1,057,390	\$0	\$0	\$563,504	\$1,057,390
Total deferred inflow of resources	<u>\$563,504</u>	<u>\$1,057,390</u>	<u>\$0</u>	<u>\$0</u>	<u>\$563,504</u>	<u>\$1,057,390</u>
NET POSITION						
Net Investments in Capital Assets	\$33,465,224	\$30,483,326			\$33,465,224	\$30,483,326
Restricted	\$1,905	\$305			\$1,905	\$305
Unrestricted	\$6,910,195	\$9,249,299	\$190,031	\$212,068	\$7,100,226	\$9,461,367
Total Net Position	<u>\$40,377,324</u>	<u>\$39,732,930</u>	<u>\$190,031</u>	<u>\$212,068</u>	<u>\$40,567,355</u>	<u>\$39,944,998</u>

Infrastructure assets:

At December 31, 2018, the Peters Township's total assets are \$60,711,663. Of this amount, \$49,792,473 is accounted for as capital assets. The total assets as of December 31, 2017 were \$61,198,468.

Historically, infrastructure (roads, sewers, etc) have not been reported or depreciated in governmental financial statements. GASB Statement #34 requires that all capital assets, including infrastructure, be valued and reported within the Governmental Activities column of the government-wide financial statements. Prospective reporting of infrastructure is allowed under GASB statement #34 for smaller municipalities. Peters Township has chosen to report infrastructure on a prospective basis and began doing so in 2004. As a result, net investment in capital assets stands at \$33,465,224 as of December 31, 2018.

The following presents the Township's change in net assets for the fiscal years ended December 31, 2018 and December 31, 2017 (Restated).

**Changes in Net Assets
Year Ended December 31**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2018	2017 (Restated)	2018	2017	2018	2017 (Restated)
Revenues						
Program Revenues:						
Charges for services	\$1,725,173	\$1,627,166	\$1,607,099	\$1,592,748	\$3,332,272	\$3,219,914
Operating grants	\$1,454,385	\$1,520,574	\$0	\$0	\$1,454,385	\$1,520,574
Capital Grants	\$696,255	\$2,064,323	\$0	\$0	\$696,255	\$2,064,323
General Revenues:						
Property taxes	\$5,025,792	\$4,679,033	\$0	\$0	\$5,025,792	\$4,679,033
Earned income taxes	\$6,403,908	\$6,229,224	\$0	\$0	\$6,403,908	\$6,229,224
Real estate transfer taxes	\$1,717,133	\$1,917,334	\$0	\$0	\$1,717,133	\$1,917,334
Other taxes	\$450,986	\$446,138	\$0	\$0	\$450,986	\$446,138
Grants not restricted	\$769,885	\$1,028,580	\$0	\$0	\$769,885	\$1,028,580
Investment earning	\$147,584	\$62,227	\$0	\$0	\$147,584	\$62,227
Miscellaneous income	<u>\$56,668</u>	<u>\$197,842</u>	<u>\$0</u>	<u>\$0</u>	<u>\$56,668</u>	<u>\$197,842</u>
Total Revenues	<u>\$18,447,769</u>	<u>\$19,772,441</u>	<u>\$1,607,099</u>	<u>\$1,592,748</u>	<u>\$20,054,868</u>	<u>\$21,365,189</u>
Program Expenses						
General government	\$2,290,118	\$2,002,009	\$0	\$0	\$2,290,118	\$2,002,009
Public safety	\$6,881,736	\$6,333,670	\$0	\$0	\$6,881,736	\$6,333,670
Public works - sanitation	\$42,024	\$72,025	\$1,629,136	\$1,611,253	\$1,671,160	\$1,683,278
Public works - highways	\$4,430,442	\$4,542,553	\$0	\$0	\$4,430,442	\$4,542,553
Culture and recreation	\$3,701,815	\$3,585,582	\$0	\$0	\$3,701,815	\$3,585,582
Interest on long-term debt	<u>\$457,240</u>	<u>\$477,275</u>	<u>\$0</u>	<u>\$0</u>	<u>\$457,240</u>	<u>\$477,275</u>
Total Expenses	<u>\$17,803,375</u>	<u>\$17,013,114</u>	<u>\$1,629,136</u>	<u>\$1,611,253</u>	<u>\$19,432,511</u>	<u>\$18,624,367</u>
Excess (Deficiency)						
before transfers	\$644,394	\$2,759,327	(\$22,037)	(\$18,505)	\$622,357	\$2,740,822
Transfers	\$0	\$0	\$0	\$0	\$0	\$0
Change in net position	\$644,394	\$2,759,327	(\$22,037)	(\$18,505)	\$622,357	\$2,740,822
Net position-beginning	<u>\$39,732,930</u>	<u>\$37,643,968</u>	<u>\$212,068</u>	<u>\$230,573</u>	<u>\$39,944,998</u>	<u>\$37,874,541</u>
Change due to implementation of GASB 75 on 1/1/2018	\$0	(\$670,365)	\$0	\$0	\$0	(\$670,365)
Net position-ending	<u>\$40,377,324</u>	<u>\$39,732,930</u>	<u>\$190,031</u>	<u>\$212,068</u>	<u>\$40,567,355</u>	<u>\$39,944,998</u>

Governmental Activities

Revenue Sources

In 2018, 73.7% of Peters Township's total government-wide revenues of \$18,447,769 were derived from taxes. This compares with 67.1% in 2017. The Township collected \$13,597,819 in taxes. Of the taxes levied Earned Income Tax and the Real Estate Tax are the most significant.

The Earned Income Tax is a one-half percent (.5%) tax levied against the wages earned by Township residents. In 2018, Earned Income Tax accounted for \$6,403,908 or 47.1% of the taxes levied for general government functions. Earned Income Tax revenues collected in 2018 were 2.8% higher than that collected in 2017. This increase in revenue can be attributed to improving economic conditions, particularly in the natural gas industry.

The Real Estate Tax is a tax levied against the assessed valuation of real estate property located in the Township. The court ordered reassessment of property values was completed in late 2016, and the new values were implemented on January 1, 2017. The assessed valuation of taxable property in Peters Township rose from \$3,122,120,918 in 2017 to \$3,146,728,573 in 2018. In order to finance necessary state-of-good-repair capital improvements, the Township raised its millage rate from 1.522 mills in 2017 to 1.622 mills for 2018. Real Estate Tax receipts in 2018 totaled \$5,025,792 or 36.9% of tax revenue.

The Real Estate Transfer Tax is a tax levied on the value of all real estate transferred in Peters Township. The Township levy is one percent (1%) of the value of property transferred. This tax is collected by the Washington County Recorder of Deeds, who charges a two percent (2%) collection fee. In 2018, revenues from the Deed Transfer Tax decreased by \$200,201 from the prior year to \$1,717,133. This decrease is primarily due to an unusually sizeable transfer tax deposit at the end of 2017, that was not replicated in 2018. Regardless of this decrease, collection of Deed Transfer the past two years has shown an uptick in the homebuilding industry, partially fueled by new residential zoning overlays adopted by the Township in late 2016.

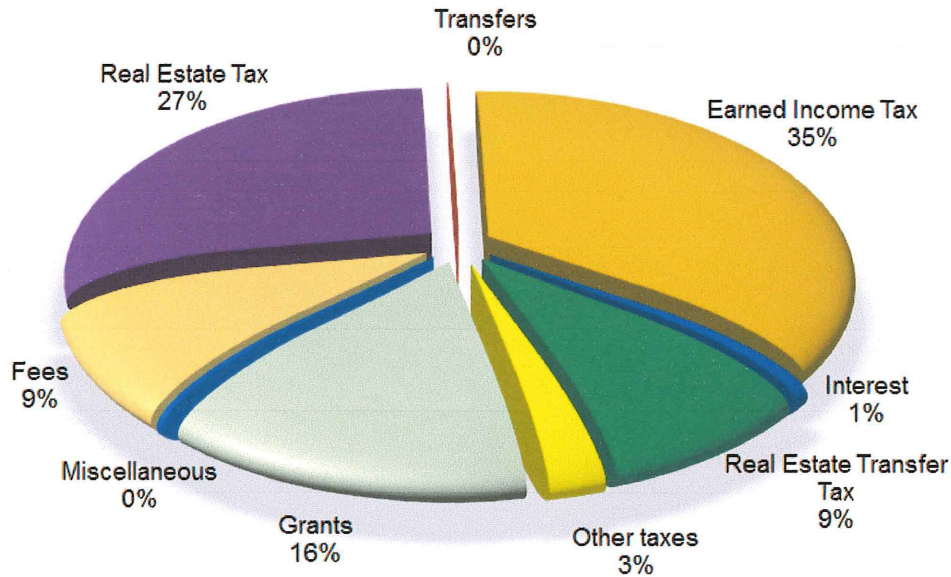
In 2018, the Township collected \$4,849,950 in revenue from non-tax sources. This represents 26.3% of the total revenue from governmental activities. Charges for services equaled \$1,725,173 or 35.6% of all non-tax revenue. It is the Township's policy, whenever possible, to charge fees for specialized services. The Township's goal is to structure these fees in a manner so as to cover the total cost of providing the related service. Zoning and building permit fees offset the cost of municipal services associated with development activity. The cost of recreation activities are largely covered by program fees.

Grants received by Peters Township in 2018 totaled \$2,920,525 and represent 60% of the Township's non-tax revenue from governmental activities. An important ongoing source of grant funds for Peters Township is the Pennsylvania State Liquid Fuel Program. Under this program, the state provides individual municipalities with a portion of the monies derived through the imposition of a statewide gasoline tax. The Township received \$783,711 in Liquid Fuels Funds in 2018. In 2012, Peters Township also began receiving a grant allocation under the Natural Gas Impact Fee program. In 2018, Peters Township was the recipient of \$449,306 in Natural Gas Impact Fees, a 36.4% increase over the funds received in 2017, further indication of the uptick in the natural gas industry in Washington County.

The Township also receives funds under the Foreign Fire and Foreign Casualty Insurance Programs. Funds received under the Foreign Fire Fund Program are mandated by the state of Pennsylvania to be turned over to the Peters Township Volunteer Fire Company Relief Association. These funds primarily are utilized by the Relief Association to acquire and maintain firefighting equipment and personal protection gear. The Foreign Casualty Insurance Program provides funds to help offset employee pension costs. The amount received does not cover all of the costs associated with employee pensions. The difference is made up by the General Fund and employees' contributions.

The following chart graphically depicts the government-wide sources of the governmental activities revenues for the fiscal year ended December 31, 2018:

Sources of Revenues
Total Revenues: \$18,447,769



Program Expenses

Total program expenses in 2018 were \$17,803,375. This represents an increase of \$790,261 or 4.6% over 2017.

General Government expenses in 2018 amounted to \$2,290,118 or 12.9% of total expenses. The General Government category represents programs including Legislative Body, Administration, Legal, Engineering, Information Technology, and Municipal Building.

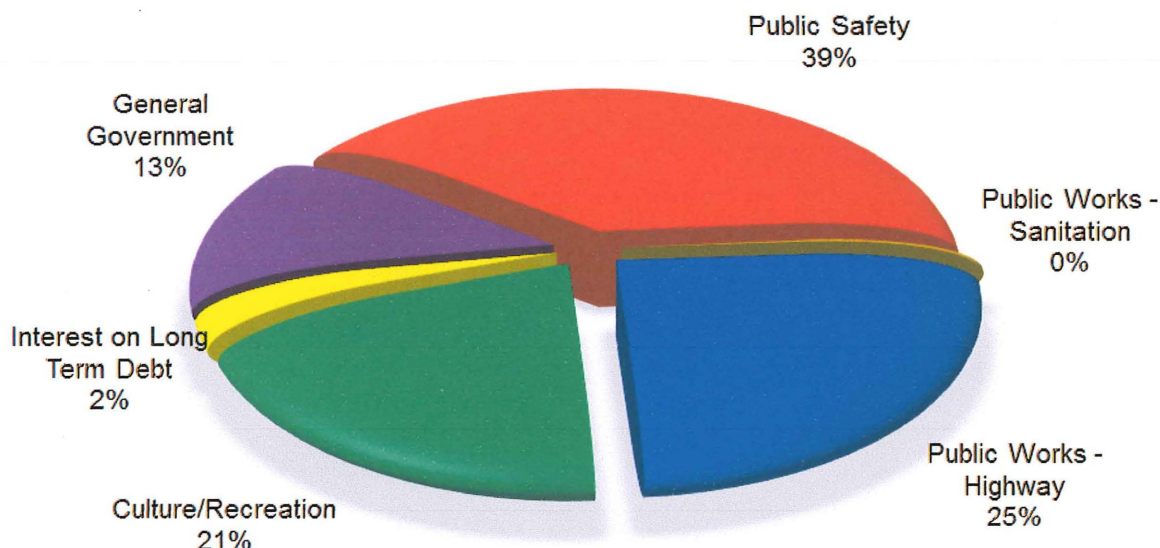
In 2018, expenses associated with Public Safety account for \$6,881,736 or 38.7% of all expenses. Programs contained in the Public Safety category include Police Services, Fire Services, Emergency Medical Services, Animal Control, Planning, Zoning, and Building Inspection.

Public Works expenses in 2018 totaled \$4,472,466 or 25.1% of total expenses. A significant portion of this amount is associated with capital improvements including the resurfacing of roadways and the rehabilitation of storm sewers.

Programs included under the category of Culture and Recreation are the Peters Township Library, Parks and Recreation, and Peters Township Community Television. In 2018, expenses for Culture and Recreation equaled \$3,701,815 or 20.8% of the expenses.

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2018:

Program Expenses
Total Expenses: \$17,803,375



Net Program Expenses/Revenues:

As one might expect the basic services of Peters Township are primarily financed through general revenues. To the extent one can identify a specific beneficiary of a municipal service, users fees are charged to offset the cost of the service rendered. Examples of the municipal services where it is possible to establish this correlation include services such as recreation programs and building permits.

In 2018, Public Safety expenses required the most general revenue for support, needing \$6,070,674. Public Works activities required \$2,756,536 in general revenue support while Culture and Recreation required \$2,506,855.

Business-Type Activities

Revenue Sources

To finance the cost of collecting and disposing of solid waste and recyclables the Township charges each homeowner a flat fee that is collected quarterly. In 2018, fees for solid waste and recycling totaled \$1,607,099. In 2018, fees for garbage service were unchanged from 2017 levels, though fees were raised for 2019 as the result of enhanced service and increased costs for existing services.

Program Expenses

The flat fee charged to the Township by a third-party contractor determines the expense related to the collection and disposal of solid waste and recyclables. This service costs \$1,629,136 in 2018. The collection and disposal of solid waste and recyclables is performed under contract with Waste Management. The Township, through the South Hills Area Council of Governments, entered into a contract with Waste Management in 2014. This contract expired at the end of 2018. In late 2018, a new contract was bid-out and awarded to Waste Management.

Net Program Expenses/Revenues

Program expenses are intended to be fully offset by revenues generated by user charges. In 2018, expenses exceeded charges for service by \$22,037. This deficit was made up by cash balances from charges for service in prior years.

FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDS

As Peters Township completed the year, its governmental funds reported a combined fund balance of \$9,323,826 a decrease of \$2,318,709 compared to the previous year. The Township continues to maintain fund balances well in excess of established standards.

Fund balance is divided into one of five classifications. These are:

- **Nonspendable fund balance:** amounts that are not in a spendable form such as inventory or are required to be maintained intact
- **Restricted fund balance:** amounts constrained to specific purposes by their providers through constitutional provisions or by enabling legislation
- **Committed fund balance:** amounts constrained to specific purposes by Peters Township Council
- **Assigned fund balance:** amounts a government intends to use for a specific purpose. The assignment can be expressed Council or the Township Manager
- **Unassigned fund balance:** amounts that are available for any purpose; these amounts are reported only in the general fund.

Of the total balance, only \$1,905 is restricted. Peters Township Council has committed \$4,043,392 for specific purposes, including \$672,805 in the Cable Television Fund for public access television and communications. At the end of 2018, \$363,798 of the fund balance is classified as assigned. This includes \$317,291 which is assigned the Library Fund for library operations. The non-spendable fund balance is \$47,054. The remaining \$4,867,677 is unassigned, meaning it is available to meet the Township's current and future needs.

In the Peters Township General Fund, the fund balance decreased by \$716,163 from \$6,387,259 to \$5,671,096. This decrease is largely attributed to a transfer of funds from the General Fund to the Capital Projects Fund for a settlement on the purchase of Rolling Hills Park.

The fund balance in the Peters Township Capital Projects Fund decreased by \$1,489,780 from \$4,150,509 to \$2,660,729. Similar to the General Fund, this decrease can largely be attributed to a settlement on the purchase of Rolling Hills Park, as well as expenditures from the last of the bond proceeds from the General Obligation Bond Issue of 2016.

General Fund Budgetary Highlights

In 2018, General Fund revenues exceed budgeted revenues by \$675,957. Total revenues in 2018 were budgeted at \$14,712,101 while actual revenues equaled \$15,388,058. The variance is largely attributable to greater than expected Real Estate Transfer Tax revenues, which exceeded budgeted revenues by \$217,133, as well as higher collections of Earned Income Tax revenues, which exceeded budgeted revenues by \$375,458.

General Fund expenditures were \$335,306 less than the final budget. The final budget for total expenditures in 2018 was \$12,880,088 while actual expenditures equaled \$12,544,782. The variance between actual and budgeted expenditures was the result of a continued concerted effort across the board to control spending.

Other Major Funds

Capital Projects Fund

The Capital Projects Fund accounts for funds provided by Peters Township, most frequently from transfers from the General Fund or bond proceeds. The most significant capital expenditures in 2018 related to highway maintenance, storm sewer maintenance, renovations to Fire Station #1, slip-lining a concrete arch culvert on the Arrowhead Trail, and vehicle replacement.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets consist primarily of land, buildings and improvements, equipment and infrastructure. The following is a summary of capital assets at December 31, 2018 and December 31, 2017:

Summary of Capital Assets

	Balance at 12/31/2018	Balance at 12/31/2017	Difference
Land	\$13,008,573	\$11,414,816	\$1,593,757
Construction in Progress	\$0	\$584,654	(\$584,654)
Buildings & improvements	\$18,779,203	\$17,744,744	\$1,034,459
Land improvements	\$5,942,870	\$5,914,831	\$28,039
Machinery and equipment	\$7,363,864	\$7,324,513	\$39,351
Vehicles	\$5,228,348	\$4,653,980	\$574,368
Infrastructure	\$27,988,016	\$26,143,379	\$1,844,637
Total capital assets	<u>\$78,310,874</u>	<u>\$73,780,917</u>	<u>\$4,529,957</u>
Less accumulated depreciation for:			
Buildings and building improvements	\$7,523,258	\$7,037,540	\$485,718
Land improvements	\$3,767,630	\$3,506,876	\$260,754
Machinery and equipment	\$4,822,130	\$4,615,280	\$206,850
Vehicles	\$3,029,873	\$2,609,114	\$420,759
Infrastructure	\$9,375,510	\$8,214,961	\$1,160,549
Total accumulated depreciation	<u>\$28,518,401</u>	<u>\$25,983,771</u>	<u>\$2,534,630</u>
Net capital assets	<u>\$49,792,473</u>	<u>\$47,797,146</u>	<u>\$1,995,327</u>

More detailed information about the Township's capital assets can be found in Note 6 of the notes to financial statements.

Long-term Debt

As of December 31, 2018, the Township had \$16,589,997 of debt outstanding including general obligation debt of \$16,080,000, general obligation notes of \$330,553 and a capital lease of \$179,444. This represents a decrease of \$1,031,091 or 5.9% from the previous year. The following details activity related to general obligation bonds and capital leases during 2018.

Summary of General Obligation Debt Activity

Beginning Balance at 1/1/2018	\$ 17,621,088
Additions	\$ 0
Principal Retirement	<u>\$ 1,031,091</u>
Ending Balance at 12/31/2018	<u>\$ 16,589,997</u>

More detailed information about the Township long-term debt can be found in Note 9 of the notes to financial statements.

Trust and Agency Operations

Pension Trust Fund

The Township maintains two pension funds related to the activities associated with the Peters Township Police and the Peters Township Employee Pension Systems. As a result of a net depreciation in the fair value of the investments in 2018 both pension funds experienced a reduction in the value of assets held. Because the Peters Township Employee Pension is a defined contribution plan the amount of the Township's future contribution will be unaffected. The Peters Township Police Pension Plan however is a defined benefit plan. The impact of the net depreciation in the fair value of investments held in this plan was factored into the actuarial valuation completed for the plan year beginning January 1, 2019, which, among other factors, led to an increase of 1% in the Township's contribution to this plan beginning in 2019.

Bond Ratings

The Township maintains a strong investment bond rating of AA+ from Standard and Poor's bond rating service. This rating was reaffirmed in 2016. More detailed information about the Township's general long-term debt activity can be found in the notes to the financial statements.

CONTACTING THE MUNICIPALITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

**Peters Township Business Department
610 East McMurray Road
McMurray, PA 15317**

**Peters Township
Statement of Net Position
December 31, 2018**

Exhibit 1

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Cash Equivalents	\$ 8,415,805	\$227,451	\$ 8,643,256
Investments	576,480	-	576,480
Taxes Receivable, Net	1,104,919	-	1,104,919
Internal Balances	50,000	(50,000)	-
Due from Other Governments	25,281	-	25,281
Other Receivables	478,862	-	478,862
Accounts Receivable	-	43,338	43,338
Prepaid Items	47,054	-	47,054
Capital Assets not Being Depreciated			
Land	13,008,573	-	13,008,573
Capital Assets, Net of Accumulated Depreciation	18,171,394	-	18,171,394
Infrastructure Assets, Net of Accumulated Depreciation	<u>18,612,506</u>	<u>-</u>	<u>18,612,506</u>
TOTAL ASSETS	<u>60,490,874</u>	<u>220,789</u>	<u>60,711,663</u>
DEFERRED OUTFLOWS OF RESOURCES			
Amounts Related to Pensions	2,894,031	-	2,894,031
Deferred Charge on Refunding	<u>409,188</u>	<u>-</u>	<u>409,188</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,303,219</u>	<u>-</u>	<u>3,303,219</u>
LIABILITIES			
Accounts Payable	342,024	30,758	372,782
Contracts Payable	4,141	-	4,141
Accrued Interest Payable	21,239	-	21,239
Accrued Salaries and Benefits	154,882	-	154,882
Payroll Deductions and Withholdings	31,725	-	31,725
Other Current Liabilities	785,835	-	785,835
Noncurrent Liabilities			
Due Within One Year	1,075,660	-	1,075,660
Due in More Than One Year			
Notes Payable	291,923	-	291,923
Bonds Payable	15,341,440	-	15,341,440
Capital Leases	43,004	-	43,004
Compensated Absences	459,926	-	459,926
Net Pension Liability	3,421,104	-	3,421,104
Net Other Post-Employment Benefit Obligations	<u>880,362</u>	<u>-</u>	<u>880,362</u>
TOTAL LIABILITIES	<u>22,853,265</u>	<u>30,758</u>	<u>22,884,023</u>
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to Pensions	<u>563,504</u>	<u>-</u>	<u>563,504</u>
NET POSITION			
Net Investment in Capital Assets	33,465,224	-	33,465,224
Restricted for Highways	1,905	-	1,905
Unrestricted	<u>6,910,195</u>	<u>190,031</u>	<u>7,100,226</u>
TOTAL NET POSITION	<u>\$40,377,324</u>	<u>\$190,031</u>	<u>\$40,567,355</u>

See Accompanying Notes

**Peters Township
Statement of Activities
Year Ended December 31, 2018**

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
General Government	\$ 2,290,118	\$ 39,164	\$ 114,697	\$ -	\$ (2,136,257)	\$ -	\$ (2,136,257)
Public Safety	6,881,736	449,208	361,854	-	(6,070,674)	-	(6,070,674)
Public Works - Sanitation	42,024	-	-	-	(42,024)	-	(42,024)
Public Works - Highways	4,430,442	157,869	861,806	696,255	(2,714,512)	-	(2,714,512)
Culture - Recreation	3,701,815	1,078,932	116,028	-	(2,506,855)	-	(2,506,855)
Interest on Long-Term Debt	457,240	-	-	-	(457,240)	-	(457,240)
Total Governmental Activities	<u>17,803,375</u>	<u>1,725,173</u>	<u>1,454,385</u>	<u>696,255</u>	<u>(13,927,562)</u>	<u>-</u>	<u>(13,927,562)</u>
Business-Type Activities							
Solid Waste Services Fund	1,629,136	1,607,099	-	-	-	(22,037)	(22,037)
Total Primary Government	<u>\$19,432,511</u>	<u>\$3,332,272</u>	<u>\$1,454,385</u>	<u>\$696,255</u>	<u>(13,927,562)</u>	<u>(22,037)</u>	<u>(13,949,599)</u>
General Revenues							
Taxes							
Property Taxes Levied for General Purposes, Net					5,025,792	-	5,025,792
Earned Income Taxes					6,403,908	-	6,403,908
Real Estate Transfer Taxes					1,717,133	-	1,717,133
Other Taxes Levied for General Purposes, Net					450,986	-	450,986
Grants, Subsidies and Contributions							
not Restricted to Specific Programs					769,885	-	769,885
Investment Earnings					147,584	-	147,584
Miscellaneous Income					56,668	-	56,668
Total General Revenues					<u>14,571,956</u>	<u>-</u>	<u>14,571,956</u>
Changes in Net Position					644,394	(22,037)	622,357
Net Position - January 1, 2018 (Restated - See Note 2)					<u>39,732,930</u>	<u>212,068</u>	<u>39,944,998</u>
Net Position - December 31, 2018					<u>\$ 40,377,324</u>	<u>\$190,031</u>	<u>\$ 40,567,355</u>

See Accompanying Notes

**Peters Township
Balance Sheet
Governmental Funds
December 31, 2018**

Exhibit 3

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$4,242,504	\$3,217,733	\$ 955,568	\$ 8,415,805
Investments	-	576,480	-	576,480
Taxes Receivable (Net)	1,104,919	-	-	1,104,919
Due from Other Funds	1,108,724	-	-	1,108,724
Due from Other Governments	25,281	-	-	25,281
Other Receivables	290,807	50,000	138,055	478,862
Prepaid Items	<u>47,054</u>	<u>-</u>	<u>-</u>	<u>47,054</u>
TOTAL ASSETS	<u>\$6,819,289</u>	<u>\$3,844,213</u>	<u>\$1,093,623</u>	<u>\$11,757,125</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Due to Other Funds	\$ -	\$1,050,102	\$ 8,622	\$ 1,058,724
Accounts Payable	190,629	129,241	22,154	342,024
Contracts Payable	-	4,141	-	4,141
Accrued Salaries and Benefits	142,663	-	12,219	154,882
Payroll Deductions and Withholdings	31,725	-	-	31,725
Other Current Liabilities	<u>727,208</u>	<u>-</u>	<u>58,627</u>	<u>785,835</u>
Total Liabilities	<u>1,092,225</u>	<u>1,183,484</u>	<u>101,622</u>	<u>2,377,331</u>
Deferred Inflows of Resources				
Unavailable Revenues - Property Taxes	32,609	-	-	32,609
Unavailable Revenues - Special Assessments	<u>23,359</u>	<u>-</u>	<u>-</u>	<u>23,359</u>
Total Deferred Inflows of Resources	<u>55,968</u>	<u>-</u>	<u>-</u>	<u>55,968</u>
Fund Balances				
Nonspendable	47,054	-	-	47,054
Restricted	-	-	1,905	1,905
Committed	709,858	2,660,729	672,805	4,043,392
Assigned	46,507	-	317,291	363,798
Unassigned	<u>4,867,677</u>	<u>-</u>	<u>-</u>	<u>4,867,677</u>
Total Fund Balances	<u>5,671,096</u>	<u>2,660,729</u>	<u>992,001</u>	<u>9,323,826</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$6,819,289</u>	<u>\$3,844,213</u>	<u>\$1,093,623</u>	<u>\$11,757,125</u>

See Accompanying Notes

Peters Township
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2018

Exhibit 4

Total Fund Balances - Governmental Funds \$ 9,323,826

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. The cost of assets is \$78,310,874, and the accumulated depreciation is \$28,518,401. 49,792,473

Property taxes receivable and other long-term assets will be collected in the future but are not available to pay for current period expenditures and, therefore are reported as unavailable revenue in the funds. 55,968

Some liabilities including net pension obligations, are not due and payable in the current period and therefore, are not reported in the funds.

Net Pension Liability (3,421,104)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds.

Deferred Outflows of Resources Related to Pensions	\$ 2,894,031	
Deferred Inflows of Resources Related to Pensions	<u>(563,504)</u>	2,330,527

Certain charges on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position. 262,748

Long-term liabilities, including bonds, notes and capital leases payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds Payable	(16,080,000)	
Notes Payable	(330,553)	
Accrued Interest on the Bonds	(21,239)	
Capital Leases Payable	(179,444)	
Other Post-Employment Benefits (OPEB)	(880,362)	
Compensated Absences	<u>(475,516)</u>	<u>(17,967,114)</u>

Total Net Position - Governmental Activities \$ 40,377,324

See Accompanying Notes

**Peters Township
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2018**

Exhibit 5

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$13,606,337	\$ -	\$ -	\$13,606,337
Licenses and Permits	9,416	-	556,391	565,807
Fines and Forfeits	61,918	-	27,941	89,859
Interest, Rents and Royalties	63,137	65,675	18,772	147,584
Intergovernmental	638,095	686,436	899,739	2,224,270
Charges for Services	953,247	-	2,042	955,289
Miscellaneous	<u>55,908</u>	<u>153,550</u>	<u>11,428</u>	<u>220,886</u>
Total Revenues	<u>15,388,058</u>	<u>905,661</u>	<u>1,516,313</u>	<u>17,810,032</u>
Expenditures				
Current:				
General Government	1,508,100	-	41,560	1,549,660
Public Safety	5,167,980	-	-	5,167,980
Public Works - Sanitation	35,915	-	-	35,915
Public Works - Highways	1,525,952	-	-	1,525,952
Culture - Recreation	1,440,315	-	1,088,773	2,529,088
Insurance, Employee Benefits and Other	2,680,760	-	-	2,680,760
Debt Service:				
Principal	171,091	-	860,000	1,031,091
Interest	14,669	-	400,886	415,555
Capital Outlay	<u>-</u>	<u>4,378,994</u>	<u>813,746</u>	<u>5,192,740</u>
Total Expenditures	<u>12,544,782</u>	<u>4,378,994</u>	<u>3,204,965</u>	<u>20,128,741</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,843,276</u>	<u>(3,473,333)</u>	<u>(1,688,652)</u>	<u>(2,318,709)</u>
Other Financing Sources (Uses)				
Transfers In	10,000	1,983,553	2,085,886	4,079,439
Transfers Out	<u>(3,569,439)</u>	<u>-</u>	<u>(510,000)</u>	<u>(4,079,439)</u>
Total Other Financing Sources (Uses)	<u>(3,559,439)</u>	<u>1,983,553</u>	<u>1,575,886</u>	<u>-</u>
Net Changes in Fund Balances	(716,163)	(1,489,780)	(112,766)	(2,318,709)
Fund Balances - January 1, 2018	<u>6,387,259</u>	<u>4,150,509</u>	<u>1,104,767</u>	<u>11,642,535</u>
Fund Balances - December 31, 2018	<u>\$ 5,671,096</u>	<u>\$ 2,660,729</u>	<u>\$ 992,001</u>	<u>\$ 9,323,826</u>

See Accompanying Notes

**Peters Township
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended December 31, 2018**

Exhibit 6

Total Net Change in Fund Balances - Governmental Funds \$(2,318,709)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation Expense	\$(2,805,533)	
Capital Outlays	4,178,603	
Net Book Value of Assets Retired	<u>(23,998)</u>	1,349,072

Donation of capital assets increases net position in the statement of activities but do not appear in the governmental funds because they are not financial resources. 646,255

Because some revenues will not be collected for several months after the Township's year ends, they are not considered as "available" revenues in the governmental funds. (4,649)

Repayment of bond and note principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,031,091

In the statement of activities, certain operating expenses - compensated absences (sick pay and vacations) and other post-employment benefit obligations (OPEB) - are measured by the amounts earned during the year. In governmental funds, however, expenditures for the items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Compensated Absences	54,050	
Other Post-Employment Benefit Obligations	<u>146,386</u>	200,436

Changes in the net pension liability and related deferred inflows and outflows of resources do not affect current financial resources and, therefore, are not reflected on the fund statements. (217,417)

Peters Township
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended December 31, 2018

Exhibit 6

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Net Change in Accrued Interest on Bonds	\$ 2,835
<p>Bond premium and loss on defeasance are reported in the statement of revenues and expenditures of governmental funds as expenditures but are capitalized and amortized over the life of the bonds in the statement of activities.</p>	
Amortization of Bond Premium and Loss on Refunding	<u>(44,520)</u>
Change in Net Position of Governmental Activities	<u>\$ 644,394</u>

See Accompanying Notes

Peters Township
Statement of Net Position
Proprietary Fund
December 31, 2018

Exhibit 7

	Solid Waste Services Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$227,451
Accounts Receivable	<u>43,338</u>
TOTAL ASSETS	<u>270,789</u>
LIABILITIES	
Current Liabilities	
Due to Other Funds	50,000
Accounts Payable	<u>30,758</u>
TOTAL LIABILITIES	<u>80,758</u>
NET POSITION	
Unrestricted	<u>\$190,031</u>

See Accompanying Notes

**Peters Township
Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Fund
Year Ended December 31, 2018**

Exhibit 8

	Solid Waste Services Fund
Operating Revenues	
Charges for Services	<u>\$1,607,099</u>
Operating Expenses	
Other Services and Charges	<u>1,629,136</u>
Operating Income (Loss)	<u>(22,037)</u>
Change in Net Position	(22,037)
Net Position - January 1, 2018	<u>212,068</u>
Net Position - December 31, 2018	<u>\$ 190,031</u>

See Accompanying Notes

**Peters Township
Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2018**

Exhibit 9

	Solid Waste Services Fund
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 1,607,514
Cash Payments to Suppliers for Goods and Services	<u>(1,637,283)</u>
Net Cash Used for Operating Activities	<u>(29,769)</u>
Net Decrease in Cash and Cash Flows	(29,769)
Cash and Cash Equivalents - January 1, 2018	<u>257,220</u>
Cash and Cash Equivalents - December 31, 2018	\$ <u><u>227,451</u></u>
Operating Income (Loss)	\$ (22,037)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities	
(Increase) Decrease in Accounts Receivable	415
Increase (Decrease) in Accounts Payable	<u>(8,147)</u>
Total Adjustments	<u>(7,732)</u>
Cash Provided by Operating Activities	\$ <u><u>(29,769)</u></u>

See Accompanying Notes

**Peters Township
Statement of Net Position
Fiduciary Funds
December 31, 2018**

Exhibit 10

	Pension Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 476,003
Investments	
Mutual Funds	15,626,845
Guaranteed Interest Accounts	93,341
Receivables - Employees	<u>29,387</u>
TOTAL ASSETS	<u>16,225,576</u>
NET POSITION	
Net Position Restricted for Pensions	<u>\$16,225,576</u>

See Accompanying Notes

**Peters Township
Statement of Change in Net Position
Fiduciary Funds
Year Ended December 31, 2018**

Exhibit 11

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 803,223
Plan Members	<u>121,692</u>
Total Contributions	<u>924,915</u>
Investment Income	
Net Appreciation (Depreciation) in Fair Value of Investments	(882,122)
Interest and Dividends	<u>1,012</u>
Net Investment Income	<u>(881,110)</u>
Total Additions	<u>43,805</u>
Deductions	
Benefits	824,774
Administrative Expenses	<u>19,268</u>
Total Deductions	<u>844,042</u>
Net Decrease in Net Position	(800,237)
Net Position Restricted for Pensions	
Beginning of Year	<u>17,025,813</u>
End of Year	<u>\$16,225,576</u>

See Accompanying Notes

Peters Township
Notes to Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies

Peters Township was incorporated in 1781 under the provisions of Article 9, Section 1 of the Constitution of the Commonwealth of Pennsylvania, as amended. Peters Township operates under the Home Rule Charter with a Council/Manager form of government.

A. Description of 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 Township. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements except that interfund services provided and used are not eliminated in the process of consolidation. *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.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. 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 enterprise funds are reported as separate columns in the fund financial statements.

B. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. 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.

C. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Peters Township
Notes to Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Basis of Presentation - Fund Financial Statements (Cont'd)

The government reports the following major governmental funds:

The *general fund* is the Township's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

The Township reports the following major proprietary fund:

The *solid waste services fund* accounts for the revenues and other costs and expenses of providing garbage collection to residents during the year.

Additionally, the Township reports the following fund type:

The *pension trust fund(s)* account for the activities of the Police and Non-Uniform Pension Plans, which accumulate resources for pension benefit payments to covered employees.

The Township also reports as nonmajor governmental funds the following:

Special revenue funds focus on revenues that are restricted or committed to specific purposes. Their revenues serve as the foundation for those funds. The Highway Aid, Cable Television and Library Funds are considered special revenue funds.

Debt service funds account for the resources accumulated and payments made for principal and interest on long-term general obligation bonds of governmental funds.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Peters Township
Notes to Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Basis of Presentation - Fund Financial Statements (Cont'd)

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, net of any uncollectible amounts, 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. Property taxes levied but collected beyond 60 days after year end are recorded as unavailable revenues to be recognized as revenue when the taxes are collected. 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. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, intergovernmental revenues, investment income, rent and certain miscellaneous revenues 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. In applying the susceptible to accrual concept to intergovernmental revenues (state and federal sources), the legal and contractual requirements of the individual

Peters Township
Notes to Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Cont'd)

D. Measurement Focus and Basis of Accounting (Cont'd)

programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Township; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise funds are charges to residents for collection of garbage and recyclables. Operating expenses for enterprise funds include the cost 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.

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.

E. Cash and Cash Equivalents

The Township's policy is to maintain cash balances in interest-bearing accounts such as money market or flex funds. Investments are stated at fair value. Fair value is based on quoted market prices. For the purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Expenditures may not legally exceed the budgeted appropriation at the function level. As a matter of policy, supplemental appropriations are requested whenever expenditures exceed appropriations at the function level. Only Council may take action to amend appropriations. The budgetary procedures utilized by Peters Township are prescribed in the Township's Home Rule Charter. Those procedures are as follows:

1. Sixty days prior to the close of the fiscal year (December 31), the Township Manager is required to submit to Council a proposed budget.
2. Upon submission to Council, the proposed budget is considered public record and, as such, is available to the public for their review.

Peters Township
Notes to Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Cont'd)

F. Budgets (Cont'd)

3. Council holds a public hearing to obtain input from Township residents on the proposed budget. This hearing must be held no earlier than two weeks after the submittal of the proposed budget to Council, but no later than two weeks prior to the anticipated adoption date.
4. No sooner than two weeks after the public hearing, but before the close of the fiscal year (December 31), Council adopts the budget.
5. Budgets are adopted as on-line item basis by departments. At any time during the year, the Township Manager may transfer monies among programs within a function. Appropriation transfers between functions require Council action.
6. Appropriations authorized by the budget or any addendum cannot exceed anticipated income.
7. Budgets are legally adopted for the general fund, all special revenue funds, capital projects funds, and the debt service funds on a basis consistent with generally accepted accounting principles.
8. All appropriations lapse at the end of each fiscal year (December 31).
9. There were supplemental budgetary appropriations made during the year ended December 31, 2018 of \$43,000.

G. Inventories

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis, and are expensed when used.

Inventories in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, an estimated value of inventories is reported as an asset in the general fund, if considered material. There were no material inventory balances as of December 31, 2018.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 1 - Summary of Significant Accounting Policies (Cont'd)

I. Capital Assets

Capital assets, which include property, plant, equipment and land improvements are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of acquisition. Infrastructure has been prospectively capitalized, beginning January 1, 2004.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Assets	Years
Buildings and Building Improvement	20-40
Land Improvements	20
Furniture	5
Vehicles	5-15
Equipment	5-15
Computers	3
Infrastructure	20-40

J. 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 government has two items that qualify for reporting in this category. One is the deferred charge on refunding 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. The other item in the government-wide statement of net position is related to the Township's defined benefit pension plan.

Peters Township
Notes to Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Cont'd)

J. Deferred Outflows/Inflows of Resources (Cont'd)

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 Township has one item reported in the government-wide statement of net position relating to the defined benefit pension plan. The government also has one item, which arises under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. Compensated Absences

The Township's policies regarding vacation time under various contracts, provide for employees to accumulate sick days which they are paid for upon retirement or termination of service. The amount the employee is compensated and the number of days varies based on their contract and their years of service. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, governmental funds report a compensated absence liability only if they have matured; for example, as a result of employee resignations and retirements.

L. Government-Wide and Proprietary Fund Net Position

Net position is divided into three components:

Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - all other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Governmental - Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, fund balance reporting and governmental fund type definitions, the Township classifies governmental funds balances as follows:

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 1 - Summary of Significant Accounting Policies (Cont'd)

L. Government-Wide and Proprietary Fund Net Position (Cont'd)

Governmental - Fund Balance (Cont'd)

Nonspendable - amounts that cannot be spent because they are either (1) not in a spendable form or (2) legally or contractually required to remain intact.

Restricted - the part of fund balance that is restricted to be spent for a specific purpose. The constraints on these amounts must be externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or by enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payment and includes a legally enforceable requirement on the use of these funds.

Committed - the portion of fund balance that can only be used for specific purposes determined by a formal action of the Township's highest level of authority. The Township Council is the highest level of decision-making authority that can, by the passage of a motion, commit fund balances. Once the item is committed, it cannot be used for any other purpose unless changed by the same procedures used to initially constrain the money, which is the passage of a motion.

Assigned - reflects the Township's intent to use the money for a specific purpose but is not considered restricted or committed. The Township Council has, by adoption of policy, authorized the Township manager or assistant manager to assign fund balance.

Unassigned - represents the part of spendable fund balance that has not been categorized as restricted, committed or assigned. The general fund is the only fund permitted to have a positive unassigned fund balance.

The Township's informal policy is that it considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. It also considers committed amounts to be spent first when an expenditure is incurred for purposes for which both committed and unassigned fund balance could be used.

The purposes of the nonspendable, restricted, committed and assigned fund balances as of December 31, 2018, are as follows:

1. The nonspendable fund balance in the general fund in the amount of \$47,054 is for prepaid insurance.
2. The restricted fund balance in the nonmajor funds of \$1,905 is for highway maintenance, rebuilding and construction.

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 1 - Summary of Significant Accounting Policies (Cont'd)

L. Government-Wide and Proprietary Fund Net Position (Cont'd)

Governmental - Fund Balance (Cont'd)

3. The committed fund balance in the general fund is for other post-employment benefits in the amount of \$709,858 and in the capital projects fund for future capital projects in the amount of \$2,660,729 of which \$414 represents the funds received from the local gaming impact fees allocated and the balance from other sources. The committed fund balance in the nonmajor funds of \$672,805 is in the cable television fund and is for the public access channel costs of operation.
4. The assigned fund balance in the general fund of \$46,507 is for public safety and parks.
5. The assigned fund balance in nonmajor funds of \$317,291 is for the public library.

Note 2 - Restatement of Beginning Net Position, Governmental Activities

Peters Township adopted GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, as of January 1, 2018 and applied the statement by restating the beginning net position. Beginning net position of the governmental activities in the government-wide statement was restated as of January 1, 2018. The results of the restatement are summarized below.

		Governmental Activities
Net Position, January 1, 2018 (Previously Reported)		\$40,403,295
This statement requires the liability of employers for defined benefit other post-employment benefit plans to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the OPEB Plan's fiduciary net position.	\$(1,026,748)	
Add amount recorded as OPEB liability under previous Standard as of December 31, 2017	<u>356,383</u>	<u>(670,365)</u>
Restated Net Position January 1, 2018		<u>\$39,732,930</u>

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 3 - Deposits and Investments

Pennsylvania statutes provide for investment of governmental and proprietary funds into certain authorized investment types including U. S. Treasury bills, other short-term U. S. and Pennsylvania government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

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

The deposit and investment policy of the Township adheres to state statutes and prudent business practice.

The deposits and investments of the fiduciary funds are administered by trustees and are held separately from those of other municipal funds. Investments are reported at fair value. Fair value is based on quoted market prices. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. There were no deposit or investment transactions during the year that were in violation of either state statutes or the policy of the Township.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of December 31, 2018, \$4,838,721 of the Township's bank balance of \$5,588,721 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging	
Bank's Agent not in the Township's Name	<u>\$4,838,721</u>

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

Investments	Maturity Date	Fair Value
PLGIT	N/A	\$ 1,981,395
PA Invest	60 days or less	1,625,990
Principal Global Investors		
Money Market Fund	60 days or less	475,467
Equity Mutual Funds	N/A	15,626,845

Peters Township
Notes to Financial Statements
December 31, 2018

Note 3 - Deposits and Investments (Cont'd)

Custodial Credit Risk - Deposits (Cont'd)

Investments	Maturity Date	Fair Value
Principal Financial Group		
Guaranteed Interest Accounts	12/31/19	\$ 46,081
Guaranteed Interest Accounts	12/31/20	18,550
Guaranteed Interest Accounts	12/31/21	9,513
Guaranteed Interest Accounts	12/31/22	8,395
Guaranteed Interest Accounts	12/31/23	8,083
Guaranteed Interest Accounts	12/31/24	<u>2,719</u>
Total Investments		<u>\$19,803,038</u>

The investments in the Mutual Funds, Principal Money Market Fund and the Guaranteed Interest Accounts are reported in the Township's fiduciary funds.

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. The money market funds maintain an average maturity that is less than sixty days.

Credit Risks - Pennsylvania statutes authorize the type of investments allowed and are described above. The Township has no investment policy that would further limit its investments choices. The Township's investments in PA Invest and the Pennsylvania Local Government Investment Trust (PLGIT) were rated AAAM by Standard & Poor's. The Principal Money Market Fund and the Principal Guaranteed Interest Accounts held in the fiduciary funds are not rated.

Concentration of Credit Risk - The Township places no limit on the amount it may invest in any one issue.

The Pennsylvania Local Government Investment Trust (PLGIT) was established as a common law trust, organized under laws of the Commonwealth of Pennsylvania and the provision of the Intergovernmental Cooperation Act. Shares of the Fund are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools and municipalities. The purpose of the Fund is to enable such governmental units to pool their available funds for investments. The Trust is governed by an elected board of trustees who are responsible for the overall management of the Trust. The trustees are elected from the several classes of local governments participating in the Trust. The Trust is audited annually by independent auditors. PLGIT is rated AAAM by Standard and Poor's.

The fund is a local government investment pool and is exempt from the requirement of SEC's Rule 2(a)7 of the Investment Company Act of 1940. The fund measures for financial reporting purposes its assets at amortized cost and maintains a stable net asset value of \$1 per share. Accordingly, the fair value of the position in PLGIT is the same as the value of PLGIT shares. There are no limitations or restrictions on withdrawals.

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 3 - Deposits and Investments (Cont'd)

Custodial Credit Risk - Deposits (Cont'd)

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

The Township has the following recurring fair value measurements as of December 31, 2018:

Investments by Fair Value Level	Totals	Fair Value Measurements		
		Level 1	Level 2	Level 3
Fixed Income:				
Guaranteed Interest Accounts	\$ <u>93,341</u>	\$ -	\$ -	<u>\$93,341</u>
Investments Measured at Net Asset Value:				
Principal Financial Group Comingled Pools				
Large U. S. Equity	4,415,508			
International Equity	2,239,576			
Small/Mid U. S. Equity	1,004,968			
Balanced	287,141			
Fixed Income	6,019,955			
Target Funds	<u>1,659,697</u>			
Total Investments Measured at Net Asset Value	<u>15,626,845</u>			
Total Investments Measured at Fair Value	<u>\$15,720,186</u>			

The guaranteed interest accounts reported in Level 3 are valued using the contract value.

The valuation method for investment measured at the net asset value (NAV) per share (or its equivalent) under the practical expedient is presented below.

The Principal Financial Group comingled pools reported at a fair value of \$15,626,845 unfunded commitments and redemption notice period is not applicable and the redemption frequency is daily.

The Large U. S. Equity and Small/Mid U. S. equity invests in various mutual funds that consist primarily of U. S. Equity securities that seek to provide long-term capital appreciation and to match or exceed the performance of the Fund's benchmark index for performance.

Peters Township
Notes to Financial Statements
December 31, 2018

Note 3 - Deposits and Investments (Cont'd)

Custodial Credit Risk - Deposits (Cont'd)

The International Equity fund invests in various mutual funds that consist primarily of non U. S. Equity securities that seek to provide long-term capital appreciation and to match or exceed the performance of the Fund's benchmark index for performance.

The Balanced fund seeks a long-term total return in excess of inflation. The fund invests at least 80% of its net assets in investments related to real estate and real estate companies.

The Fixed Income fund invests primarily in intermediate-term, fixed income investments such as public and corporate bonds, commercial and residential mortgage and U. S. government and agency-backed securities.

The Target Date funds seek a total return consisting of long-term growth of capital and current income. They are a fund of funds and invest in underlying funds of Principal Funds, Inc. and consist of domestic and foreign equity funds, fixed income funds, real asset funds that aim to offer diversification beyond traditional equity and fixed income securities.

Each fund makes distributions of its net realized gains, if any, at least annually.

Note 4 - Real Estate Taxes

The tax collector bills and collects real estate taxes on behalf of the Township based upon assessed values provided by the County. The Township's tax rate for all purposes in 2018 was 1.622 mills (\$1.622 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied for 2018 is as follows:

Tax Levy Date	March 7, 2018
2% Discount Period	Through June 7, 2018
Face Payment Period	June 8, 2018 - August 7, 2018
10% Penalty Period	August 8, 2018 until Liened
Lien Filing Date	January 1, 2019

The amounts shown as delinquent real estate taxes receivable have not been recorded as revenue on the fund statements. These taxes are, however, recorded as unavailable revenues on the governmental fund balance sheet until they are received. The amounts reported for this receivable are reported on the balance sheet in the amount of \$32,609 along with other taxes receivable of \$1,072,310.

Peters Township
Notes to Financial Statements
December 31, 2018

Note 5 - Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the Township. At December 31, 2018 the following amounts are due from other governmental units:

	Governmental Funds
State	\$ 1,547
School District	21,982
Other Local Governments	<u>1,752</u>
 Total	 <u>\$25,281</u>

Note 6 - Capital Assets

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

	Balance 01/01/18	Additions	Disposals	Transfers	Balance 12/31/18
Governmental Activities					
Capital Assets not Being Depreciated					
Land	\$11,414,816	\$1,597,720	\$ 3,963	\$ -	\$13,008,573
Construction in Progress	<u>584,654</u>	<u>-</u>	<u>-</u>	<u>(584,654)</u>	<u>-</u>
 Total Capital Assets not Being Depreciated	 <u>11,999,470</u>	 <u>1,597,720</u>	 <u>3,963</u>	 <u>(584,654)</u>	 <u>13,008,573</u>
 Capital Assets Being Depreciated					
Buildings and Building Improvements	17,744,744	449,805	-	584,654	18,779,203
Land Improvements	5,914,831	38,040	10,001	-	5,942,870
Machinery and Equipment	7,324,513	276,563	237,212	-	7,363,864
Vehicles	4,653,980	618,093	43,725	-	5,228,348
Infrastructure	<u>26,143,379</u>	<u>1,844,637</u>	<u>-</u>	<u>-</u>	<u>27,988,016</u>
 Total Capital Assets Being Depreciated	 <u>61,781,447</u>	 <u>3,227,138</u>	 <u>290,938</u>	 <u>584,654</u>	 <u>65,302,301</u>
 Totals	 <u>73,780,917</u>	 <u>4,824,858</u>	 <u>294,901</u>	 <u>-</u>	 <u>78,310,874</u>

Peters Township
Notes to Financial Statements
December 31, 2018

Note 6 - Capital Assets (Cont'd)

	Balance 01/01/18	Additions	Disposals	Transfers	Balance 12/31/18
Governmental Activities (Cont'd)					
Less Accumulated Depreciation					
Buildings and Building					
Improvements	\$ 7,037,540	\$ 485,718	\$ -	\$ -	\$ 7,523,258
Land Improvements	3,506,876	270,755	10,001	-	3,767,630
Machinery and Equipment	4,615,280	424,027	217,177	-	4,822,130
Vehicles	2,609,114	464,484	43,725	-	3,029,873
Infrastructure	<u>8,214,961</u>	<u>1,160,549</u>	<u>-</u>	<u>-</u>	<u>9,375,510</u>
Total Accumulated Depreciation	<u>25,983,771</u>	<u>2,805,533</u>	<u>270,903</u>	<u>-</u>	<u>28,518,401</u>
Governmental Activities Capital Assets, Net	<u>\$47,797,146</u>	<u>\$2,019,325</u>	<u>\$ 23,998</u>	<u>\$ -</u>	<u>\$49,792,473</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 68,564
Public Safety	179,879
Public Works - Highways	1,894,587
Culture - Recreation	<u>662,503</u>
Total Depreciation Expense	<u>\$2,805,533</u>

Note 7 - Interfund Balances

Interfund balances at December 31, 2018 were:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$1,108,724	\$ -
Capital Projects Fund	-	1,050,102
Nonmajor Funds	-	8,622
Enterprise Fund		
Solid Waste Services Fund	<u>-</u>	<u>50,000</u>
	<u>\$1,108,724</u>	<u>\$1,108,724</u>

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 7 - Interfund Balances (Cont'd)

Balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All the balances above are expected to be collected in the subsequent year.

Note 8 - Interfund Transfers

For the year ended December 31, 2018, interfund transfers consisted of the following:

<u>Transfer To</u>	<u>Transfer From</u>		Totals
	General Fund	Non-major Funds	
General Fund	\$ -	\$ 10,000	\$ 10,000
Capital Projects Funds	1,483,553	500,000	1,983,553
Nonmajor Governmental Funds	<u>2,085,886</u>	<u>-</u>	<u>2,085,886</u>
	<u>\$3,569,439</u>	<u>\$510,000</u>	<u>\$4,079,439</u>

The general fund transfer to the capital projects fund in the amount of \$1,483,553 is to fund certain capital projects throughout the Township. The nonmajor funds (cable television fund) transfer of \$500,000 to the capital projects fund and \$10,000 to the general fund were for capital purchases.

The general fund transfers to the nonmajor governmental funds in the amount of \$2,085,886 were comprised of \$825,000 to the library fund and are an annual transfer to subsidize the operations of the Township Library and \$1,260,886 to the debt service funds to pay the principal and interest due annually on the Township's general obligation bonds.

Note 9 - Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2018, was as follows:

	Balance 01/01/18	Additions	Reductions	Balance 12/31/18	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	\$16,940,000	\$ -	\$ 860,000	\$16,080,000	\$ 885,000

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 9 - Long-Term Liabilities (Cont'd)

	Balance 01/01/18	Additions	Reductions	Balance 12/31/18	Due Within One Year
Governmental Activities (Cont'd)					
Bonds Payable (Cont'd)					
Plus: Bond Premium	\$ 157,376	\$ -	\$ 10,936	\$ 146,440	\$ -
Total Bonds Payable	17,097,376	-	870,936	16,226,440	885,000
Notes Payable	368,456	-	37,903	330,553	38,630
Capital Leases	312,632	-	133,188	179,444	136,440
Compensated Absences	<u>529,566</u>	<u>8,735</u>	<u>62,785</u>	<u>475,516</u>	<u>15,590</u>
Governmental Activities Long-Term Liabilities	<u>\$18,308,030</u>	<u>\$8,735</u>	<u>\$1,104,812</u>	<u>\$17,211,953</u>	<u>\$1,075,660</u>
General Obligation Bonds					
<p>\$10,000,000 Refunding Issue of 2013 due serially through 2028; interest at 0.40% - 2.27%; debt service source - general fund transfers to debt service fund.</p>					\$ 8,805,000
<p>\$7,500,000 Issue of 2016 due serially through 2041; interest at 2.0% - 3.0%; debt service source - general fund transfers to debt service fund.</p>					<u>7,275,000</u>
					<u>\$16,080,000</u>
General Obligation Notes					
<p>\$405,000 Note of 2016 due annually through 2026; interest at 1.89%; debt service source - general fund.</p>					<u>\$ 330,553</u>

The general obligation bonds and notes were issued for providing funds for capital projects throughout the Township. The compensated absences and capital leases liabilities will be liquidated primarily by the general fund.

The annual requirements of the Township's funds to amortize all debt outstanding (excluding compensated absences and capital leases) as of December 31, 2018, are as follows:

Peters Township
Notes to Financial Statements
December 31, 2018

Note 9 - Long-Term Liabilities (Cont'd)

Year Ended December 31,	Governmental Activities				Totals
	Bonds		Notes		
	Principal	Interest	Principal	Interest	
2019	\$ 885,000	\$ 375,736	\$ 38,630	\$ 6,334	\$ 1,305,700
2020	900,000	358,036	39,355	5,609	1,303,000
2021	915,000	340,037	40,124	4,840	1,300,001
2022	935,000	325,831	40,893	4,071	1,305,795
2023	950,000	307,131	41,676	3,288	1,302,095
2024-2028	4,510,000	1,242,057	129,875	5,017	5,886,949
2029-2033	2,390,000	884,076	-	-	3,274,076
2034-2038	2,745,000	529,350	-	-	3,274,350
2039-2041	<u>1,850,000</u>	<u>112,050</u>	<u>-</u>	<u>-</u>	<u>1,962,050</u>
	<u>\$16,080,000</u>	<u>\$4,474,304</u>	<u>\$330,553</u>	<u>\$29,159</u>	<u>\$20,914,016</u>

Note 10 - Capital Lease

The Township has entered into lease agreements as lessee for financing the acquisition of fire trucks and highway equipment. The lease agreements qualify as a capital lease for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset	
Machinery and Equipment	\$ 656,262
Less: Accumulated Depreciation	<u>(317,574)</u>
Total	<u>\$ 338,688</u>

The future minimum lease obligations and the net present value of these minimum lease payments, as of December 31, 2018, were as follows:

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 10 - Capital Lease (Cont'd)

Year Ended December 31,	Governmental Activities
2019	\$140,797
2020	<u>44,027</u>
Total Minimum Lease Payments	184,824
Less: Amount Representing Interest	<u>(5,380)</u>
Present Value of Minimum Lease Payments	<u>\$179,444</u>

Note 11 - Defined Benefit Pension Plan

A. Plan Descriptions, Contribution Information, and Funding Policies

The Township contributes to a Defined Benefit Pension Plan. Assets are held separately and may be used only for the payment of benefits to the members of the Plan.

Peters Township Police Pension Plan (PPP) - The Police Pension Plan is a single-employer defined benefit pension trust fund. Any person employed on a full-time basis by the Township as a member of the police force is eligible to participate in the Plan.

Actuarial valuations are performed biannually. For additional information related to basis of accounting and reported investment values, see Notes 1D. and 3. The activity of the Plan is reported in the pension trust fund in the accompanying financial statements. The Plan does not issue stand-alone financial reports.

The following is a summary of funding policies, contribution methods, and benefit provisions:

	<u>PPP</u>
Date Established	November 3, 1958
Governing Authority and Administrator	Peters Township Council and Resolutions Delegated the Authority to administer the plan to the Township Manager

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 11 - Defined Benefit Pension Plan (Cont'd)

A. Plan Descriptions, Contribution Information, and Funding Policies (Cont'd)

	<u>PPP</u>
Determination of Contribution Requirements	Actuarially determined
Employer	\$548,895
Plan Members	Contributions are currently 5% of compensation
Funding of Administrative Costs, including Investment and Custodial Fees and Actuarial Services	From investment earnings
Eligibility Requirements	
Normal Retirement	Hired on or before 01/01/11 Age 50 and completion of 25 years of Service; hired after 01/01/11 attained Age 55 with 25 years of service
Early Retirement	None
Vesting	100% after 12 years of service
Retirement Benefit	50% of average monthly earnings, averaged over the 36 months preceding retirement and accrued benefit adjustment defined as the number of months of service as of a given date divided by the number of complete months of service as of normal retirement date
Service Increment	None
Post-Retirement Benefit Increases	Hired on or before 01/01/11, Consumer Price Index with limits; hired after 01/01/11, no cost of living adjustment
Provisions for Disability Benefits	Yes
Provisions for Death Benefits	Yes

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 11 - Defined Benefit Pension Plan (Cont'd)

A. Plan Descriptions, Contribution Information, and Funding Policies (Cont'd)

PPP

Deferred Retirement Option Plan (DROP)

An active participant first becomes eligible to elect the DROP upon becoming eligible for normal retirement.

An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the employer not later than three years after commencement of DROP participation.

At the time of a participant's entry into the DROP, the participant's accrual service, accrued benefit and average compensation shall be calculated as if the participant had actually retired from service. No additional accrual service shall be earned after entry into the DROP. Any changes in plan benefits shall not apply to participants in the DROP, except as the result of increases for cost-of-living.

Upon entry into the DROP, an amount equal to the participant's monthly retirement benefit shall be transferred to the employer to be held in a segregated investment account guaranteeing principal. Interest shall be credited at a rate ranging from 0.0% to 4.0%.

During DROP participation, a participant shall be considered a retiree with deferred receipt of benefits for all plan purposes.

Peters Township
Notes to Financial Statements
December 31, 2018

Note 11 - Defined Benefit Pension Plan (Cont'd)

A. Plan Descriptions, Contribution Information, and Funding Policies (Cont'd)

Membership of the Plan as of December 31, 2018 is as follows:

	<u>PPP</u>
Active Employees	23
Retirees and Beneficiaries Currently Receiving Benefits	16
Inactive Plan Members Entitled to but not Receiving Benefits	<u>2</u>
 Total	 <u>41</u>

B. Investments

Investment Policy

The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The pension committee appointed by Council, and consists of the Township Manager, a council member and a police officer, establish the investment policy. The Plan's target asset allocation is as follows:

Asset Class	Percent Range
U. S. Equity	36%
Non-U. S. Equity	17%
Real Estate	7%
Other Investments	1%
Cash	0%
Core Bond	<u>39%</u>
 Total	 <u>100%</u>

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit ratings of the Plan's investments (excluding obligations explicitly guaranteed by the U. S. government) are not applicable. Separate accounts held at the Principal Financial Group are commingled pools rather than individual securities. As a result, these accounts are not rated.

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 11 - Defined Benefit Pension Plan (Cont'd)

B. Investments (Cont'd)

Concentrations

As of the measurement date, the following are investments (other than U. S. government and U. S. government guaranteed obligations) in any one organization that represents 5% or more of the Pension Plan's fiduciary net position. $\$12,483,958 \times 0.05 = \$624,198$

Principal Financial Group	\$12,454,570
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Interest rate risk for investments is the risk that a change in interest rates will adversely affect the fair value of an investment. The Plan has no formal policy for interest rate risk.

Money-Weighted Rate of Return

The money-weighted rate of return is calculated as a rate of return on pension plan investments incorporating the timing and amount of cash flows. This return is calculated net of investment expenses.

The annual money-weighted rate of return on plan investments for the measurement period is (5.03)%.

There are no assets legally reserved for purposes other than the payment of Plan member benefits for the Plan.

There are no long-term contracts for contributions.

C. Net Pension Liability

The components of the net pension liability at December 31, 2018 were as follows:

	<u>PPP</u>
Total Pension Liability	\$15,905,062
Plan Fiduciary Net Position	<u>12,483,958</u>
Net Pension Liability	<u>\$ 3,421,104</u>

Plan fiduciary net position as a percentage of the total pension liability is 78.5%.

Peters Township
Notes to Financial Statements
December 31, 2018

Note 11 - Defined Benefit Pension Plan (Cont'd)

C. Net Pension Liability (Cont'd)

Changes in the Township's net pension liability for the year ended December 31, 2018 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 1, 2018	\$14,272,717	\$13,300,721	\$ 971,996
Changes for the year:			
Service Cost	300,117	-	300,117
Interest	917,502	-	917,502
Changes in Assumptions	1,017,635	-	1,017,635
Differences between Expected and Actual Experience	279,502	-	279,502
Benefit Payments	(882,411)	(809,774)	(72,637)
Contributions - Employer, including State Aid	-	548,895	(548,895)
Contributions - Member	-	103,533	(103,533)
Net Investment Income	-	(640,189)	640,189
Administrative Expense	-	(19,228)	19,228
Net Changes	<u>1,632,345</u>	<u>(816,763)</u>	<u>2,449,108</u>
Balances at December 31, 2018	<u>\$15,905,062</u>	<u>\$12,483,958</u>	<u>\$3,421,104</u>

Sensitivity of the net pension liability to changes in the discount rate: The following shows the effect of a 1.0% change in the discount rate on the net pension liability:

	1% Decrease <u>5.18%</u>	Current Rate <u>6.18%</u>	1% Increase <u>7.18%</u>
Net Pension Liability	<u>\$5,645,690</u>	<u>\$3,421,104</u>	<u>\$1,644,204</u>

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 11 - Defined Benefit Pension Plan (Cont'd)

C. Net Pension Liability (Cont'd)

Actuarial Assumptions: The total pension liability for the Plan was determined by an actuarial valuation as of January 1, 2018 using the following significant actuarial assumptions applied to all periods included in the measurement:

Inflation:	2.25%
Salary Increases:	4.00% increase each year until retirement
Mortality:	During benefit payment period - IRS prescribed mortality-static annuitant and non-annuitant, male and female Before benefit payment period - None

Expected Long-Term
Rate of Return:

The expected long-term return on plan assets assumption was developed as a weighted average rate based on the target asset allocation of the Plan and the Long-Term Capital Market Assumptions (CMA) 2018. The capital market assumptions were developed with a primary focus on forward-looking valuation models and market indicators. The key fundamental economic inputs for these models are future inflation, economic growth, and interest rate environment. Due to the long-term nature of the pension obligations, the investment horizon for the CMA 2018 is 20-30 years. In addition to forward-looking models, historical analysis of market data and trends was reflected, as well as the outlook of recognized economists, organizations and consensus CMA from other credible studies.

The following was the asset allocation policy and best estimates of arithmetic rate of return of major asset class included in the Plan's target asset allocation:

Asset Class	Expected Arithmetic Return	Target Allocation %
U. S. Equity - Large Cap	7.70%	30.84%
U. S. Equity - Mid Cap	7.95%	3.43%
U. S. Equity - Small Cap	8.50%	1.86%
Non-U. S. Equity	7.95%	17.31%

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 11 - Defined Benefit Pension Plan (Cont'd)

C. Net Pension Liability (Cont'd)

Expected Long-Term
Rate of Return: (Cont'd)

Asset Class	Expected Arithmetic Return	Target Allocation %
REITs	7.60%	0.41%
Real Estate (direct property)	5.55%	6.32%
Cash	2.25%	0.00%
TIPS	3.50%	0.61%
Core Bond	4.00%	35.15%
High Yield	6.45%	4.08%

Discount Rate

The discount rate used to determine the total pension liability was 6.18%, changed from the prior measurement date of 6.50%.

The Plan's fiduciary net position and benefit payments were projected to determine if the Plan's fiduciary net position was greater than or equal to the expected benefit payments for each period from 2018 to 2065. Benefit payments after 2110 are projected to be \$-0-.

The long-term rate of return of 6.50% is used to calculate the actuarial present value of projected payments for each future period when the projected fiduciary net position is greater than the projected expected benefit payments. Otherwise, a municipal bond rate of 3.97% is used.

The discount rate is a single rate that incorporates the long-term rate of return and municipal bond rate assumptions as described above.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2018, the Township recognized pension expense of \$766,312. At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 11 - Defined Benefit Pension Plan (Cont'd)

C. Net Pension Liability (Cont'd)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 380,734	\$ -
Changes of assumptions	1,677,103	(563,504)
Net difference between projected and actual earnings on Plan investments	<u>836,194</u>	<u>-</u>
Totals	<u>\$2,894,031</u>	<u>\$(563,504)</u>

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

Year Ended December 31,	
2019	\$ 568,906
2020	408,128
2021	378,537
2022	498,231
2023	83,512
Thereafter	<u>393,213</u>
	<u>\$2,330,527</u>

Note 12 - Defined Contribution Pension Plans

Peters Township Municipal Employees

A. Plan Description

The Township sponsors and contributes to the Peters Township Municipal Employees Pension Plan which is a defined contribution plan. All full-time administrative employees not represented by a bargaining unit and full-time firefighters are covered by this Plan. The Plan's total membership as of December 31, 2018 is fifty-four. Administrative costs of the Plan are funded by the general fund.

Peters Township
Notes to Financial Statements
December 31, 2018

Note 12 - Defined Contribution Pension Plans (Cont'd)

Peters Township Municipal Employees (Cont'd)

A. Plan Description (Cont'd)

The Township is required to contribute for each employee who has 1,000 or more hours of service in the service period, 8.00% of the employee's annual pay. For members of the firefighters union, only full-time firefighters or part-time firefighters working more than 1,000 hours in a year, are eligible to participate in the Plan. During the term of the current contract, the minimum annual pension contribution for firefighters participating in the Plan shall be fourteen (14%) percent. The Township will contribute eleven (11%) percent and the firefighters three (3%) percent through payroll deductions. Employees, except as noted above for firefighters, do not contribute to the Plan. Plan participants are 100% vested with five or more years of vesting service.

Benefits can start on the participants:

1. Normal retirement date - the first day of the month on or after the participant reaches age 65; or
2. Early retirement date - this day shall be on or after the date the participant has severance from employment and the date the participant meets the following requirements:
 - a. The date the participant reaches age 55;
 - b. Has completed 10 years of service with the employer.

Benefits paid can be in various forms at the option of the participant. The amount of the benefit depends on the amount contributed to the participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account.

The amount contributed by the Township to the Plan for the year ended December 31, 2018 was \$254,328 of direct contributions, 8.6% of covered wages. Unallocated forfeitures from participants no longer in the Plan and not fully vested are allocated among current participants. There were none in 2018. Township Council is responsible for establishing and/or amending the Plan provisions and contribution requirements.

B. Summary of Significant Accounting Policies

The financial statements of the Plan are included as a pension trust fund in this report. For additional information related to basis of accounting reported investment values see Notes 1D. and 3.

C. Concentrations

The Municipal Employees Pension Plan investments in mutual funds held by Principal Financial Group account for 97% of the total investments at December 31, 2018. The balance (3%) of the Plan's investments are in guaranteed interest accounts.

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 12 - Defined Contribution Pension Plans (Cont'd)

Road Department

Plan Description

The Township provides pension benefits for all of its full-time road department employees through a defined contribution plan, by participating in the Laborers' District Council of Western Pennsylvania Pension Fund for Local Union #1058 who administers the Plan.

Payments by the Township are calculated at the rate of \$4.51 for every hour worked by the road department employees. The total contribution required and made by the Township for the year ended December 31, 2018 was \$173,166 (16.5% of covered payroll).

Employees are eligible to participate from the date of employment.

Plan participants are all union employees for whom 300 hours of employment are credited in the fund for a single calendar year.

On and after January 1, 1987, the normal retirement benefit of an employee eligible for retirement and who applies, therefore, shall be a monthly amount equal to the sum of the following:

1. Fifteen dollars (\$15.00) multiplied by the sum of the employee's years of credited past service, if any; plus
2. Three and three-quarters percent (3.75%) of the total amount contributed for him after his most recent break in service, if any, through December 31, 1987; plus
3. Three percent (3.0%) of the total amount contributed for him from January 1, 1987.

The Local Union #1058 has the authority for establishing and amending Plan provisions, and the contribution rate is negotiated by the Township through the Union employee's contract requirements.

Note 13 - Pension Plans Financial Information

The Township's Police Pension, a defined benefit plan and the Municipal Employees' Pension Plan, a defined contribution plan, do not issue standalone financial reports. The following is a statement of fiduciary net position and statement of changes in fiduciary net position for the two plans as of and for the year ended December 31, 2018:

Peters Township
Notes to Financial Statements
December 31, 2018

Note 13 - Pension Plans Financial Information (Cont'd)

	Pension Trust Funds		Total Pension Trust Funds
	Police Pension Fund	Employees' Pension Fund	
Assets			
Cash and Cash Equivalents	\$ 1	\$ 476,002	\$ 476,003
Investments, at Fair Value			
Mutual Funds	12,454,570	3,172,275	15,626,845
Guaranteed Interest Accounts	-	93,341	93,341
Receivables - Employees	<u>29,387</u>	<u>-</u>	<u>29,387</u>
Total Assets	<u>12,483,958</u>	<u>3,741,618</u>	<u>16,225,576</u>
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Position Restricted for Pensions	<u>\$12,483,958</u>	<u>\$3,741,618</u>	<u>\$16,225,576</u>
Additions			
Contributions			
Employer	\$ 548,895	\$ 254,328	\$ 803,223
Plan Members	<u>103,533</u>	<u>18,159</u>	<u>121,692</u>
Total Contributions	<u>652,428</u>	<u>272,487</u>	<u>924,915</u>
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	(640,189)	(241,933)	(882,122)
Interest and Dividends	<u>-</u>	<u>1,012</u>	<u>1,012</u>
Net Investment Income	<u>(640,189)</u>	<u>(240,921)</u>	<u>(881,110)</u>
Total Additions	<u>12,239</u>	<u>31,566</u>	<u>43,805</u>
Deductions			
Benefits	809,774	15,000	824,774
Administrative Expenses	<u>19,228</u>	<u>40</u>	<u>19,268</u>
Total Deductions	<u>829,002</u>	<u>15,040</u>	<u>844,042</u>
Net Increase (Decrease) in Net Position	(816,763)	16,526	(800,237)

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 13 - Pension Plans Financial Information (Cont'd)

	Pension Trust Funds		Total Pension Trust Funds
	Police Pension Fund	Employees' Pension Fund	
Net Position Restricted for Pensions			
Beginning of Year	<u>\$13,300,721</u>	<u>\$3,725,092</u>	<u>\$17,025,813</u>
End of Year	<u>\$12,483,958</u>	<u>\$3,741,618</u>	<u>\$16,225,576</u>

Note 14 - Post-Employment Healthcare Plan

A. Plan Description

Peters Township administers a single-employer defined benefit healthcare plan ("the Supplemental Health Plan"). The plan provides medical, dental and vision for eligible Township police officers. The benefits provided are for the eligible retirees and their spouses through the Township group health insurance plan which covers both active and retired members. Benefit provisions are mostly established through negotiations between the Township and union representing the employees. No post-employment benefits are provided for non-uniform employees. The plan does not issue a publicly available financial report.

B. Funding Policy

The eligibility and the benefits are as follows:

Police Employees

Medical, Dental and Vision Eligibility	Retired from the police pension plan after age 50 and 25 years of service, if hired after January 1, 2011, age 55 and 25 years of service.
Death Benefit Eligibility	Termination from the police pension plan after 15 years of service.
Persons Covered	Coverage will include retiree, spouse and eligible dependents.

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 14 - Post-Employment Healthcare Plan (Cont'd)

B. Funding Policy (Cont'd)

Police Employees (Cont'd)

Benefits Provided

The Township will pay 102% of the charged premium for medical, dental and vision coverage for the retiree, spouse and dependents for the first year of retirement. For the next four years, the Township will pay 52% of the charged premiums. During the following five years, the Township will pay the actual cost of premiums up to \$200 per month. After 10 years of retirement, medical, dental and vision benefits cease. A death benefit of \$2,000 is payable to the beneficiary of a participant who terminates after 15 years of service, with the benefit amount increasing by \$200 for each additional year of service, to a maximum of \$5,000.

Opt Out

At retirement, an eligible officer may make an irrevocable election to receive a lump sum payment in lieu of continued health coverage reimbursements in an amount equal to the cost of the benefit on the officer's retirement date.

Public Works Employees

Medical, Dental and Vision Eligibility

Hired prior to May 1, 2012 and retired from the pension plan after age 62 with 15 years of service.

Persons Covered

Coverage will include retiree, spouse, and eligible dependents.

Benefits Provided

The Township will pay the charged premium for medical, dental, and vision coverage for the retiree, spouse, and eligible dependents, up to a maximum of \$337.38 per month for single coverage or a maximum of \$901.89 per month for other coverage, for a maximum of three years after retirement. After three years of retirement, medical, dental, and vision benefits cease.

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 14 - Post-Employment Healthcare Plan (Cont'd)

B. Funding Policy (Cont'd)

Non-Police, Non-Public Works Employees

No post-retirement benefits are provided for employees other than police officers and public works employees.

Employees Covered by Benefit Terms

At January 1, 2018, the following employees were covered by the benefits terms:

Retired participants	35
Active employees	<u>11</u>
	<u>46</u>

C. Total OPEB Liability

The Township's total OPEB liability of \$880,362 was measured as of January 1, 2018, and was determined by an actuarial valuation as of that date.

D. Actuarial Methods and Assumptions

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Discount Rate	3.25%
Healthcare Cost Trend Rates	6.50% for Medical/RX decreasing by 0.25% until reaches 5.00% and continuing at that rate. For dental and vision 3.00%

The discount rate was based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the RP-2014 Mortality Table with 50% of the Blue Collar Adjustment.

The actuarial assumptions used in the January 1, 2018 valuation were selected using input from the Township based upon actual experience.

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 14 - Post-Employment Healthcare Plan (Cont'd)

E. Change in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2018	\$1,026,748
Changes for the year:	
Service Cost	45,369
Interest	31,249
Benefit Payments	<u>(223,004)</u>
Net Changes	<u>(146,386)</u>
Balance at December 31, 2018	<u>\$ 880,362</u>

F. Changes of Assumptions and Other Inputs

- Changed the discount rate from 4.50% to 3.25%.
- Assumptions for mortality and healthcare costs were updated.

G. Sensitivity of the Total Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.25%) or one percentage point higher (4.25%) than the current discount rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
	2.25%	3.25%	4.25%
Total OPEB Liability	\$933,493	\$880,362	\$832,532

H. Sensitivity of the Total 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:

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 14 - Post-Employment Healthcare Plan (Cont'd)

H. Sensitivity of the Total Liability to Changes in the Healthcare Cost Trend Rates (Cont'd)

	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	\$838,054	\$880,362	\$928,619

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

For the year ended December 31, 2018, the Township recognized OPEB Expense of \$76,618. At December 31, 2018, the Township reported no deferred outflows and deferred inflows of resources related to OPEB.

Note 15 - Risk Management

Peters Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

For its worker's compensation insurance coverage, the Township participates in the Municipal Risk Management Worker's Compensation Pooled Trust (Trust), a public entity risk pool operated for the benefit of cities, municipalities, boroughs, townships, regional police departments and municipal authorities. Trust underwriting and rate-setting policies are established after consultation with an independent actuary and certain approvals of the Pennsylvania Department of Labor and Industry as mandated by Act 44 of 1993 (Act 44). All Trust participants may be subject to a supplemental assessment/dividend based on the overall experience of the participants, pursuant to Act 44. Each participant of the Trust agrees to jointly and severally assume and discharges the liabilities arising under the Worker's Compensation Act and Occupational Disease Act of each and every participant of the Trust. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. The Trust purchases excess insurance coverage with statutory limits. The retention for this excess coverage is \$750,000 per occurrence. There were no significant reductions in insurance coverage from coverage in the prior year. Political subdivisions joining the Trust must remain members for a minimum of four years; a member may withdraw from the Trust after that time by giving ninety days' notice, subject to approval by the Trust actuary under specified circumstances related to the continued fiscal stability of the pool. At the time of withdrawal, the participant is responsible for their share of assessments but has no claim on any other assets of the Trust. Estimates of any additional assessments are unknown.

The Township also purchases commercial insurance for its employee health and accident insurance coverage.

Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

**Peters Township
Notes to Financial Statements
December 31, 2018**

Note 16 - Subsequent Events

Peters Township Council intends to issue a general obligation bond in the amount of \$10,000,000 in 2019 to fund development of Rolling Hills Park and the purchase of a fire apparatus.

**REQUIRED SUPPLEMENTARY
INFORMATION SECTION**

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Real Estate Taxes				
Current	\$ 5,056,320	\$ 5,056,320	\$ 4,963,922	\$ (92,398)
Delinquent	15,000	15,000	21,387	6,387
Liened	40,000	40,000	49,001	9,001
Real Estate Transfer Taxes	1,500,000	1,500,000	1,717,133	217,133
Earned Income Taxes/Wage Taxes	6,028,450	6,028,450	6,403,908	375,458
Mechanical Device Taxes	4,350	4,350	3,900	(450)
Local Services Taxes	<u>422,500</u>	<u>422,500</u>	<u>447,086</u>	<u>24,586</u>
Total Taxes	<u>13,066,620</u>	<u>13,066,620</u>	<u>13,606,337</u>	<u>539,717</u>
Licenses and Permits				
Street and Curb Permits	<u>6,500</u>	<u>6,500</u>	<u>9,416</u>	<u>2,916</u>
Fines and Forfeits				
Vehicle Code Violations	58,000	58,000	56,979	(1,021)
Violations of Ordinances	5,500	5,500	4,125	(1,375)
Court Fines	<u>1,000</u>	<u>1,000</u>	<u>814</u>	<u>(186)</u>
Total Fines and Forfeits	<u>64,500</u>	<u>64,500</u>	<u>61,918</u>	<u>(2,582)</u>
Interest, Rents and Royalties				
Interest Earnings	<u>17,750</u>	<u>17,750</u>	<u>63,137</u>	<u>45,387</u>
Intergovernmental				
State				
Beverage Licenses	9,050	9,050	8,450	(600)
Public Utility Realty Tax	12,473	12,473	13,563	1,090
Foreign Casualty Insurance	458,825	458,825	440,333	(18,492)
Foreign Fire Insurance Premium Tax	121,883	121,883	114,313	(7,570)
Other Grants	<u>55,000</u>	<u>55,000</u>	<u>61,436</u>	<u>6,436</u>
Total Intergovernmental	<u>657,231</u>	<u>657,231</u>	<u>638,095</u>	<u>(19,136)</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (Cont'd)				
Charges for Services				
General Government				
Zoning & Subdivision	\$ 30,000	\$ 30,000	\$ 31,125	\$ 1,125
Sale of Materials	25,000	25,000	17,542	(7,458)
Tax Collection Fees	21,000	21,000	21,622	622
Public Safety				
Special Police Services	94,000	94,000	184,722	90,722
Building Permits	175,000	175,000	161,827	(13,173)
Burning Permits	-	-	200	200
Highways and Streets				
Contracted Highway & Street Work				
Contracted Snow Removal for PennDOT	46,000	46,000	54,319	8,319
Culture - Recreation				
Park & Recreation Fees	205,000	205,000	225,559	20,559
Tennis Fees	<u>250,000</u>	<u>250,000</u>	<u>256,331</u>	<u>6,331</u>
Total Charges for Services	<u>846,000</u>	<u>846,000</u>	<u>953,247</u>	<u>107,247</u>
Miscellaneous Revenue				
Contributions & Donations from				
Private Sources	1,000	6,000	11,500	5,500
Other Miscellaneous Revenue	<u>47,500</u>	<u>47,500</u>	<u>44,408</u>	<u>(3,092)</u>
Total Miscellaneous Revenue	<u>48,500</u>	<u>53,500</u>	<u>55,908</u>	<u>2,408</u>
Total Revenues	<u>14,707,101</u>	<u>14,712,101</u>	<u>15,388,058</u>	<u>675,957</u>
Expenditures				
Current:				
General Government				
Legislative Body				
Personal Services	19,377	19,377	16,632	2,745
Executive				
Personal Services	459,666	459,666	466,687	(7,021)
Supplies	27,500	27,500	18,850	8,650
Other Services & Charges	67,750	67,750	59,483	8,267

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
General Government (Cont'd)				
Special Project Administration				
Supplies	\$ 5,000	\$ 10,000	\$ 7,151	\$ 2,849
Other Services & Charges	12,500	12,500	22,964	(10,464)
Tax Collection				
Other Services & Charges	134,000	134,000	152,097	(18,097)
Professional Services				
Personal Services	242,213	242,213	221,611	20,602
Supplies	1,500	1,500	797	703
Other Services & Charges	223,250	198,750	141,347	57,403
Information Technology				
Supplies	4,300	4,300	4,695	(395)
Other Services & Charges	223,000	235,000	230,917	4,083
Administration Vehicle Maintenance				
Personal Services	3,230	3,230	2,122	1,108
Supplies	3,500	3,500	2,727	773
Other Services & Charges	1,000	1,000	575	425
Municipal Building				
Personal Services	37,678	50,178	47,914	2,264
Supplies	25,000	25,000	26,112	(1,112)
Other Services & Charges	<u>90,000</u>	<u>90,000</u>	<u>85,419</u>	<u>4,581</u>
Total General Government	<u>1,580,464</u>	<u>1,585,464</u>	<u>1,508,100</u>	<u>77,364</u>
Public Safety				
Police				
Administration				
Personal Services	423,065	423,065	415,116	7,949
Supplies	16,300	16,300	11,291	5,009
Other Services & Charges	39,500	39,500	39,986	(486)
Patrol				
Personal Services	2,003,367	2,003,367	2,015,416	(12,049)
Supplies	48,000	48,000	40,764	7,236
Other Services & Charges	17,500	17,500	12,838	4,662

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Public Safety (Cont'd)				
Police (Cont'd)				
Investigations				
Personal Services	\$ 191,224	\$ 207,224	\$ 216,342	\$ (9,118)
Supplies	5,200	5,200	4,378	822
Other Services & Charges	1,000	1,000	1,856	(856)
Police Community Relations				
Personal Services	109,534	131,534	129,160	2,374
Supplies	5,750	5,750	4,973	777
Other Services & Charges	2,500	2,500	40	2,460
Vehicle Maintenance				
Personal Services	15,071	15,071	11,379	3,692
Supplies	85,500	85,500	56,437	29,063
Other Services & Charges	12,000	12,000	11,923	77
Capital Purchase	125,000	125,000	122,371	2,629
Animal Control				
Other Services & Charges	13,000	13,000	12,625	375
School Guards				
Personal Services	9,366	9,366	4,959	4,407
Supplies	400	400	-	400
Other Services & Charges	100	100	-	100
Fire				
Administration/Prevention				
Personal Services	191,617	191,617	190,745	872
Supplies	9,700	9,700	909	8,791
Other Services & Charges	6,500	6,500	4,194	2,306
Fire Prevention				
Personal Services	121,470	100,470	97,957	2,513
Supplies	13,500	13,500	7,673	5,827
Other Services & Charges	1,250	1,250	715	535
Fire Suppression				
Personal Services	495,370	542,370	556,223	(13,853)
Supplies	37,700	37,700	34,140	3,560
Other Services & Charges	179,000	179,000	178,212	788
Contributions, Grants & Subs.	121,883	121,883	114,313	7,570

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Public Safety (Cont'd)				
Fire (Cont'd)				
Fire Vehicle Maintenance				
Personal Services	\$ 132,124	\$ 119,124	\$ 118,643	\$ 481
Supplies	38,000	38,000	29,149	8,851
Other Services & Charges	15,000	15,000	18,832	(3,832)
Fire Stations				
Personal Services	104,162	91,162	88,854	2,308
Supplies	8,650	8,650	6,308	2,342
Other Services & Charges	43,750	43,750	44,365	(615)
Emergency Medical Service				
Other Services & Charges	98,670	98,670	97,136	1,534
Planning				
Personal Services	231,448	196,448	192,122	4,326
Supplies	6,000	6,000	5,800	200
Other Services & Charges	35,000	35,000	36,617	(1,617)
Building Inspection				
Personal Services	185,158	220,158	219,590	568
Supplies	1,000	1,000	779	221
Other Services & Charges	11,500	11,500	8,018	3,482
Zoning Hearing Board				
Other Services & Charges	<u>12,500</u>	<u>12,500</u>	<u>4,832</u>	<u>7,668</u>
Total Public Safety	<u>5,224,329</u>	<u>5,262,329</u>	<u>5,167,980</u>	<u>94,349</u>
Public Works - Sanitation				
Recycling Collection and Disposal				
Personal Services	23,683	23,683	30,122	(6,439)
Supplies	2,000	2,000	1,514	486
Other Services & Charges	<u>5,000</u>	<u>5,000</u>	<u>4,279</u>	<u>721</u>
Total Sanitation	<u>30,683</u>	<u>30,683</u>	<u>35,915</u>	<u>(5,232)</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Public Works - Highways				
Administration				
Personal Services	\$ 226,065	\$ 226,065	\$ 214,384	\$ 11,681
Supplies	12,000	12,000	13,841	(1,841)
Other Services & Charges	12,750	12,750	9,667	3,083
Maintenance of Building				
Personal Services	26,913	26,913	19,777	7,136
Supplies	36,500	36,500	36,827	(327)
Other Services & Charges	38,000	38,000	39,868	(1,868)
Snow and Ice Removal				
Personal Services	161,475	161,475	129,057	32,418
Supplies	379,000	369,000	356,727	12,273
Traffic Signals and Signs				
Personal Services	26,500	26,500	20,412	6,088
Supplies	15,500	25,500	17,260	8,240
Other Services & Charges	21,000	21,000	12,512	8,488
Street Lighting				
Other Services & Charges	10,750	10,750	12,471	(1,721)
Storm Sewer Maintenance				
Personal Services	82,238	82,238	95,657	(13,419)
Supplies	26,900	26,900	24,300	2,600
Other Services & Charges	9,000	9,000	8,386	614
Vehicle Maintenance				
Personal Services	92,579	92,579	61,632	30,947
Supplies	116,500	116,500	85,920	30,580
Other Services & Charges	10,000	10,000	11,451	(1,451)
Highway Maintenance				
Personal Services	387,540	347,540	306,360	41,180
Supplies	62,800	52,800	36,770	16,030
Other Services & Charges	<u>20,000</u>	<u>20,000</u>	<u>12,673</u>	<u>7,327</u>
Total Highways	<u>1,774,010</u>	<u>1,724,010</u>	<u>1,525,952</u>	<u>198,058</u>
Total Public Works	<u>1,804,693</u>	<u>1,754,693</u>	<u>1,561,867</u>	<u>192,826</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Culture - Recreation				
Administration				
Personal Services	\$ 116,089	\$ 116,089	\$ 116,415	\$ (326)
Supplies	3,600	3,600	2,311	1,289
Other Services & Charges	6,300	6,300	2,455	3,845
Recreation Programming				
Personal Services	51,879	51,879	54,527	(2,648)
Supplies	11,500	11,500	9,830	1,670
Other Services & Charges	159,250	159,250	126,039	33,211
Parks Maintenance				
Personal Services	466,410	498,410	476,666	21,744
Supplies	65,500	65,500	37,254	28,246
Other Services & Charges	87,000	105,000	125,514	(20,514)
Community Center				
Personal Services	90,426	90,426	89,021	1,405
Supplies	24,100	24,100	22,491	1,609
Other Services & Charges	108,000	108,000	98,129	9,871
Tennis Center				
Personal Services	188,388	188,388	176,013	12,375
Supplies	24,090	24,090	15,028	9,062
Other Services & Charges	<u>80,000</u>	<u>80,000</u>	<u>88,622</u>	<u>(8,622)</u>
Total Culture - Recreation	<u>1,482,532</u>	<u>1,532,532</u>	<u>1,440,315</u>	<u>92,217</u>
Ins., Employee Benefits & Other				
Retirement Fund Contributions	893,031	893,031	976,389	(83,358)
Workers' Comp. Contributions	350,000	350,000	270,889	79,111
Unemployment Compensation	12,000	12,000	10,357	1,643
Hospitalization Ins. Premiums	1,110,000	1,110,000	1,239,214	(129,214)
Group Life Ins. Premiums	16,500	16,500	10,064	6,436
Sickness & Accident Ins. Premiums	25,000	25,000	24,131	869
Insurance Premiums - Other				
Fire & Liability	150,000	150,000	137,351	12,649

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Ins., Employee Benefits & Other (Cont'd)				
Other Employee Benefits	\$ -	\$ -	\$ 8,496	\$ (8,496)
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>3,869</u>	<u>1,131</u>
Total Insurance, Employee Benefits & Other	<u>2,561,531</u>	<u>2,561,531</u>	<u>2,680,760</u>	<u>(119,229)</u>
Debt Service:				
Principal Retirement	168,870	168,870	171,091	(2,221)
Interest	<u>14,669</u>	<u>14,669</u>	<u>14,669</u>	<u>-</u>
Total Debt Service	<u>183,539</u>	<u>183,539</u>	<u>185,760</u>	<u>(2,221)</u>
Total Expenditures	<u>12,837,088</u>	<u>12,880,088</u>	<u>12,544,782</u>	<u>335,306</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,870,013</u>	<u>1,832,013</u>	<u>2,843,276</u>	<u>1,011,263</u>
Other Financing Sources (Uses)				
Transfers In				
Special Revenue Fund	10,000	10,000	10,000	-
Transfers Out				
Special Revenue Fund	(825,000)	(825,000)	(825,000)	-
Debt Service Fund	(1,261,337)	(1,261,337)	(1,260,886)	451
Capital Projects Fund	<u>(1,483,553)</u>	<u>(1,483,553)</u>	<u>(1,483,553)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(3,559,890)</u>	<u>(3,559,890)</u>	<u>(3,559,439)</u>	<u>451</u>
Net Change in Fund Balance	(1,689,877)	(1,727,877)	(716,163)	1,011,714
Fund Balance - January 1, 2018	<u>5,674,483</u>	<u>5,674,483</u>	<u>6,387,259</u>	<u>712,776</u>
Fund Balance - December 31, 2018	<u>\$ 3,984,606</u>	<u>\$ 3,946,606</u>	<u>\$ 5,671,096</u>	<u>\$1,724,490</u>

See Accompanying Note to the Budgetary Comparison Schedule

Peters Township
Note to the Required Supplementary Information
Budget Comparison
December 31, 2018

Note 1 - Budgetary Information

Budgets are adopted on a basis consistent with U. S. generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund and cable television fund, a major special revenue fund. All annual appropriations lapse at year-end.

All budget amounts presented in the accompanying required supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budget during the year).

**Peters Township
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2018**

1. Schedule of Changes in the Township's Net Pension Liability and Related Ratios

	Police Pension Plan				
	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 300,117	\$ 367,342	\$ 315,194	\$ 290,878	\$ 282,218
Interest	917,502	871,454	858,815	818,308	632,556
Changes in Assumptions	1,017,635	(806,394)	1,399,598	13,983	-
Differences Between Expected and Actual Experience	279,502	109,774	72,151	42,280	65,133
Benefit Payments	<u>(882,411)</u>	<u>(535,496)</u>	<u>(672,271)</u>	<u>(451,740)</u>	<u>(183,551)</u>
Net Change in Total Pension Liability	1,632,345	6,680	1,973,487	713,709	796,356
Total Pension Liability - Beginning	<u>14,272,717</u>	<u>14,266,037</u>	<u>12,292,550</u>	<u>11,578,841</u>	<u>10,782,485</u>
Total Pension Liability - Ending (a)	<u>15,905,062</u>	<u>14,272,717</u>	<u>14,266,037</u>	<u>12,292,550</u>	<u>11,578,841</u>
Plan Fiduciary Net Position					
Contributions - Employer, including State Aid	548,895	468,688	460,012	437,147	441,841
Contributions - Member	103,533	89,888	95,305	93,460	87,557
Net Investment Income	(640,189)	1,708,734	602,722	(54,822)	522,290
Benefit Payments	(809,774)	(345,164)	(537,383)	(305,005)	(183,551)
Administrative Expenses	<u>(19,228)</u>	<u>(11,528)</u>	<u>(7,985)</u>	<u>(24,041)</u>	<u>(12,915)</u>
Net Change in Plan Fiduciary Net Position	(816,763)	1,910,618	612,671	146,739	855,222
Plan Fiduciary Net Position - Beginning	<u>13,300,721</u>	<u>11,390,103</u>	<u>10,777,432</u>	<u>10,630,693</u>	<u>9,775,471</u>
Plan Fiduciary Net Position - Ending (b)	<u>12,483,958</u>	<u>13,300,721</u>	<u>11,390,103</u>	<u>10,777,432</u>	<u>10,630,693</u>
Township's Net Pension Liability (a-b)	<u>\$ 3,421,104</u>	<u>\$ 971,996</u>	<u>\$ 2,875,934</u>	<u>\$ 1,515,118</u>	<u>\$ 948,148</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.5%	93.2%	79.8%	87.70%	91.80%
Covered Payroll	<u>\$ 1,972,518</u>	<u>\$ 1,832,373</u>	<u>\$ 1,906,112</u>	<u>\$ 1,733,658</u>	<u>\$ 1,751,132</u>
Net Pension Liability as a Percentage of Covered Payroll	173.44%	53.05%	150.88%	87.39%	54.14%

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

**Peters Township
Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2018**

2. Schedule of Township's Contributions

	Police Pension Plan				
	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 548,895	\$ 468,688	\$ 460,012	\$ 437,147	\$ 441,841
Contributions in Relation to the Actuarially Determined Contribution	<u>548,895</u>	<u>468,688</u>	<u>460,012</u>	<u>437,147</u>	<u>441,841</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$1,972,518</u>	<u>\$1,832,373</u>	<u>\$1,906,112</u>	<u>\$1,733,658</u>	<u>\$1,751,132</u>
Contributions as a Percentage of Covered Payroll	27.83%	25.58%	24.13%	25.22%	25.23%

3. Investment Returns

	Police Pension Plan				
	2018	2017	2016	2015	2014
Annual Money Weighted Rate of Return, Net of Investment Expenses	(5.03)%	15.08%	5.70%	(0.53)%	5.38%

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

Peters Township
Notes to the Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2018

A. Assumptions and Methods Used to Determine the Contribution Rate for the Police Pension Plan:

- Actuarial Valuation Date: 01/01/17
- Actuarial Cost Method: entry age
- Amortization Period: level dollar based upon the amortization periods in Act 205
- Asset valuation method: market value of the assets
- Discount Rate: 6.18%
- Inflation: 2.25%
- Salary increases: 4.00% increase each year until retirement
- Mortality Table - 2019 IRS prescribed mortality; static annuitant, male and female

B. Changes in Actuarial Assumptions

- The salary scale was increased from 3.75% to 4.00% per year to reflect past experience and the expected level of future salary increases.
- The inflation and compensation limit increase assumptions were increased from 2.00% to 2.25%.
- The retirement cost of living adjustment (COLA) assumption was increased from 2.00% to 2.25%.
- The mortality assumption was changed from the IRS Prescribed Mortality - Optional Combined Table for Small Plans, male and female to IRS Prescribed Mortality - Static Annuitant and Non-Annuitant, male and female. For both tables, assuming no mortality before the benefit payment period.
- The discount rate changed from the long-term rate of return last year (6.50%) to a blended discount rate this year (6.18%) due to a cross-over in the projection of assets and benefit payments.

C. Changes in Benefits

None.

**Peters Township
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability
and Related Ratios
Last Two Years**

	December 31, 2018	December 31, 2017
Total OPEB Liability		
Service cost	\$ 45,369	\$ -
Interest	31,249	-
Benefit payments	<u>(223,004)</u>	<u>-</u>
Net Change in Total OPEB Liability	(146,386)	-
Total OPEB Liability - Beginning	<u>1,026,748</u>	<u>N/A</u>
Total OPEB Liability - Ending	<u>\$ 880,362</u>	<u>\$1,026,748</u>
Covered-Employee Payroll	\$2,812,953	N/A
Total OPEB Liability as a Percentage of Covered-Employee Payroll	31.30%	N/A

Notes to Schedule:

GASB 75 was implemented beginning with fiscal year ended December 31, 2018.

Assumption Changes:

- Discount rate decreased from 4.50% to 3.25%.
- Future trends in healthcare costs were increased from a flat 5.00% to a trend rate of 6.50% decreasing until an ultimate rate of 5.00% is obtained.
- Changes in the mortality tables.

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Highway Aid Fund - To account for resources received from the Commonwealth of Pennsylvania as the Township's share of the proceeds from the state gasoline tax and the related expenditures.

Cable Television Fund - To account for revenues received under the cable television franchise agreement and related expenditures of operating the public access channel.

Library Fund - To account for revenues and expenditures related to the operation of the Peters Township Library.

DEBT SERVICE FUNDS

Series of 2013 - To account for accumulation of resources for and payment of debt principal, interest and fees of the 2013 Series bonds.

Series of 2016 - To account for accumulation of resources for and payment of debt principal, interest and fees of the 2016 Series bonds.

**Peters Township
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018**

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Highway Aid Fund	Cable Television Fund	Library Fund	
ASSETS				
Cash and Cash Equivalents	\$1,905	\$602,657	\$351,006	\$ 955,568
Other Receivables	-	<u>138,055</u>	-	<u>138,055</u>
TOTAL ASSETS	<u>\$1,905</u>	<u>\$740,712</u>	<u>\$351,006</u>	<u>\$1,093,623</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to Other Funds	\$ -	\$ 5,907	\$ 2,715	\$ 8,622
Accounts Payable	-	1,937	20,217	22,154
Accrued Salaries and Benefits	-	1,436	10,783	12,219
Other Current Liabilities	-	<u>58,627</u>	-	<u>58,627</u>
Total Liabilities	-	<u>67,907</u>	<u>33,715</u>	<u>101,622</u>
Fund Balances				
Restricted	1,905	-	-	1,905
Committed	-	672,805	-	672,805
Assigned	-	-	<u>317,291</u>	<u>317,291</u>
Total Fund Balances	<u>1,905</u>	<u>672,805</u>	<u>317,291</u>	<u>992,001</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,905</u>	<u>\$740,712</u>	<u>\$351,006</u>	<u>\$1,093,623</u>

Peters Township
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2018

	Special Revenue Funds			Debt Service Funds		Total Nonmajor Governmental Funds
	Highway Aid Fund	Cable Television Fund	Library Fund	Series of 2013	Series of 2016	
Revenues						
Licenses and Permits	\$ -	\$ 556,391	\$ -	\$ -	\$ -	\$ 556,391
Fines and Forfeits	-	-	27,941	-	-	27,941
Interest, Rents and Royalties	5,861	7,330	5,581	-	-	18,772
Intergovernmental	783,711	-	116,028	-	-	899,739
Charges for Services	-	-	2,042	-	-	2,042
Miscellaneous	-	760	10,668	-	-	11,428
Total Revenues	<u>789,572</u>	<u>564,481</u>	<u>162,260</u>	<u>-</u>	<u>-</u>	<u>1,516,313</u>
06 Expenditures						
Current:						
General Government	-	41,560	-	-	-	41,560
Culture - Recreation	-	107,361	981,412	-	-	1,088,773
Debt Service:						
Principal	-	-	-	735,000	125,000	860,000
Interest	-	-	-	194,967	205,919	400,886
Capital Outlay	<u>787,972</u>	<u>25,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>813,746</u>
Total Expenditures	<u>787,972</u>	<u>174,695</u>	<u>981,412</u>	<u>929,967</u>	<u>330,919</u>	<u>3,204,965</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,600</u>	<u>389,786</u>	<u>(819,152)</u>	<u>(929,967)</u>	<u>(330,919)</u>	<u>(1,688,652)</u>
Other Financing Sources (Uses)						
Transfers In	-	-	825,000	929,967	330,919	2,085,886
Transfers Out	<u>-</u>	<u>(510,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(510,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(510,000)</u>	<u>825,000</u>	<u>929,967</u>	<u>330,919</u>	<u>1,575,886</u>
Net Changes in Fund Balances	1,600	(120,214)	5,848	-	-	(112,766)
Fund Balances - January 1, 2018	<u>305</u>	<u>793,019</u>	<u>311,443</u>	<u>-</u>	<u>-</u>	<u>1,104,767</u>
Fund Balances - December 31, 2018	<u>\$ 1,905</u>	<u>\$ 672,805</u>	<u>\$ 317,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 992,001</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Fund
Highway Aid Fund
Budget and Actual
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest, Rents and Royalties				
Interest Earnings	\$ 1,750	\$ 1,750	\$ 5,861	\$ 4,111
Intergovernmental				
Liquid Fuels Tax	<u>742,029</u>	<u>742,029</u>	<u>783,711</u>	<u>41,682</u>
Total Revenues	<u>743,779</u>	<u>743,779</u>	<u>789,572</u>	<u>45,793</u>
Expenditures				
Capital Outlay	<u>743,894</u>	<u>743,894</u>	<u>787,972</u>	<u>(44,078)</u>
Net Change in Fund Balance	(115)	(115)	1,600	45,793
Fund Balance - January 1, 2018	<u>115</u>	<u>115</u>	<u>305</u>	<u>190</u>
Fund Balance - December 31, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,905</u>	<u>\$ 1,905</u>

**Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Fund
Cable Television Fund
Budget and Actual
Year Ended December 31, 2018**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and Permits				
Cable TV Franchise Fees	\$ 575,000	\$ 575,000	\$ 556,391	\$(18,609)
Interest, Rents & Royalties				
Interest Earnings	3,250	3,250	7,330	4,080
Miscellaneous - Other	<u>500</u>	<u>500</u>	<u>760</u>	<u>260</u>
Total Revenues	<u>578,750</u>	<u>578,750</u>	<u>564,481</u>	<u>(14,269)</u>
Expenditures				
Current:				
General Government - Administrative				
Other Services & Charges	45,000	45,000	41,560	3,440
Culture - Recreation				
Cable Television				
Personal Services	80,443	80,443	80,771	(328)
Supplies	21,000	21,000	22,896	(1,896)
Other Services & Charges	13,500	13,500	3,694	9,806
Capital Outlay	<u>26,000</u>	<u>26,000</u>	<u>25,774</u>	<u>226</u>
Total Expenditures	<u>185,943</u>	<u>185,943</u>	<u>174,695</u>	<u>11,248</u>
Excess (Deficiency) of Revenues over Expenditures	<u>392,807</u>	<u>392,807</u>	<u>389,786</u>	<u>(3,021)</u>
Other Financing Sources (Uses)				
Transfers Out				
General Fund	(10,000)	(10,000)	(10,000)	-
Capital Projects Fund	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(510,000)</u>	<u>(510,000)</u>	<u>(510,000)</u>	<u>-</u>
Net Change in Fund Balance	(117,193)	(117,193)	(120,214)	(3,021)
Fund Balance - January 1, 2018	<u>793,728</u>	<u>793,728</u>	<u>793,019</u>	<u>(709)</u>
Fund Balance - December 31, 2018	<u>\$ 676,535</u>	<u>\$ 676,535</u>	<u>\$ 672,805</u>	<u>\$ (3,730)</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Fund
Library Fund
Budget and Actual
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeits				
Library Fines	\$ 30,000	\$ 30,000	\$ 27,941	\$ (2,059)
Interest, Rents and Royalties				
Interest Earnings	-	-	5,581	5,581
Intergovernmental				
State Grant	79,522	79,522	79,522	-
County Grant	35,525	35,525	36,506	981
Charges for Services				
Library Use Fees	2,500	2,500	2,042	(458)
Miscellaneous				
Contributions & Donations from Private Sources	<u>11,000</u>	<u>11,000</u>	<u>10,668</u>	<u>(332)</u>
Total Revenues	<u>158,547</u>	<u>158,547</u>	<u>162,260</u>	<u>3,713</u>
Expenditures				
Current:				
Culture - Recreation				
Libraries				
Personal Services	630,701	630,701	622,953	7,748
Supplies	205,950	205,950	187,321	18,629
Other Services & Charges	<u>158,600</u>	<u>158,600</u>	<u>171,138</u>	<u>(12,538)</u>
Total Expenditures	<u>995,251</u>	<u>995,251</u>	<u>981,412</u>	<u>13,839</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(836,704)</u>	<u>(836,704)</u>	<u>(819,152)</u>	<u>17,552</u>
Other Financing Sources (Uses)				
Transfers In				
General Fund	<u>825,000</u>	<u>825,000</u>	<u>825,000</u>	<u>-</u>
Net Change in Fund Balance	(11,704)	(11,704)	5,848	17,552
Fund Balance - January 1, 2018	<u>294,849</u>	<u>294,849</u>	<u>311,443</u>	<u>16,594</u>
Fund Balance - December 31, 2018	<u>\$ 283,145</u>	<u>\$ 283,145</u>	<u>\$ 317,291</u>	<u>\$ 34,146</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Debt Service Fund
Series of 2013
Budget and Actual
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Expenditures				
Debt Service:				
Principal	735,000	735,000	735,000	-
Interest	<u>194,968</u>	<u>194,968</u>	<u>194,967</u>	<u>1</u>
Total Expenditures	<u>929,968</u>	<u>929,968</u>	<u>929,967</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(929,968)</u>	<u>(929,968)</u>	<u>(929,967)</u>	<u>1</u>
Other Financing Sources (Uses)				
Transfers In				
General Fund	<u>929,968</u>	<u>929,968</u>	<u>929,967</u>	<u>(1)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - January 1, 2018	_____ -	_____ -	_____ -	_____ -
Fund Balance - December 31, 2018	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Debt Service Fund
Series of 2016
Budget and Actual
Year Ended December 31, 2018

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Expenditures				
Debt Service:				
Principal	125,000	125,000	125,000	-
Interest	<u>206,369</u>	<u>206,369</u>	<u>205,919</u>	<u>450</u>
Total Expenditures	<u>331,369</u>	<u>331,369</u>	<u>330,919</u>	<u>450</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(331,369)</u>	<u>(331,369)</u>	<u>(330,919)</u>	<u>450</u>
Other Financing Sources (Uses)				
Transfers In				
General Fund	<u>331,369</u>	<u>331,369</u>	<u>330,919</u>	<u>(450)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - January 1, 2018	_____ -	_____ -	_____ -	_____ -
Fund Balance - December 31, 2018	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>

CAPITAL PROJECTS FUND

Capital Reserve Fund - To account for the financing and construction of a variety of capital projects in Peters Township. General fund revenues, state grants, and debt proceeds provide the financing for projects included in this fund.

**Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Capital Projects Fund
Budget and Actual
Year Ended December 31, 2018**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest, Rents and Royalties				
Interest Earnings	\$ 10,300	\$ 10,300	\$ 65,675	\$ 55,375
Intergovernmental				
State Grants	1,150,079	1,150,079	686,436	(463,643)
Miscellaneous Revenue				
Contributions & Donations	<u>275,000</u>	<u>275,000</u>	<u>153,550</u>	<u>(121,450)</u>
Total Revenues	<u>1,435,379</u>	<u>1,435,379</u>	<u>905,661</u>	<u>(529,718)</u>
Expenditures				
Capital Outlay:				
General Government				
Professional Services				
Capital Purchases	265,000	320,000	267,072	52,928
Network Administration				
Capital Purchases	95,000	40,000	50,479	(10,479)
Municipal Building				
Capital Purchases	95,000	95,000	25,264	69,736
Public Safety				
Police Patrol				
Capital Purchases	12,000	12,000	9,629	2,371
Fire Suppression				
Capital Purchase	195,000	195,000	-	195,000
Fire Station				
Capital Purchase	-	-	52,549	(52,549)
Capital Construction	300,000	500,000	433,748	66,252
Fire Vehicle Maintenance				
Capital Purchases	371,083	371,083	359,546	11,537
Planning				
Capital Purchases	340,000	140,000	17,127	122,873
Public Works - Sanitation				
Recycling				
Capital Purchases	68,778	68,778	44,558	24,220
Public Works - Highways				
Maintenance Building				
Capital Purchase	-	-	1,200	(1,200)
Capital Construction	40,000	40,000	12,450	27,550

(Cont'd)

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Capital Projects Fund
Budget and Actual
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Capital Outlay: (Cont'd)				
Public Works - Highways (Cont'd)				
Traffic Signals and Signs				
Capital Purchases	\$ 534,500	\$ 534,500	\$ 24,949	\$ 509,551
Storm Sewers and Drains				
Capital Construction	865,000	865,000	574,357	290,643
Vehicle Maintenance				
Capital Purchases	175,000	175,000	74,355	100,645
Highway Maintenance				
Capital Construction	506,106	506,106	403,528	102,578
Culture - Recreation				
Park Maintenance				
Capital Purchases	-	-	1,702,518	(1,702,518)
Capital Construction	<u>796,150</u>	<u>1,950,000</u>	<u>184,316</u>	<u>1,765,684</u>
Community Center				
Capital Construction	55,000	55,000	51,700	3,300
Tennis Center				
Capital Construction	34,000	34,000	32,570	1,430
Library				
Capital Construction	<u>145,000</u>	<u>145,000</u>	<u>57,079</u>	<u>87,921</u>
Total Expenditures	<u>4,892,617</u>	<u>6,046,467</u>	<u>4,378,994</u>	<u>1,667,473</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,457,238)</u>	<u>(4,611,088)</u>	<u>(3,473,333)</u>	<u>1,137,755</u>
Other Financing Sources (Uses)				
Transfers In				
General Fund	1,483,553	1,483,553	1,483,553	-
Cable Television Fund	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,983,553</u>	<u>1,983,553</u>	<u>1,983,553</u>	<u>-</u>
Net Change in Fund Balance	(1,473,685)	(2,627,535)	(1,489,780)	1,137,755
Fund Balance - January 1, 2018	<u>3,098,519</u>	<u>3,098,519</u>	<u>4,150,509</u>	<u>1,051,990</u>
Fund Balance - December 31, 2018	\$ <u>1,624,834</u>	\$ <u>470,984</u>	\$ <u>2,660,729</u>	\$ <u>2,189,745</u>

STATISTICAL SECTION

This part of Peters Township'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.

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TABLE

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the Township's financial performance and well-being has changed over time.

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REVENUE CAPACITY

These schedules contain information to help the reader assess the factors affecting the Township's ability to generate its property and earned income taxes.

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DEBT CAPACITY

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.

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DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place and to help make comparisons over time and with other governments.

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OPERATING INFORMATION

These schedules contain information about the Township's operations and resources to help the reader understand how the Township's financial information relates to the services the Township provides and the activities it performs.

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PETERS TOWNSHIP
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017 ¹	2018
Governmental Activities										
Net Investments in Capital Assets	\$20,739,176	\$21,162,320	\$22,351,241	\$23,100,723	\$23,993,073	\$25,824,998	\$29,474,431	\$27,924,659	\$30,483,326	\$33,465,224
Restricted	\$1,114,460	\$1,507,858	\$1,695,917	\$3,318,989	\$2,210,648	\$1,763,575	\$20	\$96	\$305	\$1,905
Unrestricted	\$4,938,964	\$6,549,655	\$6,627,336	\$6,288,870	\$8,382,357	\$8,796,529	\$8,988,883	\$9,719,213	\$9,249,299	\$6,910,195
Total Governmental Activities Net Position	<u>\$26,792,600</u>	<u>\$29,219,833</u>	<u>\$30,674,494</u>	<u>\$32,708,582</u>	<u>\$34,586,078</u>	<u>\$36,385,102</u>	<u>\$38,463,334</u>	<u>\$37,643,968</u>	<u>\$39,732,930</u>	<u>\$40,377,324</u>
Business-type Activities										
Unrestricted	\$71,539	\$141,179	\$156,440	\$94,312	\$131,036	\$211,207	\$191,182	\$230,573	\$212,068	\$190,031
Total Business-type Net Position	<u>\$71,539</u>	<u>\$141,179</u>	<u>\$156,440</u>	<u>\$94,312</u>	<u>\$131,036</u>	<u>\$211,207</u>	<u>\$191,182</u>	<u>\$230,573</u>	<u>\$212,068</u>	<u>\$190,031</u>
Total Primary Government										
Net Investments in Capital Assets	\$20,739,176	\$21,162,320	\$22,351,241	\$23,100,723	\$23,993,073	\$25,824,998	\$29,474,431	\$27,924,659	\$30,483,326	\$33,465,224
Restricted	\$1,114,460	\$1,507,858	\$1,695,917	\$3,318,989	\$2,210,648	\$1,763,575	\$20	\$96	\$305	\$1,905
Unrestricted	\$5,010,503	\$6,690,834	\$6,783,776	\$6,383,182	\$8,513,393	\$9,007,736	\$9,180,065	\$9,949,786	\$9,461,367	\$7,100,226
Total Net Position	<u>\$26,864,139</u>	<u>\$29,361,012</u>	<u>\$30,830,934</u>	<u>\$32,802,894</u>	<u>\$34,717,114</u>	<u>\$36,596,309</u>	<u>\$38,654,516</u>	<u>\$37,874,541</u>	<u>\$39,944,998</u>	<u>\$40,567,355</u>

(1) Restated balance at December 31, 2017 due to implementation of GASB 75

PETERS TOWNSHIP
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
General Government	\$1,449,339	\$1,527,661	\$1,584,088	\$1,595,251	\$1,718,037	\$1,615,418	\$1,682,152	\$2,304,739	\$2,002,009	\$2,290,118
Public Safety	\$4,775,435	\$4,929,104	\$5,311,593	\$5,712,717	\$5,814,163	\$6,058,879	\$6,216,579	\$6,590,098	\$6,333,670	\$6,881,736
Public Works-Sanitation	\$64,389	\$49,076	\$76,492	\$26,486	\$62,992	\$36,020	\$97,891	\$32,484	\$72,025	\$42,024
Public Works - Highway	\$2,491,604	\$3,439,842	\$3,144,509	\$3,340,061	\$3,190,144	\$3,948,691	\$3,636,335	\$4,255,011	\$4,542,553	\$4,430,442
Culture - Recreation	\$2,774,708	\$2,715,179	\$2,907,506	\$2,979,531	\$3,049,562	\$3,075,042	\$3,361,762	\$3,469,473	\$3,585,582	\$3,701,815
Interest on Long Term Debt	\$320,188	\$508,893	\$501,342	\$453,737	\$283,046	\$303,143	\$285,323	\$324,615	\$477,275	\$457,240
Total Governmental										
Activities Expenses	<u>\$11,875,663</u>	<u>\$13,169,755</u>	<u>\$13,525,530</u>	<u>\$14,107,783</u>	<u>\$14,117,944</u>	<u>\$15,037,193</u>	<u>\$15,280,042</u>	<u>\$16,976,420</u>	<u>\$17,013,114</u>	<u>\$17,803,375</u>
Business-Type Activities										
Solid Waste Collection	<u>\$1,253,927</u>	<u>\$1,247,810</u>	<u>\$1,343,662</u>	<u>\$1,402,362</u>	<u>\$1,479,044</u>	<u>\$1,491,118</u>	<u>\$1,505,941</u>	<u>\$1,530,559</u>	<u>\$1,611,253</u>	<u>\$1,629,136</u>
Total Business-Type Expenses	<u>\$1,253,927</u>	<u>\$1,247,810</u>	<u>\$1,343,662</u>	<u>\$1,402,362</u>	<u>\$1,479,044</u>	<u>\$1,491,118</u>	<u>\$1,505,941</u>	<u>\$1,530,559</u>	<u>\$1,611,253</u>	<u>\$1,629,136</u>
Total Primary Government Expenses	<u>\$13,129,590</u>	<u>\$14,417,565</u>	<u>\$14,869,192</u>	<u>\$15,510,145</u>	<u>\$15,596,988</u>	<u>\$16,528,311</u>	<u>\$16,785,983</u>	<u>\$18,506,979</u>	<u>\$18,624,367</u>	<u>\$19,432,511</u>
Program Revenue										
Governmental Activities										
General Government										
Charges for Services	\$120,458	\$108,932	\$122,769	\$101,940	\$64,838	\$96,049	\$45,178	\$57,307	\$39,104	\$39,164
Operating Grants	\$118,570	\$119,422	\$142,579	\$81,357	\$94,934	\$86,438	\$97,740	\$123,799	\$115,574	\$114,697
Public Safety										
Charges for Services	\$311,509	\$403,066	\$472,241	\$453,885	\$452,079	\$479,480	\$431,194	\$446,262	\$408,464	\$449,208
Operating Grants	\$258,502	\$276,399	\$484,934	\$331,514	\$363,101	\$360,995	\$334,199	\$377,881	\$396,218	\$361,854
Capital Grants and Contributions	\$534,321									
Public Works - Sanitation										
Charges for Services	\$11,368	\$5,461	\$10,425	\$5,673	\$5,893	\$0	\$0	\$0	\$0	\$0
Operating Grants	\$73,136	\$32,688	\$23,184	\$0	\$0	\$0	\$0	\$0	\$68,189	\$0
Public Works - Highway										
Charges for Services	\$56,160	\$52,597	\$43,413	\$45,513	\$81,262	\$68,130	\$68,840	\$53,564	\$49,782	\$157,869
Operating Grants	\$511,714	\$493,678	\$681,079	\$560,529	\$806,723	\$809,472	\$849,898	\$778,200	\$825,545	\$861,806
Capital Grants and Contributions	\$809,395	\$1,932,556	\$784,000	\$1,577,537	\$990,196	\$1,073,696	\$1,370,358	\$169,038	\$1,879,323	\$696,255

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Culture - Recreation										
Charges for Services	\$771,609	\$854,945	\$871,332	\$918,602	\$931,705	\$883,805	\$1,029,295	\$1,082,145	\$1,129,816	\$1,078,932
Operating Grants	\$165,315	\$125,307	\$141,078	\$123,273	\$120,436	\$119,549	\$115,898	\$114,983	\$115,048	\$116,028
Capital Grants and Contributions	\$0	\$6,506	\$0	\$125,000	\$0	\$60,000	\$0	\$0	\$185,000	\$0
Total Governmental										
Activities Program Revenues	<u>\$3,742,057</u>	<u>\$4,411,557</u>	<u>\$3,777,034</u>	<u>\$4,324,823</u>	<u>\$3,911,167</u>	<u>\$4,037,614</u>	<u>\$4,342,600</u>	<u>\$3,203,179</u>	<u>\$5,212,063</u>	<u>\$3,875,813</u>
Business-Type Activities										
Solid Waste Collection	<u>\$1,305,633</u>	<u>\$1,317,316</u>	<u>\$1,358,824</u>	<u>\$1,340,208</u>	<u>\$1,515,746</u>	<u>\$1,571,260</u>	<u>\$1,537,774</u>	<u>\$1,569,950</u>	<u>\$1,592,748</u>	<u>\$1,607,099</u>
Total Business-type Revenues	<u>\$1,305,633</u>	<u>\$1,317,316</u>	<u>\$1,358,824</u>	<u>\$1,340,208</u>	<u>\$1,515,746</u>	<u>\$1,571,260</u>	<u>\$1,537,774</u>	<u>\$1,569,950</u>	<u>\$1,592,748</u>	<u>\$1,607,099</u>
Total Primary Government Revenues	<u>\$5,047,690</u>	<u>\$5,728,873</u>	<u>\$5,135,858</u>	<u>\$5,665,031</u>	<u>\$5,426,913</u>	<u>\$5,608,874</u>	<u>\$5,880,374</u>	<u>\$4,773,129</u>	<u>\$6,804,811</u>	<u>\$5,482,912</u>
Governmental Activities and Business Type Net (Expense)/Revenue	<u>(\$8,081,900)</u>	<u>(\$8,688,692)</u>	<u>(\$9,733,334)</u>	<u>(\$9,845,114)</u>	<u>(\$10,170,075)</u>	<u>(\$10,919,437)</u>	<u>(\$10,905,609)</u>	<u>(\$13,733,850)</u>	<u>(\$11,819,556)</u>	<u>(\$13,949,599)</u>
General Revenues and Other Changes in Net Position										
Taxes										
Property Taxes	\$3,652,450	\$4,300,408	\$4,094,648	\$4,170,057	\$4,278,658	\$4,341,766	\$4,425,092	\$4,470,358	\$4,679,033	\$5,025,792
Earned Income Taxes	\$4,462,747	\$4,614,173	\$4,782,082	\$5,075,430	\$5,469,004	\$6,003,743	\$5,684,718	\$5,670,499	\$6,229,224	\$6,403,908
Other Taxes	\$1,397,666	\$1,563,884	\$1,796,611	\$2,023,211	\$1,989,068	\$2,064,758	\$2,157,142	\$2,010,044	\$2,363,472	\$2,168,119
Grants and Contributions	\$28,033	\$593,316	\$406,685	\$321,763	\$332,638	\$328,955	\$1,613,318	\$729,546	\$1,028,580	\$769,885
Investment Earnings	\$109,784	\$99,599	\$105,386	\$102,174	\$69,724	\$5,101	\$7,915	\$18,887	\$62,227	\$147,584
Miscellaneous Income	\$40,145	\$14,185	\$17,745	\$124,413	\$104,339	\$54,280	\$53,219	\$54,541	\$197,842	\$56,668
Transfers							\$51,891	\$0	\$0	\$0
Total Governmental Activities	<u>\$9,690,825</u>	<u>\$11,185,565</u>	<u>\$11,203,157</u>	<u>\$11,817,048</u>	<u>\$12,243,431</u>	<u>\$12,798,603</u>	<u>\$13,993,295</u>	<u>\$12,953,875</u>	<u>\$14,560,378</u>	<u>\$14,571,956</u>
Business-Type Activities										
Investment Earnings			\$99	\$26	\$22	\$29	\$33	\$0	\$0	\$0
Transfers							-\$51,891	\$0	\$0	\$0
Total Business-type Activities			<u>\$99</u>	<u>\$26</u>	<u>\$22</u>	<u>\$29</u>	<u>-\$51,858</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total General Revenues and Other Changes in Net Position	<u>\$9,690,825</u>	<u>\$11,185,565</u>	<u>\$11,203,256</u>	<u>\$11,817,074</u>	<u>\$12,243,453</u>	<u>\$12,798,632</u>	<u>\$13,941,437</u>	<u>\$12,953,875</u>	<u>\$14,560,378</u>	<u>\$14,571,956</u>
Change in Net Position										
Government Activities	\$1,557,219	\$2,427,367	\$1,454,661	\$2,034,088	\$2,036,654	\$1,799,024	\$3,055,853	-\$819,366	\$2,759,327	\$644,394
Business-type Activities	<u>\$51,706</u>	<u>\$69,506</u>	<u>\$15,261</u>	<u>-\$62,128</u>	<u>\$36,724</u>	<u>\$80,171</u>	<u>-\$20,025</u>	<u>\$39,391</u>	<u>-\$18,505</u>	<u>-\$22,037</u>
Total Governmental and Business-type Activities	<u>\$1,608,925</u>	<u>\$2,496,873</u>	<u>\$1,469,922</u>	<u>\$1,971,960</u>	<u>\$2,073,378</u>	<u>\$1,879,195</u>	<u>\$3,035,828</u>	<u>-\$779,975</u>	<u>\$2,740,822</u>	<u>\$622,357</u>

PETERS TOWNSHIP
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable			\$3,069	\$3,069	\$3,069	\$3,069	\$44,027	\$44,027	\$47,054	\$47,054
Committed			\$351,936	\$440,979	\$516,153	\$594,543	\$661,621	\$661,926	\$670,344	\$709,858
Assigned			\$706,256	\$64,614	\$66,497	\$63,189	\$68,888	\$67,989	\$41,458	\$46,507
Unassigned	<u>\$4,350,296</u>	<u>\$5,787,074</u>	<u>\$4,770,030</u>	<u>\$3,910,072</u>	<u>\$5,357,021</u>	<u>\$6,238,549</u>	<u>\$5,628,203</u>	<u>\$5,010,209</u>	<u>\$5,628,403</u>	<u>\$4,867,677</u>
Total General Fund	<u>\$4,350,296</u>	<u>\$5,787,074</u>	<u>\$5,831,291</u>	<u>\$4,418,734</u>	<u>\$5,942,740</u>	<u>\$6,899,350</u>	<u>\$6,402,739</u>	<u>\$5,784,151</u>	<u>\$6,387,259</u>	<u>\$5,671,096</u>
All Other Governmental Funds										
Restricted										
Capital Projects Fund	\$1,114,460	\$4,192,244	\$3,572,879	\$3,318,935	\$2,210,638	\$1,763,550	\$0	\$0	\$0	\$0
Highway Aid Fund	\$542	\$109	\$22	\$54	\$10	\$25	\$20	\$96	\$305	\$1,905
Committed										
Cable Television Fund	\$702,594	\$808,755	\$1,024,678	\$1,245,903	\$1,448,014	\$1,748,730	\$1,525,310	\$1,409,489	\$793,019	\$672,805
Capital Projects Fund				\$877,253	\$633,328	\$534,885	\$2,168,338	\$4,062,327	\$4,150,509	\$2,660,729
Assigned										
Library Fund	\$253,962	\$250,033	\$231,863	\$290,925	\$375,764	\$406,031	\$508,066	\$313,509	\$311,443	\$317,291
Total All Other Governmental Funds	<u>\$2,071,558</u>	<u>\$5,251,141</u>	<u>\$4,829,442</u>	<u>\$5,733,070</u>	<u>\$4,667,754</u>	<u>\$4,453,221</u>	<u>\$4,201,734</u>	<u>\$5,785,421</u>	<u>\$5,255,276</u>	<u>\$3,652,730</u>
Fund Balance - All Funds	<u>\$6,421,854</u>	<u>\$11,038,215</u>	<u>\$10,660,733</u>	<u>\$10,151,804</u>	<u>\$10,610,494</u>	<u>\$11,352,571</u>	<u>\$10,604,473</u>	<u>\$11,569,572</u>	<u>\$11,642,535</u>	<u>\$9,323,826</u>

The fund balances presented have been restated to reflect the implementation of GASB Statement No. 54

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PETERS TOWNSHIP
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$9,581,898	\$10,550,017	\$10,765,185	\$11,338,959	\$11,757,986	\$12,429,119	\$12,277,745	\$12,157,694	\$13,266,932	\$13,606,337
Licenses and Permits	\$341,375	\$442,426	\$453,632	\$472,232	\$516,967	\$515,028	\$553,728	\$576,752	\$577,262	\$565,807
Fines and Forfeits	\$152,904	\$159,876	\$137,681	\$118,183	\$106,239	\$109,685	\$92,662	\$96,620	\$99,407	\$89,859
Interest, Rents and Royalties	\$116,602	\$99,465	\$105,386	\$102,174	\$69,724	\$5,101	\$7,915	\$18,887	\$503,700	\$147,584
Grants	\$1,147,859	\$1,469,737	\$1,864,232	\$2,165,365	\$1,999,018	\$1,862,552	\$2,161,406	\$2,124,174	\$2,242,681	\$2,224,270
Charges for Services	\$754,335	\$798,791	\$912,111	\$895,512	\$889,214	\$902,751	\$928,117	\$965,906	\$950,497	\$955,289
Miscellaneous	\$198,655	\$215,672	\$201,427	\$292,359	\$459,177	\$323,026	\$365,652	\$223,814	\$304,058	\$220,886
Total Revenue	\$12,293,628	\$13,735,984	\$14,439,654	\$15,384,784	\$15,798,325	\$16,147,262	\$16,387,225	\$16,163,847	\$17,944,537	\$17,810,032
Expenditures										
General Government	\$1,115,194	\$1,313,478	\$1,212,065	\$1,160,022	\$1,237,575	\$1,290,802	\$1,294,443	\$1,722,597	\$1,500,131	\$1,549,660
Public Safety	\$3,705,732	\$3,786,951	\$4,028,389	\$4,150,110	\$4,331,600	\$4,427,527	\$4,684,443	\$4,753,507	\$4,880,107	\$5,167,980
Public Work - Sanitation	\$59,703	\$40,930	\$56,658	\$22,577	\$58,494	\$30,388	\$84,189	\$27,237	\$65,988	\$35,915
Public Works -Highways	\$1,048,960	\$1,222,455	\$1,246,424	\$1,170,805	\$1,411,437	\$1,478,169	\$1,493,056	\$1,519,489	\$1,340,887	\$1,525,952
Culture - Recreation	\$2,183,937	\$2,159,507	\$2,194,654	\$2,192,057	\$2,158,521	\$2,211,877	\$2,287,528	\$2,355,828	\$2,445,216	\$2,529,088
Insurance and Employee Benefits	\$1,487,122	\$1,575,491	\$1,754,622	\$1,948,131	\$1,943,246	\$2,053,283	\$2,279,139	\$2,425,791	\$2,305,710	\$2,680,760
Capital Outlays	\$2,340,077	\$4,884,073	\$3,011,770	\$4,045,856	\$3,326,998	\$3,354,720	\$4,154,769	\$9,297,907	\$4,057,432	\$5,192,740
Debt Service										
Principal	\$650,973	\$578,480	\$812,709	\$802,361	\$745,483	\$757,493	\$870,208	\$838,097	\$986,558	\$1,031,091
Interest and Fees	\$320,067	\$488,756	\$499,845	\$446,570	\$242,944	\$250,892	\$245,872	\$235,074	\$462,525	\$415,555
Total Expenditures	\$12,911,765	\$16,050,121	\$14,817,136	\$15,938,489	\$15,456,298	\$15,855,151	\$17,393,647	\$23,175,527	\$18,044,554	\$20,128,741
Excess of Revenues over (under) Expenditures	(\$618,137)	(\$2,314,137)	(\$377,482)	(\$553,705)	\$342,027	\$292,111	(\$1,006,422)	(\$7,011,680)	(\$100,017)	(\$2,318,709)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing Sources (Uses)										
Proceeds from Capital Lease	\$0	\$402,660	\$0	\$0	\$0	\$449,966	\$206,433	\$0	\$0	\$0
Proceeds from General										
Long Term Debt	\$0	\$11,010,000	\$0	\$2,290,000	\$10,000,000	\$0	\$0	\$7,905,000	\$0	\$0
Premium on Bonds Issued	\$0	\$0	\$0	\$5,649	\$129,345	\$0	\$0	\$71,779	\$0	\$0
Discount on Bonds Issued	\$0	(\$27,505)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$172,980	\$0
Payment to Refunded Bond Agent	\$0	(\$4,454,657)	\$0	(\$2,250,873)	(\$10,012,682)	\$0	\$0	\$0	\$0	\$0
Total Other Financing Sources (Uses)	\$0	\$6,930,498	\$0	\$44,776	\$116,663	\$449,966	\$206,433	\$7,976,779	\$172,980	\$0
Net Change in Fund Balance	(\$618,137)	\$4,616,361	(\$377,482)	(\$508,929)	\$458,690	\$742,077	(\$799,989)	\$965,099	\$72,963	(\$2,318,709)
Fund Balance 1/1	<u>\$7,039,991</u>	<u>\$6,421,854</u>	<u>\$11,038,215</u>	<u>\$10,660,733</u>	<u>\$10,151,804</u>	<u>\$10,610,494</u>	<u>\$11,352,571</u>	<u>\$10,604,473</u>	<u>\$11,569,572</u>	<u>\$11,642,535</u>
Fund Balance 12/31	<u>\$6,421,854</u>	<u>\$11,038,215</u>	<u>\$10,660,733</u>	<u>\$10,151,804</u>	<u>\$10,610,494</u>	<u>\$11,352,571</u>	<u>\$10,604,473</u>	<u>\$11,569,572</u>	<u>\$11,642,535</u>	<u>\$9,323,826</u>
Total Noncapital Expenditure	\$11,223,213	\$12,533,022	\$12,666,721	\$13,170,888	\$12,933,700	\$13,695,847	\$13,825,650	\$14,993,373	\$15,374,989	\$15,950,138
Debt Service as a % of Noncapital Expenditures	8.7%	8.5%	10.4%	9.5%	7.6%	7.4%	8.1%	7.2%	9.4%	9.1%

PETERS TOWNSHIP
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION ¹
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenditures ²										
General Government	\$1,170,221	\$1,438,031	\$1,299,416	\$1,324,997	\$2,008,404	\$1,372,824	\$1,347,978	\$2,172,039	\$1,661,961	\$1,892,475
Public Safety	\$3,828,379	\$4,240,815	\$4,046,863	\$4,309,419	\$4,431,742	\$4,973,962	\$4,939,112	\$4,852,155	\$5,474,692	\$6,040,579
Public Work - Sanitation	\$59,703	\$40,930	\$71,938	\$22,577	\$58,494	\$30,388	\$392,713	\$27,237	\$65,988	\$80,473
Public Works -Highways	\$2,896,720	\$3,477,961	\$3,208,984	\$3,454,097	\$3,654,977	\$3,961,580	\$4,301,983	\$3,905,946	\$3,566,566	\$3,404,763
Culture - Recreation	\$2,498,580	\$4,209,657	\$3,122,759	\$3,630,337	\$2,371,008	\$2,454,729	\$3,016,642	\$8,719,188	\$3,520,554	\$4,583,045
Insurance and Employee Benefits	\$1,487,122	\$1,575,491	\$1,754,622	\$1,948,131	\$1,943,246	\$2,053,283	\$2,279,139	\$2,425,791	\$2,305,710	\$2,680,760
Debt Service	<u>\$971,040</u>	<u>\$1,067,236</u>	<u>\$1,312,554</u>	<u>\$1,248,931</u>	<u>\$988,427</u>	<u>\$1,008,385</u>	<u>\$1,116,080</u>	<u>\$1,073,171</u>	<u>\$1,449,083</u>	<u>\$1,446,646</u>
Total Expenditure	<u>\$12,911,765</u>	<u>\$16,050,121</u>	<u>\$14,817,136</u>	<u>\$15,938,489</u>	<u>\$15,456,298</u>	<u>\$15,855,151</u>	<u>\$17,393,647</u>	<u>\$23,175,527</u>	<u>\$18,044,554</u>	<u>\$20,128,741</u>

(1) Included General, Special Revenue, Debt Service, and Capital Projects Funds

(2) The amounts include operating, as well as, capital expenditures

Table 6

**PETERS TOWNSHIP
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Taxable Assessed Value ¹	Estimated Market Value ²	Total Direct Tax Rate	Ratio of Total Assessed Value to to Estimated Market Value
2009	\$312,816,022	\$1,830,086,400	12 mills	17.1%
2010	\$317,192,571	\$1,943,754,522	14 mills	16.3%
2011	\$323,590,796	\$1,987,599,125	13 mills	16.3%
2012	\$329,928,927	\$2,104,212,063	13 mills	15.7%
2013	\$336,832,664	\$2,152,776,343	13 mills	15.6%
2014	\$341,457,423	\$2,269,148,667	13 mills	15.0%
2015	\$341,823,160	\$2,304,326,626	13 mills	14.8%
2016	\$349,162,152	\$2,447,516,261	13 mills	14.3%
2017	\$3,122,120,918	\$2,463,130,221	1.522 mills ⁴	126.8%
2018	\$3,146,728,573	3	1.622 mills	3

(1) Source - Washington County Assessment Office. The assessment office does not have data which separates commercial and residential assessments values.

(2) Source - Pennsylvania State Tax Equalization Board

(3) 2018 Market Value is not yet available

(4) The Township Tax Rate was reduced in 2017 to account for the County-wide Reassessment and overall increase in Taxable Assessed Value. The Township Tax Rate was reduced to achieve a revenue-neutral Tax Rate in compliance with Commonwealth law.

Table 7

**PETERS TOWNSHIP
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(Tax Rate Per \$1,000 of Assessed Valuation)
LAST TEN FISCAL YEARS**

Fiscal Year	Peters Township	Overlapping Rates		Total Direct and Overlapping Rates
		Peters Township School District	Washington County	
2009	12.0	92.5	24.9	129.4
2010	14.0	95.2	24.9	134.1
2011	13.0	96.5	24.9	134.4
2012	13.0	100.3	24.9	138.2
2013	13.0	102	24.9	139.9
2014	13.0	107.1	24.9	145.0
2015	13.0	110.75	24.9	148.7
2016	13.0	113.4	24.9	151.3
2017 ¹	1.522	13.19	2.43	17.1
2018	1.622	13.5	2.43	17.6

Tax rate is expressed in mills. One mill of tax is equal to \$1.00 for every \$1,000 of assessed property value. Used to calculate a tax levied on real estate.

Township tax levy for operating purposes.

(1) Decrease in Tax Rates due to County-wide Reassessment of all taxable property in 2017.

Table 8

**PETERS TOWNSHIP
TEN LARGEST REAL ESTATE TAXPAYERS
CURRENT AND TEN YEARS AGO**

	As of December 31, 2018			As of December 31, 2009	
	Assessed Valuation	Percent of Total Valuation		Assessed Valuation	Percent of Total Valuation
Donaldson's Crossroads Associates	\$35,689,800	1.1%	Waterdam Plaza Associates	\$3,801,459	1.2%
Waterdam Plaza Associates	\$27,567,100	0.9%	Donaldson's Crossroads Associates	\$1,758,817	0.6%
McDowell Partnership	\$14,905,100	0.5%	HCR Manorcare	\$1,089,000	0.3%
HCRI PA Properties	\$13,427,300	0.4%	Gallery Shoppes (I,II,III,Ltd.)	\$1,037,885	0.3%
Gallery Shoppes (I,II,III,Ltd.)	\$11,347,800	0.4%	K-Mart	\$904,200	0.3%
Waterdam Partners	\$9,577,000	0.3%	Valleybrook Country Club	\$708,651	0.2%
HCR Manorcare	\$6,793,000	0.2%	Robert Murphy	\$493,849	0.2%
Gregg Schwotzer	\$6,026,000	0.2%	Rolling Hills Country Club	\$488,418	0.2%
Norton Real Estate LLC	\$6,020,000	0.2%	Levin Family Partnership	\$487,675	0.2%
Store Master Funding	\$5,677,600	0.2%	Mark Miller	\$432,278	0.1%
Total	<u>\$137,030,700</u>	<u>4.4%</u>	Total	<u>\$11,202,232</u>	<u>3.6%</u>

Table 9

**PETERS TOWNSHIP
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent & Liened Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
		Amount	Percentage			
2009	\$3,753,792	\$3,642,788	97.04%	\$78,697	\$3,721,485	99.14%
2010	\$4,440,696	\$4,297,078	96.77%	\$74,882	\$4,371,960	98.45%
2011	\$4,206,680	\$4,087,531	97.17%	\$98,961	\$4,186,492	99.52%
2012	\$4,289,076	\$4,169,582	97.21%	\$70,736	\$4,240,318	98.86%
2013	\$4,378,825	\$4,237,959	96.78%	\$61,955	\$4,299,914	98.20%
2014	\$4,438,951	\$4,297,739	96.82%	\$62,879	\$4,360,618	98.24%
2015	\$4,471,368	\$4,366,816	97.66%	\$69,069	\$4,435,885	99.21%
2016	\$4,539,108	\$4,417,289	97.32%	\$59,862	\$4,477,151	98.64%
2017	\$4,751,868	\$4,617,054	97.16%	\$57,182	\$4,674,236	98.37%
2018	\$5,103,994	\$4,963,922	97.26%	\$70,388	\$5,034,310	98.63%

Table 10

**PETERS TOWNSHIP
TAXABLE EARNED INCOME AND TAX COLLECTED
LAST TEN FISCAL YEARS**

Fiscal Year	Taxable Earned Income	Tax Collected	Per Capita Personal Income ¹
2009	\$892,549,400	\$4,462,747	\$42,603.79
2010	\$922,834,600	\$4,614,173	\$43,503.26
2011	\$956,416,400	\$4,782,082	\$44,769.76
2012	\$1,015,086,000	\$5,075,430	\$47,184.77
2013	\$1,093,800,800	\$5,469,004	\$50,491.66
2014	\$1,200,748,600	\$6,003,743	\$55,047.38
2015	\$1,136,943,600	\$5,684,718	\$51,450.07
2016	\$1,134,099,800	\$5,670,499	\$51,217.08
2017	\$1,245,844,800	\$6,229,224	\$56,575.31
2018	\$1,280,781,600	\$6,403,908	\$58,066.90

(1) Based on Annual Population Figures in Table 29

Table 11

**PETERS TOWNSHIP
TAXABLE EARNED INCOME RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	Peters Township	Peters Township School District
2009	0.50%	0.50%
2010	0.50%	0.50%
2011	0.50%	0.50%
2012	0.50%	0.50%
2013	0.50%	0.50%
2014	0.50%	0.50%
2015	0.50%	0.50%
2016	0.50%	0.50%
2017	0.50%	0.50%
2018	0.50%	0.50%

PETERS TOWNSHIP
EARNED INCOME TAX FILERS AND LIABILITY BY INCOME LEVEL

Income Level	2008			2013			2014		
	Number of Filers	% of Total	% of Total Income	Number of Filers	% of Total	% of Total Income	Number of Filers	% of Total	% of Total Income
\$100,001-and higher	2,355	21.3%	66.9%	2,729	23.6%	75.2%	2,894	22.8%	75.2%
\$50,001-100,000	2,390	21.6%	20.7%	2,291	19.8%	15.9%	2,434	19.2%	15.9%
\$0 to \$50,000	6,331	57.2%	12.4%	6,525	56.5%	8.9%	7,345	58.0%	8.9%
Total	11,076	100.0%	100.0%	11,545	100.0%	100.0%	12,673	100.0%	100.0%

Income Level	2015			2016			2017		
	Number of Filers	% of Total	% of Total Income	Number of Filers	% of Total	% of Total Income	Number of Filers	% of Total	% of Total Income
\$100,001-and higher	3,067	23.6%	73.1%	3,009	24.4%	69.7%	2,974	24.6%	75.6%
\$50,001-100,000	2,419	18.6%	17.4%	2,319	18.8%	20.4%	2,264	18.8%	15.8%
\$0 to \$50,000	7,501	57.8%	9.5%	6,995	56.8%	9.9%	6,831	56.6%	8.6%
Total	12,987	100.0%	100.0%	12,323	100.0%	100.0%	12,069	100.0%	100.0%

2009-2012 information not available

Keystone Collections Group does not finish processing 2018 tax returns until October 2019. Final numbers to be included in 2020 Budget Table

**PETERS TOWNSHIP
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Capital Leases Outstanding	General Obligation Bonds	General Obligation Notes	Total Primary Government	Percentage of Earned Income	Ratio of Debt Outstanding to Assessed Value	Bonded Debt Per Capita ¹	Ratio of General Bonded Debt Outstanding to Assessed Value
2009	\$183,418	\$7,580,000	\$0	\$7,763,418	0.9%	2.5%	\$362	2.4%
2010	\$527,598	\$13,625,000	\$0	\$14,152,598	1.5%	4.5%	\$642	4.3%
2011	\$389,889	\$12,919,847	\$0	\$13,309,736	1.4%	4.1%	\$605	4.0%
2012	\$247,528	\$12,351,322	\$0	\$12,598,850	1.2%	3.8%	\$574	3.7%
2013	\$167,045	\$12,470,248	\$0	\$12,637,293	1.2%	3.8%	\$576	3.7%
2014	\$534,518	\$11,786,167	\$0	\$12,320,685	1.0%	3.6%	\$540	3.5%
2015	\$570,743	\$11,077,086	\$0	\$11,647,829	1.0%	3.4%	\$501	3.2%
2016	\$442,646	\$17,929,309	\$405,000	\$18,776,955	1.7%	5.4%	\$828	5.3%
2017	\$312,632	\$17,097,376	\$368,456	\$17,778,464	1.4%	0.6%	\$793	0.6%
2018	\$179,444	\$16,226,440	\$330,553	\$16,736,437	1.3%	0.5%	\$751	0.5%

(1) Based on Annual Population Figures in Table 29

Table 14

**PETERS TOWNSHIP
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2018**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Peters Township*	Amount Applicable to Peters Township**
Direct Debt			
Peters Township	\$16,736,437	100.0%	<u>\$16,736,437</u>
Total Direct Debt			<u>\$16,736,437</u>
Overlapping Debt			
Peters Township School District	\$135,584,810	100.0%	\$135,584,810
Washington County	\$43,889,262	18.5%	<u>\$8,127,117</u>
Total Overlapping Debt	\$196,210,509		<u>\$143,711,927</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$160,448,364</u></u>

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the Township's boundaries and dividing it by each unit's total taxable assessed value.

** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Township. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Township. This process recognizes that, when considering the Township's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**PETERS TOWNSHIP
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS ¹**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$33,600,307	\$34,833,803	\$36,518,623	\$38,340,337	\$39,621,908	\$40,871,583	\$41,964,585	\$42,468,228	\$43,904,362	\$45,308,793
Outstanding Debt Applicable to the Debt Limit	<u>\$7,580,000</u>	<u>\$13,625,000</u>	<u>\$12,950,000</u>	<u>\$12,370,000</u>	<u>\$12,345,000</u>	<u>\$11,670,000</u>	<u>\$10,970,000</u>	<u>\$18,165,000</u>	<u>\$17,308,456</u>	<u>\$16,410,553</u>
Legal Debt Margin	<u>\$26,020,307</u>	<u>\$21,208,803</u>	<u>\$23,568,623</u>	<u>\$25,970,337</u>	<u>\$27,276,908</u>	<u>\$29,201,583</u>	<u>\$30,994,585</u>	<u>\$24,303,228</u>	<u>\$26,595,906</u>	<u>\$28,898,240</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	22.6%	39.1%	35.5%	32.3%	31.2%	28.6%	26.1%	42.8%	39.4%	36.2%

(1) The nonelectorial debt limit is set forth in the Pennsylvania Local Government Unit Debt Act and is defined as the average net revenues for the three most recent years multiplied by electoral debt limit percentage (250%). The Act utilizes gross bonds and notes outstanding in the calculation of legal debt margin and excludes capital leases from the calculation.

PETERS TOWNSHIP
COMPUTATION OF LEGAL DEBT MARGIN AS OF DECEMBER 31, 2018

	Nonelectoral Debt	Lease Rental Debt	Total
Total Gross Debt	\$16,410,553	\$0	\$16,410,553
Less: Debt Minus Exclusions	\$0	\$0	\$0
Gross Debt Minus Exclusions	\$16,410,553	\$0	\$16,410,553
Applicable Debt Limitations (1)			
Nonelectoral Regular			
Borrowing Base (2) x 250%	\$45,308,793		
\$18,123,517			
Nonelectoral Plus Lease Rental			
Borrowing Base (2) x 350%			\$63,432,310
\$18,123,517			
Additional Borrowing Capability			
- Nonelectoral Regular	\$28,898,240		
- Nonelectoral Plus Lease Rental			\$47,021,757

(1) As set forth in the Pennsylvania Local Government Unit Debt Act (LGUDA)

(2) Borrowing based defined in Act as average net revenues for three most recent years

(3) The Pennsylvania Unit Debt Act utilizes gross bonds and notes outstanding in the calculation of legal debt margin and excludes capital leases from the calculation.

Table 17

**PETERS TOWNSHIP
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS**

Fiscal Year	Principal	Interest & Other Fees	Total Debt Service	Total General Expenditures ¹	Ratio of Debt Service to General Expenditures
2008	\$628,573	\$340,704	\$969,277	\$12,526,034	7.74%
2009	\$650,973	\$320,067	\$971,040	\$12,911,765	7.52%
2010	\$578,480	\$488,756	\$1,067,236	\$16,050,121	6.65%
2011	\$812,709	\$499,845	\$1,312,554	\$14,817,136	8.86%
2012	\$802,361	\$446,570	\$1,248,931	\$15,938,489	7.84%
2013	\$745,483	\$242,944	\$988,427	\$15,456,298	6.39%
2014	\$757,493	\$250,892	\$1,008,385	\$15,855,151	6.36%
2015	\$870,208	\$245,872	\$1,116,080	\$17,393,647	6.42%
2016	\$838,097	\$235,074	\$1,073,171	\$23,175,527	4.63%
2017	\$986,558	\$462,525	\$1,449,083	\$18,044,554	8.03%
2018	\$1,031,091	\$415,555	\$1,446,646	\$20,128,741	7.19%

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds

Table 18

**PETERS TOWNSHIP
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

As of December 31, 2018		As of December 31, 2009	
Name	Type of Business	Name	Type of Business
Peters Township School District	Education	Peters Township School District	Education
Sunny Days In Home Care LLC	Healthcare	Giant Eagle Markets, Inc.	Grocery Store
Invo Peo Inc III	Employment Service	Heartland Employment Service	Nursing Home
Giant Eagle Markets, Inc.	Grocery Store	Sears Roebuck & Co.	Service Center
Mancan Inc.	Employment Service	Trigon Holding Inc.	Manufacturing
American Health Foundation	Nursing Home	Valleybrook Country Club	Country Club
Peters Township	Government	American Health Foundation	Nursing Home
Trigon Holding Inc.	Manufacturing	Peters Township	Government
Valleybrook Country Club	Country Club	Kmart	Retail Store
Highmark Health/Allegheny Clinic	Healthcare	A.C. Coy Company	Software/Staffing

**PETERS TOWNSHIP
TEN LARGEST VENDORS
CURRENT YEAR AND TEN YEARS AGO**

As of December 31, 2018				As of December 31, 2009			
	Total Expenditure	Company Name	Expenditure Category		Total Expenditure	Company Name	Expenditure Category
1	\$1,597,720	Pinehurst Land Partners	Property Acquisition	1	\$1,222,073	Waste Management	Public Works - Garbage
2	\$1,589,322	Waste Management	Public Works - Garbage	2	\$1,118,748	A. Folino Construction	Public Works - Paving
3	\$1,033,428	Youngblood Paving	Public Works - Paving	3	\$654,082	MEIT	Hospitalization
4	\$929,668	Bank of New York	Debt Service	4	\$570,739	Wells Fargo	Debt Service
5	\$744,551	UPMC	Hopitalization	5	\$356,126	Martik Brothers	Construction
6	\$414,313	PT Volunteer Fire Co.	Loan/Contribution	6	\$323,399	Bank of New York	Debt Service
7	\$410,975	Freedom Enterprises	Fire - Station Renovations	7	\$292,909	Principal Financial	Pension
8	\$345,169	Rosenbauer America	Fire - Aerial Apparatus	8	\$226,045	Allegheny Power	Utility
9	\$330,918	Zions Bank	Debt Service	9	\$224,223	Jordan Tax	Tax Collection
10	\$324,324	Campbell Insurance	Insurance	10	\$191,742	Campbell Insurance	Insurance
	<u>\$7,720,388</u>				<u>\$5,180,086</u>		

Table 20

AGE DISTRIBUTION RELATED TO TOTAL POPULATION

AGE	2000		2010	
	Number	Percent	Number	Percent
Under 5 years	1,170	6.7%	1,224	5.8%
5 to 9 years	1,521	8.7%	1,813	8.5%
10 to 14 years	1,564	8.9%	2,005	9.5%
15 to 19 years	1,204	6.9%	1,543	7.3%
20 to 24 years	416	2.4%	582	2.7%
25 to 34 years	1,221	7.0%	1,253	5.9%
35 to 44 years	3,243	18.5%	2,931	13.8%
45 to 54 years	3,162	18.0%	4,025	19.0%
55 to 59 years	1,020	5.8%	1,626	7.7%
60 to 64 years	766	4.4%	1,362	6.4%
65 to 74 years	1,287	7.3%	1,574	7.4%
75 to 84 years	736	4.2%	906	4.3%
85 years and over	256	1.5%	369	1.7%
	17,566	100.0%	21,213	100.0%
2010 Median Age	43.0			
2000 Median Age	40.6			
1990 Median Age	37.8			
1980 Median Age	33.1			

Source: United States Census

Table 21

**PETERS TOWNSHIP
POPULATION GROWTH
1920 -2010**

Year	Population	Change	% Change
1920	1,660		
1930	1,771	111	6.7%
1940	2,137	366	20.7%
1950	3,004	867	40.6%
1960	7,126	4,122	137.2%
1970	10,672	3,546	49.8%
1980	13,104	2,432	22.8%
1990	14,467	1,363	10.4%
2000	17,566	3,099	21.4%
2010	21,213	3,647	20.8%

Source: United States Census

Table 22

**PETERS TOWNSHIP
HOUSEHOLD INCOMES**

Income (\$000)	2000		2010	
	Households	%	Household	%
Less than \$10,000	106	1.8%	281	4.7%
\$10,000 to \$14,999	121	2.0%	70	1.2%
\$15,000 to \$24,999	344	5.7%	238	4.0%
\$25,000 to \$34,999	509	8.5%	237	3.9%
\$35,000 to \$49,999	661	11.0%	441	7.3%
\$50,000 to \$74,999	1,165	19.4%	1,280	21.3%
\$75,000 to \$99,000	909	15.1%	972	16.2%
\$100,000 to \$149,999	1,169	19.4%	1,594	26.5%
\$150,000 to \$199,999	452	7.5%	826	13.7%
\$200,000 or more	580	9.6%	582	9.7%
Total	6,016	100.0%	6,521	108.4%

Source: United States Census

Table 23

EDUCATIONAL CHARACTERISTICS
Education Attainment - Persons 25 Years and Older

	2000		2010	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th Grade	250	2.1%	550	4.1%
9th to 12th, no diploma	346	3.0%	523	3.9%
High School Graduate	2,584	22.2%	2,551	19.0%
Some College, no degree	1,933	16.6%	1,943	14.5%
Associates Degree	695	6.0%	897	6.7%
Bachelor's Degree	3,809	32.8%	3,952	29.5%
Graduate or Professional	<u>2,011</u>	<u>17.3%</u>	<u>2,980</u>	<u>22.2%</u>
Totals	11,628	100.0%	13,396	100.0%
Percent high school graduate or higher		94.9%		92.0%
Percent bachelor's degree or higher		50.1%		51.7%

Source: United States Census

Table 24

OCCUPATION OF EMPLOYED PERSONS 16 AND OVER

<u>Occupation</u>	2000		2010	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Management, Professional, Other Related	4,305	53.8%	4,499	50.9%
Service Occupations	602	7.5%	887	10.0%
Sales and Office Occupations	2,314	28.9%	2,500	28.3%
Farming, Fishing, & Forestry	10	0.1%	7	0.1%
Construction, Extraction, Maintenance	438	5.5%	520	5.9%
Production, Transportation, Material Moving	<u>328</u>	<u>4.1%</u>	<u>420</u>	<u>4.8%</u>
Totals	7,997	100.0%	8,833	100.0%

Source: United States Census

Table 25

HOUSING UNITS BY OCCUPANCY

	2000		2010	
	<u>Total</u>	<u>% Total</u>	<u>Total</u>	<u>% Total</u>
Occupied Units	6,026		7,292	
Owner Occupied Units	5,681	91%	6,869	91%
Renter Occupied	345	6%	423	6%
Vacant Units	195	3%	267	4%
Total Units	6,221		7,559	

Source: United States Census

Table 26

VALUE OF SPECIFIED OWNER OCCUPIED HOUSING UNITS

<u>Value</u>	2000		2010	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 50,000	32	1%	81	1%
50,000 to 99,999	554	10%	228	4%
100,000 to 149,999	1,115	20%	459	7%
150,000 to 199,999	1,302	24%	908	15%
200,000 to 299,999	1,303	24%	1,874	30%
300,000 to 499,999	1,010	18%	1,932	31%
500,000 to 999,999	137	3%	630	10%
1,000,000 or more	9	0%	51	1%
Total	5,462	100%	6,163	100%

Source: United States Census

Table 27

MEDIAN HOUSING VALUE COMPARISON

	<u>Peters</u>	<u>Washington</u> <u>County</u>	<u>Pittsburgh</u> <u>Metropolitan Area</u>
Median Value 1970	27,700	12,000	15,300
Median Value 1980	81,500	38,700	42,600
Median Value 1990	124,500	53,500	57,100
Median Value 2000	189,100	87,500	86,100
Median Value 2010	284,800	152,400	132,500

Source: 1970, 1980, 1990, 2000, 2010 United States Census

Peters Township
Authorized Number of Full and Part-time Permanent Positions by Department

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
GENERAL GOVERNMENT					
Administration	6.50	6.50	6.50	7.00	7.00
Network Administration	0.50	0.00	0.00	0.00	0.00
Vehicle Maintenance	0.10	0.10	0.10	0.10	0.10
Professional Services	2.00	2.00	2.00	3.00	3.00
TOTAL GENERAL GOVERNMENT	<u>9.10</u>	<u>8.60</u>	<u>8.60</u>	<u>10.10</u>	<u>10.10</u>
PROTECTION TO PERSONS/PROPERTY					
Police Administration	4.00	4.00	4.50	4.50	4.50
Police Patrol	19.25	19.25	19.00	19.00	19.50
Police Investigations	2.00	2.00	2.00	2.00	2.00
Community Relations	1.75	1.75	1.75	1.00	1.50
Police Vehicle Maintenance	0.15	0.15	0.15	0.15	0.15
School Guards	0.50	0.50	0.50	0.50	0.50
Fire Administration	2.00	2.00	2.00	2.00	2.00
Fire Prevention/Enforcement	2.00	2.00	2.00	1.50	1.50
Fire Suppression	6.75	6.75	7.00	7.75	7.75
Fire Vehicle Maintenance	1.50	1.50	1.50	1.50	1.50
Fire Station	0.75	0.75	1.00	1.00	1.00
Planning and Zoning	3.70	3.70	3.70	3.70	3.70
Building Inspection	2.30	2.30	2.30	2.30	2.30
TOTAL PROTECTION TO PERSONS/PROPERTY	<u>46.65</u>	<u>46.65</u>	<u>47.40</u>	<u>46.90</u>	<u>47.90</u>
PUBLIC WORKS					
Administration	3.00	3.00	3.00	3.00	3.00
Highway Maintenance	10.00	11.00	11.00	11.00	11.00
Vehicle Maintenance	0.75	0.75	0.75	0.75	0.75
Park Maintenance	6.00	6.00	7.00	7.00	7.00
TOTAL PUBLIC WORKS	<u>19.75</u>	<u>20.75</u>	<u>21.75</u>	<u>21.75</u>	<u>21.75</u>
CULTURE/RECREATION					
Recreation Administration	2.00	2.00	2.00	2.00	2.00
Recreation Programming	0.75	1.00	1.00	1.00	1.00
Community Recreation Center	5.00	5.00	5.00	5.00	5.00
Tennis Center			8.00	8.00	8.00
Cable Television	1.75	1.75	1.75	1.75	1.75
Library	1.00	0.50	14.00	14.00	14.00
TOTAL CULTURE/RECREATION	<u>10.50</u>	<u>10.25</u>	<u>31.75</u>	<u>31.75</u>	<u>31.75</u>
TOTAL ALL DEPARTMENTS	<u><u>86.00</u></u>	<u><u>86.25</u></u>	<u><u>109.50</u></u>	<u><u>110.50</u></u>	<u><u>111.50</u></u>

Source: 2019 Peters Township Operating Budget

Table 29

PETERS TOWNSHIP INDICATORS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Population	20,950	21,213	21,363	21,513	21,663	21,813	22,098	22,143	22,021	22,057
Permanent Employees - All Departments	79	79	79	82.5	83.5	86	86.25	109.5	110.5	111.5
Public Works Department										
Number of Permanent Employees	18	18.5	18.5	19.25	19.75	19.75	20.75	21.75	21.75	21.75
Miles of Streets										
Municipal Owned	104.4	105	106.5	106.5	106.5	108.5	110.8	115.1	116.2	116.8
State Owned	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1
Private	5	5	5	5	5	5	7.25	7.28	7.28	7.5
Total Miles of Streets	138.5	139.1	140.6	140.6	140.6	142.6	147.15	151.48	152.58	153.4
Road Treatment										
Resurfaced & Overlaid (Miles)	4.16	4.47	5.38	5.53	4.9	9.6	5.43	5.35	4.02	4.2
Rejuvenator Treatment (Miles)	8.02	6.35	9.79	9.16	5.5	8.4	9.7	11.1	11.2	9.8
Total Road Treatment (Miles)	12.18	10.82	15.17	14.69	10.4	18	15.13	16.45	15.22	14
Storm Sewer Installation/Replace (Feet)	2,581	935	2,991	2,392	1,259	1,510	3,770	2,165	1,506	2,472
Public Safety										
Police										
Number of Permanent Employees	27	27	27	27	27	27	27	27	27	28
Number of Stations	1	1	1	1	1	1	1	1	1	1
Services Rendered										
Traffic Tickets Issued	3,874	3,904	2,505	2,410	2,207	1,935	1,730	2,489	2,010	1,341
Parking Tickets Issued	550	417	411	492	257	292	357	223	313	126
Part I Offenses	128	114	183	145	126	133	145	166	141	148
Part II Offenses	252	253	511	403	289	262	281	457	372	398
Driving Under the Influence	80	95	95	63	66	55	52	71	44	54
% of Part 1 Offenses Cleared	21%	16%	11%	14%	25%	34%	28%	25%	32%	32%
% of Part 2 Offenses Cleared	62%	69%	50%	50%	66%	61%	62%	44%	40%	37%
Fire Department										
Number of Permanent Employees	12	12	12	13	13	13	13	13.5	13.75	13.75
Number of Volunteers	25	21	17	20	20	20	30	31	29	28
Volunteer on Duty Shifts		908	1,572	2,340	2,528	2,756	2,340	3,916	3,524	2,580
Number Stations	2	2	2	2	2	2	2	2	2	2
Number of Response Calls	1,022	1,194	942	995	1,157	1,215	1,247	1,239	1,338	1,350
Average Response Time										
7 AM to 11 PM	4.6	4.5	4.3	4.6	5.0	6.2	5.4	6.2	6.3	6.5
11 PM to 7 AM	11.5	10.9	10.5	7.7	5.3	7.3	7.3	7.1	7.3	8.5
Average Manpower Responses										
7 AM to 11 PM	4	4	4	5	7	7	7	6	7	5.5
11 PM to 7 AM	3	2	3	4	4	6	4	3	4	3

PETERS TOWNSHIP INDICATORS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Planning Department										
Number of Permanent Employees	6	6	6	6	6	6	6	6	6	6
Number of New Residential Lots Approved	59	29	101	125	67	101	36	28	245	310
Zoning Hearing Board										
Number of Appeals	13	19	23	9	21	32	15	21	12	10
Zoning Enforcement Notifications	151	123	160	123	127	105	136	115	132	144
Building Permits										
Building Permits Issued	286	331	347	358	356	293	334	248	274	306
Building Permits New Homes	62	76	86	110	106	61	76	60	47	59
Parks and Recreation										
School Age Population	4,442	4,448	4,456	4,350	4,228	4,220	4,211	4,109	4,070	4,060
Youth Sports Participation	5,019	5,032	5,179	5,081	4,911	4,818	6,718	5,980	4,607	6,935
Park Acreage	454	454	454	454	454	454	513	513	513	513
Township Owned Athletic Fields	14	14	14	18	18	18	18	18	18	18
Recreation Program Offerings	46	38	36	31	31	33	47	40	40	41
Program Registrants	3,812	3,686	3,002	2,967	3,275	2,843	2,633	6,580	5,564	6,009
Community Events Attendance	6,185	7,288	5,466	4,938	5,774	5,665	3,269	5,317	8,487	7,587
Tennis Center Participants	2,668	2,963	3,218	3,218	2,921	2,103	4,940	6,739	7,660	7,102
Library										
Number of Card Holders	34,772	36,562	38,209	35,711	22,842	23,960	24,468	17,173	18,142	19,571
Circulation	413,856	406,325	395,101	345,862	337,181	349,550	359,981	353,162	335,444	336,025
Library Volumes	138,886	145,287	149,891	150,989	132,706	126,138	126,049	127,506	122,243	120,326
Library Volumes per Resident	7	7	7	7	6	6	6	6	6	5
Children and Young Adults Programs	762	724	585	882	1,069	989	630	1,030	1,292	1,326
Cable Television										
Local Programs Hours Produced	2,832	2,373	4,220	3,700	3,593	4,584	4,245	3,588	3,673	3,876
On-line Views of Program				4,757	5,208	5,213	11,697	6,763	9,767	12,968
Community Events Hours Produced	1,813	2,361	2,413	2,857	2,903	2,705	2,506	2,810	3,465	3,080
Program Hours Aired	7,850	7,857	8,046	9,764	9,175	10,691	10,340	11,846	11,523	10,837
Tax Collection										
Assessed Value	\$312,816,022	\$317,192,571	\$323,590,796	\$329,928,927	\$336,832,664	\$341,457,423	\$343,951,034	\$349,162,152	\$3,122,120,918	\$3,146,728,573
Total Property Tax Collection	\$3,721,485	\$4,371,960	\$4,186,492	\$4,240,318	\$4,299,914	\$4,360,618	\$4,435,885	\$4,477,151	\$4,674,236	\$5,034,310
Property Tax Collected as a % of Levy	99.1%	98.5%	99.5%	98.9%	98.9%	98.2%	99.2%	98.6%	98.4%	98.6%
Earned Income Tax Collection	\$4,462,747	\$4,614,173	\$4,782,082	\$5,075,430	\$5,469,004	\$6,003,743	\$5,684,718	\$5,670,499	\$6,229,224	\$6,403,908

Source: 2018 Peters Township Annual Report