

**COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT**



**WHITPAIN TOWNSHIP  
MONTGOMERY COUNTY  
PENNSYLVANIA**

For the year ended December 31, 2011

**WHITPAIN TOWNSHIP  
MONTGOMERY COUNTY  
PENNSYLVANIA**

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FINANCIAL REPORT**

**For the Year Ended December 31, 2011**

**Whitpain Township Finance Department  
John B. Nagel, Director of Finance**

## **INTRODUCTORY SECTION**

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**WHITPAIN TOWNSHIP**  
MONTGOMERY COUNTY  
COMMONWEALTH OF PENNSYLVANIA

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To the Board of Supervisors and Citizens of Whitpain Township:

We are pleased to present to you the Comprehensive Annual Financial Report of Whitpain Township for the fiscal year ended December 31, 2011. A complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants is presented herewith.

This report consists of management's representations concerning the finances of Whitpain Township. Consequently, responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Township's management. To the best of our knowledge, the information presented in this report is accurate in all material respects and is reported in a manner designed to fairly represent the financial position and results of operations of the funds and component units of Whitpain Township. All disclosures necessary to enable the reader to gain an understanding of Whitpain Township's financial activities have been included.

Whitpain Township's financial statements have been audited by Maillie, Falconiero & Company, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Whitpain Township for the fiscal year ending December 31, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures of the financial statements; assessing the accounting principles used and significant estimates by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Whitpain Township's financial statements for the fiscal year ended December 31, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented at the beginning of the Financial Section of this report.

The purpose of this report is to provide readers with useful information concerning the Township's financial position and operations. Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Whitpain Township's MD&A can be found immediately following the report of the independent auditors.

The comprehensive annual financial report (CAFR) is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the Township's organizational chart, a Township map and a list of the Township's principal officials. The financial section includes the independent auditor's report, Management's Discussion and Analysis, the basic financial statements and notes to the financial statements. The statistical section includes selected financial, demographic and operational information, generally presented on a multi-year basis.

## **Profile of the Township**

Whitpain Township is a 12.81 square-mile, rectangular-shaped community located in central Montgomery County. The Township is located approximately 16 miles from the City of Philadelphia. Whitpain Township is a diverse and dynamic suburban cosmopolitan area, with an excellent mix of housing and expanding opportunities for employment, making it one of the most desirable communities in the region in which to live and work. As part of the Wissahickon School District, Whitpain houses three elementary schools, as well as one parochial school.

Incorporated in 1701 the Township was originally a rural farming community but experienced rapid residential growth in the past 60 years with a fivefold increase in its population from 3,063 in 1950 to 18,875 in 2010. While primarily an affluent residential suburb of Philadelphia, the Township has experienced significant growth in business development, making Whitpain Township the home to several of the Philadelphia region's largest corporations including Aetna/U.S. Healthcare and Unisys. Despite a strong business presence, Whitpain retains its suburban character with a wide range of well-established residential neighborhoods. Whitpain Township is a composite of several small communities established before and after the Revolutionary War. They included Blue Bell, Broad Axe, Centre Square, Custer, Franklinville, Belfry and Washington Square. Today, most of Whitpain Township is covered by the Blue Bell, Pennsylvania zip code (19422).

The Township is governed by a five-member elected Board of Supervisors that serves as the Township's legislative and policymaking body. The Board members are elected at large to staggered six-year terms. Whitpain Township operates under the auspices of the Pennsylvania Second Class Township Code. The Board of Supervisors is empowered to appoint professionals to assist in the operation of the Township and to furnish advice and counsel on technical matters. Additionally, the Board appoints all the members of the various boards and commissions including the Planning Commission and Zoning Hearing Board. The levying of taxes and authorizing appropriations is the responsibility of the Board of Supervisors. During the months of November and December, public hearings are held for the purpose of reviewing the budget for the following year.

The Board of Supervisors is assisted by a full-time appointed Township Manager, who is responsible for the day-to-day operations of the Township. The Township provides a full range of municipal services. The public safety programs include police, fire protection, building inspection, planning, zoning, emergency management and code enforcement. Public works programs include street maintenance and repair, street lighting, snow removal, traffic signalization, street markings, sewer system maintenance, storm sewer and storm water basin maintenance and maintenance of building and park facilities. The Township owns and maintains numerous community and neighborhood parks and nature areas, and holds an annual Harvest Festival and a free concert in the park series.

The Township has a well-developed park system with the keystone being Wentz Run Park, just adjacent to the Township Building complex. The Township has undertaken an Open Space initiative over the past 20 years accumulating approximately 400 acres of dedicated open space. Wentz Run Park has baseball/softball and soccer fields, basketball and tennis courts, children's playground and gazebo, which is the center for the concert in the park series as well as home to the Township's October Harvest Festival. The Township also owns Prophecy Creek Park in which is located the Manor House, a historical facility presently being converted into an up-to-date catering facility being operated in a public-private partnership.

## Major Initiatives

Following are some of the major initiatives undertaken by the Township during 2011:

- **Prophecy Creek Manor House** - During 2010, Whitpain Township entered into a public-private partnership and approved a license agreement with Weddings By The Pond for the use of the Manor House at Prophecy Creek Park. The Manor House had fallen into disrepair and needed significant capital improvements. The unique agreement with Weddings By The Pond, owned by Robert Fair Caterers, grants the company permission to use the Manor House for special events, such as weddings, meetings and receptions. As part of the agreement, the company is making the much-needed improvements to the Manor House. In 2011, the Township received annual license fees totaling \$112,450 from the use of the Manor House, which will provide additional funds necessary for maintaining currently owned open space and for acquiring or improving additional open space. During 2011, significant improvements were made to the Manor House and the first wedding took place on the property in June. A total of 13 events were held on the premises during 2011 and approximately 42 events are expected in 2012.
- **Accounting Software** - The Township recognized the need for up-to-date municipal accounting software. In 2010, the Township converted to a new comprehensive, multi-user accounting software package called MUNIS. The package includes general ledger, accounts payable, accounts receivable, payroll and utility billing applications. For the first time, management and employees outside of the Finance Department were able to access real time financial information. Departments entered their own budget request into the MUNIS system and continued to expand that capability by use of requisitions and encumbrances in 2011. The Board approved additional funding in the 2012 budget for enhanced financial reporting and improved electronic processing of financial transactions (e.g., bar coded sewer bills).
- **Environment/Stormwater Management** - During 2011, Whitpain Township continued implementation of the Municipal Separate Storm Sewer System (MS4) Program with focused attention to inspection of the system and public education elements. The Township also continued in developing a long range capital improvement plan and operational change necessary to comply with the requirements of the program.
- **Police Department Accreditation** - Accreditation is the ongoing process whereby Whitpain Township Police Department will evaluate our policies and procedures against established criteria verified by an independent and authoritative body. The two fundamentals of an accreditation program are the establishment of meaningful and professional standards and an evaluation of compliance with those standards.

The development of department policy is the most significant duty of the Chief of Police. A comprehensive policy provides guidelines for how the department shall be run along with how Whitpain Township police officers shall conduct themselves in different situations. The standards developed by the Pennsylvania Law Enforcement Accreditation Commission (PLEAC) are only guidelines for what should be done, not how it should be done. The Whitpain Township Police Department is in the process of modifying our current policies and procedures to reflect the established standards and attain accreditation status by the end of 2012.

- **Communications** - During 2011, Whitpain Township continued with its communication initiative to provide enhanced communication with its residents. The Township continued offering information via E-news emails and Twitter postings about Township events, environmental tips, traffic alerts and other valuable information, as well as updates on road closures and snow removal operations. During 2011, the initiative was expanded to include information about Parks and Recreation Programs via Facebook, and to offer online registration.

## **Local Economy**

The economic growth in the Township has been driven in large part by business development and commercial and industrial development. Although there are major employers in the Township, notably Aetna, Merck and Unisys, the employment base is not dominated by one business or industry. Noting the list of Principal Employers in the Statistical Section of this report, the top employers comprise approximately 50% of the workforce in 2011. There continues to be a greater diversity of employers in the Township providing more stability for the Township to weather downturns in the economy. Unfortunately, total employment declined over those years. However, Whitpain saw a resurgence in late 2011 and early 2012 that will restore employment levels close to 2001.

While impacted by the downturn in the economy, the Township continues to rank below the state and national averages for unemployment. The per capita and household income is among the leaders of municipalities in Montgomery County, which is one of the most prosperous in the Commonwealth of Pennsylvania. A more detailed analysis of the Township's overall financial condition during the fiscal year ended 2011 is included as part of Management's Discussion and Analysis section of this report.

## **Long-Term Financial Planning**

The Board of Supervisors and Township staff are committed to providing value to the taxpayers by maintaining quality service levels and offering new benefits whenever the opportunity presents itself and the Township's fiscal position permits. To accomplish this, the Township regularly evaluates its revenue generating strategy. The Township has also developed and maintains multi-year financing plans for replacement of capital assets and infrastructure improvements. These include 5-year budgetary projections and a 10-Year Capital Improvement Program, both of which have been incorporated into the annual budget review process.

Also, as a part of sound fiscal planning, the Township has adopted a fund balance policy that is compliant with GASB 54 for determining fund balance categories and based on recommendations from the Government Finance Officers Association for maintaining a fund balance in the General Fund of approximately two months of expenditures, or a range of fifteen to twenty percent of General Fund appropriations.

## **Internal Controls**

The management of the Township is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Township are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled and maintained to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that the Township's objectives are met. The concept of reasonable assurance recognizes that:

1. The cost of a control should not exceed its benefit, and
2. The evaluation of cost and benefits requires estimates and judgments by management.

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

In addition to the above controls, the Township maintains budgetary accounting controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Supervisors. Activities of all Township funds, with the exception of developers' escrow funds and pension trust funds, are included in the annual appropriation budget. The annual budget process officially begins in August of each year with the request for budget proposals sent to the Township's department heads. Throughout the course of September and October, requests for funding are submitted and reviewed by the Township management. A proposed annual budget is submitted to the Board of Supervisors in October. The Board has public workshop meetings to review the budget submissions. The Board holds a public hearing on the proposed budget and the process culminates with a vote for adoption by the governing body in December. The Township's fiscal year begins on January 1st and ends on December 31st. All annual appropriations lapse at year-end.

Although the Township maintains the legal level of control established by law for its operating budget, the Board of Supervisors has also established an internal budgetary control system at the departmental level. Each department is required to operate within the annual departmental budget established by the Board of Supervisors.

As demonstrated by the statements and schedules included in the financial section of this report, the Township continues to meet its responsibility for sound financial management.

### **Cash Management**

The Township used TD Bank as its designated depository during 2010. The Township also invested funds in the Pennsylvania Local Government Investment Trust (PLGIT) during 2010. PLGIT's portfolio of stable investment pools similar in nature to money market funds, are designed specifically for local government and school districts. The maturity of these investments is timed to meet the Township's cash needs.

The Township investments are limited to those authorized by the provisions of the Pennsylvania Second-Class Township Code. The Township's investment policy is to minimize credit and market risk while maintaining the highest yield on all funds. The primary objectives of the Township's investment policy are, in order of priority, safety, liquidity and yield. Accordingly, deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized in accordance with Act 72 of the PA General Assembly.

### **Risk Management**

The Township provides for the necessary property/casualty, professional liability, workers compensation and health insurance coverage's through the Delaware Valley Insurance Trust, Delaware Valley Workers Compensation Trust and the Delaware Valley Health Insurance Trust. The Trusts are risk sharing pools owned, operated and controlled by 80 units of local government in southeastern Pennsylvania.

Over the years, the Trusts have provided stabilized rates and low annual premium increases, discounts for participation in multiple trusts, coverage and limits tailored to the Township's needs, risk management services in all areas of coverage and multiple education programs, both safety oriented and otherwise to improve productivity.

All excess funds are returned to the participating municipalities in the form of dividends or rate stabilization fund premium credits. The trusts have returned funds to the membership each of the past 15 years, and the Township has received a dividend and/or rate stabilization fund credit in each year of its participation.

## Pension Plans

Whitpain Township sponsors a single-employer defined benefit pension plan for its full-time police officers and also for full-time non-uniformed employees. Each year an independent actuary calculates the amount of annual contribution that Whitpain Township must make to ensure that the pension plan will be able to fully meet its obligations. This calculation is referred to as the Minimum Municipal Obligation (MMO). The Township fully funds each year's annual required contribution to each plan as determined by the actuary. For both Defined Benefit Pension Plans, the Township held a competitive selection and award process for a new pension fund advisory firm (Janney Montgomery Scott), resulting in lower advisory fees and the expectation of improved investment results.

Whitpain Township adopted a new defined contribution plan for eligible non-uniformed employees hired on or after January 1, 2010. The defined contribution plan will minimize risk to the Township as the employer's contribution rate will be a fixed percentage and not subject to change based on the vagaries of the financial markets.

## Awards and Acknowledgements

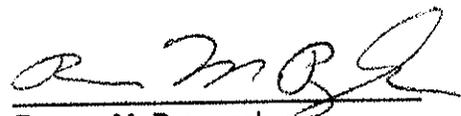
The Government Finance Officers Association of the United States and Canada (GFOA) reviews and evaluates CAFR submissions for consideration for award of a Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded this Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. For the 2010 comprehensive annual financial report, Whitpain Township submitted to the GFOA for certificate award consideration. Whitpain Township earned proficient grades in 14 of 17 grading categories.

We believe that this second, enhanced comprehensive annual financial report will meet the Certificate of Achievement Program's requirements, and the report will be submitted to the GFOA to determine its eligibility for certificate award.

Preparation of this report would have been impossible without the hard work of the Finance Department staff, not just in the compilation of information at year-end, but in maintaining the Township's financial records and fiscal control system throughout the year. We also wish to thank our auditors, Maillie, Falconiero & Company, LLP, for their expertise and assistance throughout this process.

We greatly appreciate the ongoing support and guidance we receive from the Board of Supervisors.

Respectfully Submitted,



Roman M. Pronczak,  
Township Manager

  
John B. Nagel  
Director of Finance



**WHITPAIN TOWNSHIP  
LIST OF OFFICIALS  
AS OF DECEMBER 31, 2011**

**BOARD OF SUPERVISORS**

Joseph J. Palmer, Chairman  
Frederick R. Conner, Jr., Vice Chairman  
Anthony F. Greco, Secretary  
Adam D. Zucker, Treasurer  
Melissa Murphy Weber, Assistant Secretary

**APPOINTED OFFICIALS**

Roman M. Pronczak, Township Manager  
James J. Garrity, Township Solicitor  
Frank R. Bartle, Zoning Hearing Board Solicitor

**OTHER MANAGEMENT OFFICIALS**

John B. Nagel, Director of Finance/Human Resources  
James E. Blanch, Township Engineer  
Mark Smith, Chief of Police  
David M. Camarda, Fire Marshal  
N. Lee Miller, Fire Chief  
Michael E. McAndrew, Code Enforcement Officer  
Ronald J. Cione, Director of Public Works  
Kurt W. Baker, Parks & Recreation Director

**OTHERS**

Patty Nelson, Tax Collector (elected)  
Berkheimer Tax Administrator (appointed)  
TD Bank, Banking Depository  
Conrad Siegel Actuaries, Pension Plan Actuary  
Janney Montgomery Scott, Pension Plan Investment Advisor  
Reed Smith, LLP, Labor Law Attorneys  
SC Engineers, Inc., Sewer/Environmental Engineers  
McMahon Associates, Inc., Traffic Engineers  
Van E. Rieker, Planning Consultant



## **FINANCIAL SECTION**



# MAILLIE, FALCONIERO & COMPANY, LLP

*Certified Public Accountants and Business Counselors*

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Oaks, PA 19456-0680  
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West Chester, PA 19381-3068  
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## **Independent Auditors' Report**

To the Township Supervisors  
Whitpain Township  
Blue Bell, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Whitpain Township as of December 31, 2011, and for the year then ended, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Whitpain Township's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Whitpain Township as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16 through 24, budgetary comparison information on pages 64 through 67, pension plan funding progress on pages 68 and 69 and postemployment benefits other than pension funding progress on page 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

To the Township Supervisors  
Whitpain Township  
Blue Bell, Pennsylvania

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Whitpain Township's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion or provide any assurance on them.

*Maillu Falconeo + Company, LLP*

Oaks, Pennsylvania  
April 10, 2012

**WHITPAIN TOWNSHIP**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
*Year Ended December 31, 2011*

Within this section of Whitpain Township's annual financial report, the Township's management provides narrative discussion and analysis of the financial activities of the Township for the fiscal year ended December 31, 2011. The Township's financial performance is discussed and analyzed within the context of the accompanying financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- The Township's assets exceeded its liabilities by \$54,557,250 (Total Net Assets) for the fiscal year reported. This total includes both governmental and business-type (Sewer) activities.
- Total Net Assets are comprised of the following:
  1. Capital Assets, net of related debt of \$39,982,877, which include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  2. Net Assets of \$3,203,054, which are restricted as a result of debt covenants, grantor constraints or laws and regulations.
  3. Unrestricted Net Assets of \$11,371,319, which are available to fund the continued operations of the Township.
- The Township's Governmental Funds fund balance at the end of 2011 was \$11,418,461. This compares to the fund balance at the end of 2010 of \$9,270,153. The increase of \$2,148,308 was primarily due to increase in revenues over expenditures in the General Fund to supplement the fund balance after years of decline and to plan for long-term moderation in revenue projections.
- The Township's Sewer Fund net assets decreased from \$4,748,240 at the end of 2010 to \$4,369,908 at the end of 2011. The decrease of \$378,332 was attributed to capital contributions to others exceeding net income for 2011.
- Long-term debt decreased during 2011 by \$908,000.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's Discussion and Analysis provides an introduction to the Township's basic financial statements. The basic financial statements include:

1. Township-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

Additional information is also provided to supplement the basic financial statements.

**WHITPAIN TOWNSHIP**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
Year Ended December 31, 2011

**Township-Wide Financial Statements**

The Township's annual report contains two Township-Wide Financial Statements. They are the *Statement of Net Assets* and the *Statement of Activities*. These statements provide both long-term and short-term information about the Township's overall financial status. Financial reporting at this level is similar to that found in the private sector with its basis in full accrual accounting and the elimination or reclassification of internal activities.

The *Statement of Net Assets* provides information on all of the Township's assets and liabilities, with the difference reported as *Net Assets*. Over time, increases or decreases in net assets serve as a useful indicator of whether the Township's financial position is improving or deteriorating. Evaluation of the overall economic health of the Township would include other non-financial factors such as changes in the taxpayer base or the condition of the Township's infrastructure, in addition to the financial information provided in this report.

The *Statement of Activities* reports how the Township's net assets changed during the current fiscal year. All current year revenues and expenditures are included in this report regardless of when cash is received or paid. An important purpose of the Statement of Activities is to show the financial reliance of the Township's various activities or services on revenues provided by the Township's taxpayers.

Both Township-Wide Financial Statements are divided into two categories.

1. **Governmental Activities:** Most of the Township's basic services are included here, such as general government, public safety, public works and recreation. These activities are principally supported by taxes and intergovernmental revenues.
2. **Business-Type Activities:** Services which are intended to recover all or most of their costs through user fees and charges. The Township's sewer system is the only business-type activity.

**Fund Financial Statements**

The Fund Financial Statements provide more detailed information about the Township's Funds, focusing on its most significant or "Major Funds" - not the Township as a whole. A fund is an accountability unit used to maintain control over resources segregated by specific sources of funding or spending on particular programs.

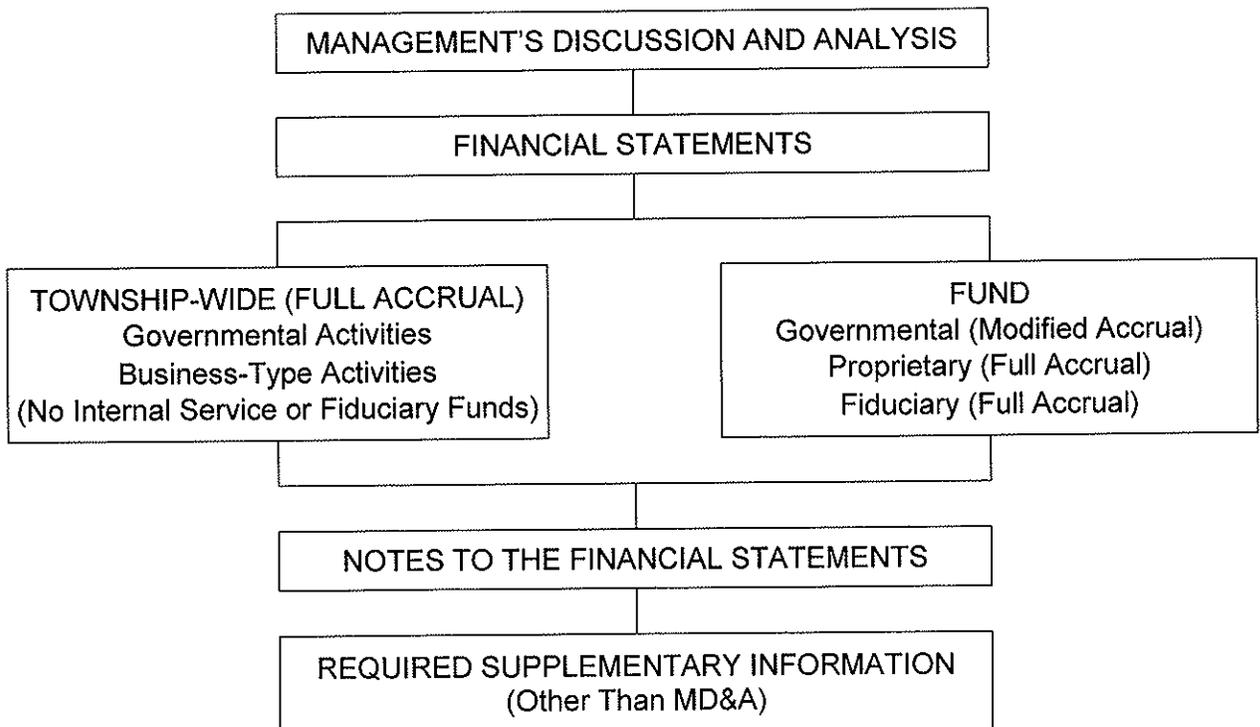
- Some funds are required by state law or bond covenants.
- The Township establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

**WHITPAIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
*Year Ended December 31, 2011*

The Township has three kinds of Funds:

- **Governmental Funds:** Most of the Township's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental Funds' statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the Township-Wide statements, additional information is presented that explains the relationship (or differences) between them.
- **Proprietary Funds:** Services for which the Township charges a fee are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way as the Township-Wide statements. The Township's Enterprise Funds (one type of Proprietary Fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.
- **Fiduciary Funds:** The Township is the trustee, or fiduciary, for assets that belong to others, such as the pension plans. The Township is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The Township excludes these activities from the Township-Wide financial statements because it cannot use these assets to finance its operations.

**Organization of Whitpain Township's Annual Financial Report**  
**Figure I-1**



**WHITPAIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
*Year Ended December 31, 2011*

**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE**

As year-to-year financial information is accumulated on a consistent basis, changes in net assets can be used to explain the changing financial position of the Township as a whole.

The Township's net assets at fiscal year-end were \$54,557,250. This is an increase of \$1,464,755 or 2.8% over 2010's net assets of \$53,092,495. Net assets for governmental activities increased \$1,843,087, while net assets for business-type activities (Sewer) decreased \$378,332.

**Condensed Statements of Net Assets (In Thousands of Dollars)**

**Figure I-2**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
<b>ASSETS</b>						
Current and other assets	\$ 11,889	\$ 13,671	\$ 1,995	\$ 2,127	\$ 13,884	\$ 15,798
Capital assets, net	49,840	48,720	2,967	2,678	52,807	51,398
<b>TOTAL ASSETS</b>	<u>61,729</u>	<u>62,391</u>	<u>4,962</u>	<u>4,805</u>	<u>66,691</u>	<u>67,196</u>
<b>LIABILITIES</b>						
Long-term debt	11,932	11,152	17	20	11,949	11,172
Other liabilities	1,453	1,052	197	415	1,650	1,467
<b>TOTAL LIABILITIES</b>	<u>13,385</u>	<u>12,204</u>	<u>214</u>	<u>435</u>	<u>13,599</u>	<u>12,639</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	37,516	37,304	2,967	2,679	40,483	39,983
Restricted	3,852	2,408	501	795	4,353	3,203
Unrestricted	6,976	10,475	1,280	896	8,256	11,371
<b>TOTAL NET ASSETS</b>	<u>\$ 48,344</u>	<u>\$ 50,187</u>	<u>\$ 4,748</u>	<u>\$ 4,370</u>	<u>\$ 53,092</u>	<u>\$ 54,557</u>

**WHITPAIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
*Year Ended December 31, 2011*

**Condensed Statements of Activities (In Thousands of Dollars)**  
**Figure I-3**

	Governmental Activities		Business-Type Activities		Totals	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 854	\$ 859	\$ 3,527	\$ 3,505	\$ 4,381	\$ 4,364
Operating grants and contributions	1,342	1,513	-	-	1,342	1,513
Capital grants and contributions	749	262	82	45	831	307
General revenues						
Real estate taxes	6,493	6,214	-	-	6,493	6,214
Other taxes	6,052	6,788	-	-	6,052	6,788
Investment earnings	36	149	8	6	44	155
Miscellaneous	688	641	30	16	718	657
<b>TOTAL REVENUES</b>	<u>16,214</u>	<u>16,426</u>	<u>3,647</u>	<u>3,572</u>	<u>19,861</u>	<u>19,998</u>
<b>EXPENSES</b>						
General government	2,506	2,564	-	-	2,506	2,564
Public safety						
Police	4,915	5,199	-	-	4,915	5,199
Fire	1,172	1,217	-	-	1,172	1,217
Code enforcement	458	484	-	-	458	484
Zoning	66	46	-	-	66	46
Public works	3,983	3,460	-	-	3,983	3,460
Culture and recreation	969	1,061	-	-	969	1,061
Interest on long-term debt	512	552	-	-	512	552
Sewer	-	-	3,804	3,950	3,804	3,950
<b>TOTAL EXPENSES</b>	<u>14,581</u>	<u>14,583</u>	<u>3,804</u>	<u>3,950</u>	<u>18,385</u>	<u>18,533</u>
<b>CHANGE IN NET ASSETS</b>	1,633	1,843	(157)	(378)	1,476	1,465
<b>BEGINNING NET ASSETS</b>	<u>46,711</u>	<u>48,344</u>	<u>4,905</u>	<u>4,748</u>	<u>51,616</u>	<u>53,092</u>
<b>ENDING NET ASSETS</b>	<u>\$ 48,344</u>	<u>\$ 50,187</u>	<u>\$ 4,748</u>	<u>\$ 4,370</u>	<u>\$ 53,092</u>	<u>\$ 54,557</u>

**WHITPAIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
*Year Ended December 31, 2011*

**General Revenues and Other Changes in Net Assets**  
**Figure I-4**

	<u>2010</u>	<u>2011</u>	<u>Percent Change</u>
<b>REVENUES</b>			
Real estate taxes	\$ 6,492,867	\$ 6,213,830	-4%
Transfer taxes	572,484	640,574	12%
Earned income taxes	4,804,592	5,382,806	12%
Local services taxes	674,542	765,598	13%
Investment income	36,114	149,191	313%
Gain on sale of fixed assets	28,793	57,384	100%
Miscellaneous	659,792	583,738	-12%
Charges for services	854,011	858,616	1%
Operating grants and contributions	1,342,150	1,512,804	13%
Capital grants and contributions	749,496	261,845	-65%
<b>TOTAL REVENUES</b>	<u>16,214,841</u>	<u>16,426,386</u>	1%
<b>EXPENSES</b>			
General government	2,505,606	2,564,470	2%
Police	4,915,155	5,198,584	6%
Fire	1,172,487	1,217,449	4%
Code enforcement	458,027	484,018	6%
Zoning	65,613	45,738	-30%
Public works	3,983,612	3,459,781	-13%
Parks and recreation	968,643	1,061,263	10%
Debt service	511,973	551,996	8%
<b>TOTAL EXPENSES</b>	<u>14,581,116</u>	<u>14,583,299</u>	-%
<b>CHANGE IN NET ASSETS</b>	<u>\$ 1,633,725</u>	<u>\$ 1,843,087</u>	13%

**Governmental Revenue - 2011**

As indicated in the Condensed Statements of Activities (Figure I-3) and displayed in Figure I-4, the Township is heavily dependent on local tax revenues, which include Real Estate (Property and Transfer) Taxes, Earned Income Taxes and Local Services Taxes. Real Estate Property Taxes decreased by 4% in 2011 due to a large number of successful tax assessment appeals. Conversely, Other Local Taxes increased by 13%, primarily due to significant increases in Earned Income Taxes (EIT). Whitpain chose an early opt in to a new Commonwealth law (Act 32) which improves collection and cash flow. Also, several EIT taxpayers recognized significant earned income in 2011, compared with 2010.

**WHITPAIN TOWNSHIP**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
Year Ended December 31, 2011

**Governmental Expenses - 2011**

As indicated in the Condensed Statements of Activities (Figure I-3) and displayed in Figure I-4, the Township's largest functional service, Police, increased by 6% in 2011, primarily due to wage and benefit increases as part of a collective bargaining agreement (CBA) which expires in December 2012. Public Works expenses decreased by 13%, due in part to a shift in services to Parks and Recreation. Further, Public Works savings will be recognized as a result of a recently negotiated CBA, effective January 2011.

**Governmental Net Assets - 2011**

As a result of 2011 Governmental Activities, Whitpain recognized a \$1,843,087 increase in Net Assets.

**Business-Type Activities**

The Township's only business-type activity is its sewer operation. Charges for services in fiscal year 2011 were \$3,505,089 or \$21,531 less than charges for services in fiscal year 2010. The sewer operation reported a decrease in net assets of \$378,332. The decrease was planned and deemed necessary to provide for ongoing maintenance and inspection of sewer lines and to maintain reserves.

**FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS**

**Governmental Funds**

Governmental Funds are reported in the Fund Statements with a short-term focus on the inflow and outflow of financial resources. This information is valuable in assessing resources available for upcoming financial requirements. Governmental Funds reported ending fund balances of \$11,418,461. Of this year-end total, \$3,031,071 is unassigned and available for continuing operations, \$2,044,000 is committed to tax rate stabilization and \$3,912,679 is assigned for capital acquisition, construction and improvement; highway and street projects; storm water detention facilities; outfall water drainage and for operating reserve. Restricted fund balances of \$2,408,151 include: \$772,721 for fire protection, \$1,486,384 for open space acquisition and improvement, \$22,598 for debt service, \$96,217 for fire hydrants and \$30,231 for highway and street projects.

**Major Governmental Funds** - The General Fund is the Township's primary operating fund. The fund balance of the General Fund at fiscal year-end was \$7,045,406. The General Fund balance increased by \$1,630,848 over 2010.

The Capital Projects Fund is a reserve fund for various capital purchases and improvements. The ending fund balance at fiscal year-end for the Capital Projects Fund was \$1,390,562. This is an increase of \$379,294 over the ending fund balance for 2010. The increase was the result of reducing expenditures and deferring capital costs prudently through stringent and prudent long-range capital planning.

**Proprietary Funds**

The only Township Proprietary Funds are the Sewer Fund and Sewer Capital Fund, which were discussed previously under business-type activities.

**WHITPAIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
*Year Ended December 31, 2011*

**GENERAL FUND BUDGETARY HIGHLIGHTS**

- General Fund actual revenues were higher than General Fund budgeted revenues by \$1,386,208. The Local Services Tax and Earned Income Taxes were over budget by a combined \$723,404, which could be considered a harbinger of economic recovery. Another significant revenue over budget was Real Estate Transfer Taxes which exceed budget by \$125,574.
- Intergovernmental revenue (state and federal grants) exceeded budget by \$291,248.
- General Fund functional services' actual expenses were lower than budgeted expenses by \$431,748. The services that had favorable variances were as follows:

General government.....	\$43,599
Public safety.....	\$189,102
Highways and streets .....	\$171,623
Culture and recreation.....	\$27,424

**CAPITAL ASSETS - NET OF DEPRECIATION**

Capital Assets, net of depreciation decreased in 2011 due mainly to a decrease in Construction in Progress in 2010 as projects were completed in 2010.

The schedule (Figure I-5) below details Capital Assets, net of depreciation.

**Capital Assets - Net of Depreciation (In Thousands of Dollars)**

**Figure I-5**

	Governmental Activities		Business-Type Activities		Totals	
	2010	2011	2010	2011	2010	2011
Land	\$ 16,108	\$ 16,108	\$ -	\$ -	\$ 16,108	\$ 16,108
Conservation easements	1,052	1,052	-	-	1,052	1,052
Construction in progress	144	144	-	-	144	144
Land improvements	1,411	1,367	-	-	1,411	1,367
Buildings and improvements	3,105	3,046	-	-	3,105	3,046
Machinery and equipment	1,618	1,715	508	458	2,126	2,173
Infrastructure	26,402	25,288	2,459	2,221	28,861	27,509
	<u>\$ 49,840</u>	<u>\$ 48,720</u>	<u>\$ 2,967</u>	<u>\$ 2,679</u>	<u>\$ 52,807</u>	<u>\$ 51,399</u>

**WHITPAIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
*Year Ended December 31, 2011*

**LONG-TERM DEBT**

Long-term debt consists of debt incurred for the purchase and development of open space for active and passive recreation and a curb restoration project; and for the recording of compensated absences payable to employees.

**Outstanding Long-Term Debt (In Thousands of Dollars)**

**Figure I-6**

	Governmental Activities		Business-Type Activities		Totals	
	2010	2011	2010	2011	2010	2011
General obligation notes	\$ 12,324	\$ 11,416	\$ -	\$ -	\$ 12,324	\$ 11,416
Deferred issuance costs	(31)	(29)	-	-	(31)	(29)
Net OPEB obligation	473	632	10	14	483	646
Compensated absences	43	52	7	7	50	59
	<u>\$ 12,809</u>	<u>\$ 12,071</u>	<u>\$ 17</u>	<u>\$ 21</u>	<u>\$ 12,826</u>	<u>\$ 12,092</u>

**ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGETS AND RATES**

The general outlook for the economy of Whitpain Township is improving. The Township has managed to build a sound fund balance and diligently adheres to a policy to keep to weather the cyclical economic downturns. Moderate growth will continue in 2012 but level off over the next few years. Capital contributions for traffic improvement projects and sewer projects have decreased due to the slowing of new development. Real Estate tax revenues will be flat over the next few years with the rate stabilized and with assessments continuing to be challenged. Earned Income taxes have shown significant recent growth as the economy continues to show signs of recovery. Local Services taxes will most likely remain flat in 2012, and Deed Transfer Tax may rebound slightly over the next few years.

The operating expenses will continue to increase only slightly over the next few years. As municipal services are heavily labor intensive, wage and benefit costs will continue to increase the expense side of the budget. Whitpain will be challenged to negotiate cost sharing practices with our excellent workforce.

Increases in sewer treatment costs and capital costs to the four sewer treatment plants that service Whitpain Township will continue to impact sewer fund finances. Consideration should be given to evaluating the rate structure and tightening up on sewer billing delinquencies.

**CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Township's finances, comply with finance-related laws and regulations and demonstrate the Township's commitment to accountability. If you have any questions about this report or need additional information, please contact the Finance Department at 960 Wentz Road, Blue Bell, PA 19422.

**WHITPAIN TOWNSHIP**  
**STATEMENT OF NET ASSETS**  
*December 31, 2011*

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,825,016	\$ 1,618,841	\$ 12,443,857
Investments	179,553	281,066	460,619
Receivables	2,611,551	222,235	2,833,786
Deposits	-	350	350
Prepaid expenses	22,560	4,103	26,663
Debt issuance costs, net of accumulated amortization	28,985	-	28,985
Net pension asset	3,555	-	3,555
Capital assets			
Land	16,108,463	-	16,108,463
Conservation easements	1,052,009	-	1,052,009
Construction in progress	144,258	-	144,258
Other capital assets	69,007,194	13,782,842	82,790,036
Accumulated depreciation	<u>(37,591,822)</u>	<u>(11,104,067)</u>	<u>(48,695,889)</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>62,391,322</u></b>	<b>\$ <u>4,805,370</u></b>	<b>\$ <u>67,196,692</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 204,513	\$ -	\$ 204,513
Interest payable	16,877	-	16,877
Internal balances	(286,331)	286,331	-
Other current liabilities	169,117	128,041	297,158
Long-term liabilities			
Portion due or payable within one year			
Notes payable	943,000	-	943,000
Compensated absences	5,180	734	5,914
Portion due or payable after one year			
Notes payable	10,473,000	-	10,473,000
Net OPEB obligation	632,001	13,749	645,750
Compensated absences	46,623	6,607	53,230
<b>TOTAL LIABILITIES</b>	<b><u>12,203,980</u></b>	<b><u>435,462</u></b>	<b><u>12,639,442</u></b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	37,304,102	2,678,775	39,982,877
Restricted	2,408,151	794,903	3,203,054
Unrestricted	<u>10,475,089</u>	<u>896,230</u>	<u>11,371,319</u>
<b>TOTAL NET ASSETS</b>	<b><u>50,187,342</u></b>	<b><u>4,369,908</u></b>	<b><u>54,557,250</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>62,391,322</u></b>	<b>\$ <u>4,805,370</u></b>	<b>\$ <u>67,196,692</u></b>

*See accompanying notes to the basic financial statements.*

**WHITPAIN TOWNSHIP**  
**STATEMENT OF ACTIVITIES**  
*Year Ended December 31, 2011*

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>GOVERNMENTAL ACTIVITIES</b>							
General government	\$ 2,564,470	\$ 15,152	\$ 728,048	\$ 250,000	\$ (1,571,270)	\$ -	\$ (1,571,270)
Police	5,198,584	121,517	250	-	(5,076,817)	-	(5,076,817)
Fire	1,217,449	-	336,846	-	(880,603)	-	(880,603)
Code enforcement	484,018	311,570	-	-	(172,448)	-	(172,448)
Zoning	45,738	95,161	-	-	49,423	-	49,423
Public works	3,459,781	-	439,160	11,845	(3,008,776)	-	(3,008,776)
Culture and recreation	1,061,263	315,216	8,500	-	(737,547)	-	(737,547)
Debt service	551,996	-	-	-	(551,996)	-	(551,996)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>14,583,299</u>	<u>858,616</u>	<u>1,512,804</u>	<u>261,845</u>	<u>(11,950,034)</u>	<u>-</u>	<u>(11,950,034)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Sewer	3,950,853	3,505,089	-	45,313	-	(400,451)	(400,451)
<b>TOTAL TOWNSHIP ACTIVITIES</b>	<u>\$ 18,534,152</u>	<u>\$ 4,363,705</u>	<u>\$ 1,512,804</u>	<u>\$ 307,158</u>	<u>(11,950,034)</u>	<u>(400,451)</u>	<u>(12,350,485)</u>
<b>GENERAL REVENUES</b>							
Taxes							
Real estate taxes					6,213,830	-	6,213,830
Transfer taxes					640,574	-	640,574
Earned income taxes					5,382,806	-	5,382,806
Local services taxes					765,598	-	765,598
Investment earnings					149,191	6,295	155,486
Gain on sale of capital assets					57,384	-	57,384
Miscellaneous					583,738	15,824	599,562
<b>TOTAL GENERAL REVENUES</b>					<u>13,793,121</u>	<u>22,119</u>	<u>13,815,240</u>
<b>CHANGE IN NET ASSETS</b>					1,843,087	(378,332)	1,464,755
<b>NET ASSETS AT BEGINNING OF YEAR</b>					<u>48,344,255</u>	<u>4,748,240</u>	<u>53,092,495</u>
<b>NET ASSETS AT END OF YEAR</b>					<u>\$ 50,187,342</u>	<u>\$ 4,369,908</u>	<u>\$ 54,557,250</u>

See accompanying notes to the basic financial statements.

**WHITPAIN TOWNSHIP**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2011

	<u>General Fund</u>	<u>Fire Tax Fund</u>	<u>Capital Projects Fund</u>	<u>Open Space Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 6,898,721	\$ 517,689	\$ 1,133,862	\$ 1,495,839	\$ 77,203	\$ 701,702	\$ 10,825,016
Investments	179,553	-	-	-	-	-	179,553
Receivables	565,447	8,850	-	-	16,151	2,554	593,002
Prepaid expenses	22,560	-	-	-	-	-	22,560
Due from other funds	360,541	336,846	259,945	-	-	-	957,332
<b>TOTAL ASSETS</b>	<b>\$ 8,026,822</b>	<b>\$ 863,385</b>	<b>\$ 1,393,807</b>	<b>\$ 1,495,839</b>	<b>\$ 93,354</b>	<b>\$ 704,256</b>	<b>\$ 12,577,463</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 204,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,513
Accrued salaries and benefits	43,273	-	-	-	-	-	43,273
Due to Fiduciary Funds	136,839	-	-	-	-	-	136,839
Due to other funds	596,791	58,463	3,245	9,455	-	3,047	671,001
Deferred revenue	-	32,201	-	-	70,756	419	103,376
<b>TOTAL LIABILITIES</b>	<b>981,416</b>	<b>90,664</b>	<b>3,245</b>	<b>9,455</b>	<b>70,756</b>	<b>3,466</b>	<b>1,159,002</b>
<b>FUND BALANCES</b>							
Nonspendable, prepaid expenses	22,560	-	-	-	-	-	22,560
Restricted							
Fire protection	-	772,721	-	-	-	-	772,721
Open space acquisition and improvement	-	-	-	1,486,384	-	-	1,486,384
Debt service	-	-	-	-	22,598	-	22,598
Fire hydrants	-	-	-	-	-	96,217	96,217
Highway and street projects	-	-	-	-	-	30,231	30,231
Committed to tax rate stabilization	2,044,000	-	-	-	-	-	2,044,000
Assigned							
Operating Reserve Fund	1,947,775	-	-	-	-	-	1,947,775
Capital acquisition, construction and improvement	-	-	1,390,562	-	-	-	1,390,562
Highway and street projects	-	-	-	-	-	517,915	517,915
Stormwater detention facilities	-	-	-	-	-	24,489	24,489
Outfall water drainage	-	-	-	-	-	31,938	31,938
Unassigned	3,031,071	-	-	-	-	-	3,031,071
<b>TOTAL FUND BALANCES</b>	<b>7,045,406</b>	<b>772,721</b>	<b>1,390,562</b>	<b>1,486,384</b>	<b>22,598</b>	<b>700,790</b>	<b>11,418,461</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,026,822</b>	<b>\$ 863,385</b>	<b>\$ 1,393,807</b>	<b>\$ 1,495,839</b>	<b>\$ 93,354</b>	<b>\$ 704,256</b>	<b>\$ 12,577,463</b>

See accompanying notes to the basic financial statements.

# WHITPAIN TOWNSHIP

## RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

December 31, 2011

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 11,418,461
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. These assets consist of:</p>	
Cost of capital assets	86,311,924
Accumulated depreciation	(37,591,822)
<p>Debt issuance costs used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:</p>	
Debt issuance costs	41,411
Accumulated amortization	(12,426)
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:</p>	
Interest payable	(16,877)
Notes payable	(11,416,000)
Net OPEB obligation	(632,001)
Net pension asset	3,555
Compensated absences	(51,803)
Receivables in the statement of net assets that do not provide current financial resources are not reported in the Governmental Funds.	2,018,549
Some of the Township's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	<u>114,371</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 50,187,342</u>

See accompanying notes to the basic financial statements.

**WHITPAIN TOWNSHIP**

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

Year Ended December 31, 2011

	<u>General Fund</u>	<u>Fire Tax Fund</u>	<u>Capital Projects Fund</u>	<u>Open Space Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>							
Taxes							
Real estate taxes	\$ 3,913,021	\$ 763,050	\$ -	\$ -	\$ 1,389,180	\$ 76,282	\$ 6,141,533
Transfer taxes	640,574	-	-	-	-	-	640,574
Earned income taxes	5,382,806	-	-	-	-	-	5,382,806
Local services taxes	765,598	-	-	-	-	-	765,598
Fees, licenses and permits	626,633	-	-	-	-	-	626,633
Investment income and rent	115,348	2,651	3,526	117,471	1,725	2,777	243,498
Intergovernmental revenues	722,248	336,846	250,000	-	-	396,905	1,705,999
Fines and forfeitures	108,503	-	-	-	-	-	108,503
Charges for services	350,739	-	-	-	-	-	350,739
Other	260,277	-	9,945	6,500	-	54,100	330,822
<b>TOTAL REVENUES</b>	<u>12,885,747</u>	<u>1,102,547</u>	<u>263,471</u>	<u>123,971</u>	<u>1,390,905</u>	<u>530,064</u>	<u>16,296,705</u>
<b>EXPENDITURES</b>							
General government	2,461,255	-	109,460	-	-	537	2,571,252
Public safety	5,743,704	926,813	23,550	-	-	55,496	6,749,563
Highways and streets	1,718,330	-	287,299	-	-	392,476	2,398,105
Culture and recreation	831,610	-	21,252	175,073	-	-	1,027,935
Debt service							
Principal	-	-	-	-	908,000	-	908,000
Interest	-	-	-	-	550,926	-	550,926
<b>TOTAL EXPENDITURES</b>	<u>10,754,899</u>	<u>926,813</u>	<u>441,561</u>	<u>175,073</u>	<u>1,458,926</u>	<u>448,509</u>	<u>14,205,781</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>2,130,848</u>	<u>175,734</u>	<u>(178,090)</u>	<u>(51,102)</u>	<u>(68,021)</u>	<u>81,555</u>	<u>2,090,924</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from sale of fixed assets	-	-	57,384	-	-	-	57,384
Transfers in	-	-	500,000	-	-	-	500,000
Transfers out	(500,000)	-	-	-	-	-	(500,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(500,000)</u>	<u>-</u>	<u>557,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,384</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,630,848	175,734	379,294	(51,102)	(68,021)	81,555	2,148,308
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>5,414,558</u>	<u>596,987</u>	<u>1,011,268</u>	<u>1,537,486</u>	<u>90,619</u>	<u>619,235</u>	<u>9,270,153</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 7,045,406</u>	<u>\$ 772,721</u>	<u>\$ 1,390,562</u>	<u>\$ 1,486,384</u>	<u>\$ 22,598</u>	<u>\$ 700,790</u>	<u>\$ 11,418,461</u>

See accompanying notes to the basic financial statements.

# WHITPAIN TOWNSHIP

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

Year Ended December 31, 2011

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS FORWARD	\$ <u>2,148,308</u>
<p>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 current period.</p>	(1,119,827)
<p>Because some property taxes will not be collected for several months after the Township's fiscal year ends, they are not considered as "available" revenues in the Governmental Funds. Deferred tax revenues decreased by this amount this year.</p>	(25,325)
<p>Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	908,000
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the Governmental Funds.</p>	101,177
<p>Bond premiums provide current financial resources to Governmental Funds, while discounts and costs of issuance are uses of current financial resources in Governmental Funds. In the statement of net assets, bond premiums and costs of issuance are deferred and amortized.</p>	(2,071)
<p>In the statement of activities, certain operating expenses--compensated absences (vacations and sick leave), special termination benefits (early retirement) and other postemployment benefits--are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid).</p>	(9,049)
<p>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.</p>	<u>1,001</u>
SUBTOTAL ADJUSTMENTS FORWARD	\$ <u>(146,094)</u>

**WHITPAIN TOWNSHIP**

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

*Year Ended December 31, 2011*

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS FORWARDED	\$ 2,148,308
SUBTOTAL ADJUSTMENTS FORWARDED	(146,094)
The net change in the asset for the net OPEB obligation is reported in the government-wide statements but not in the Governmental Funds statements.	<u>(159,127)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,843,087</u>

*See accompanying notes to the basic financial statements.*

**WHITPAIN TOWNSHIP**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
*December 31, 2011*

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 1,089,475	\$ 529,366	\$ 1,618,841
Investments	281,066	-	281,066
Receivables	222,235	-	222,235
Deposits	350	-	350
Prepaid expenses	4,103	-	4,103
Due from other funds	-	400,000	400,000
	<u>1,597,229</u>	<u>929,366</u>	<u>2,526,595</u>
<b>TOTAL CURRENT ASSETS</b>			
<b>CAPITAL ASSETS</b>			
Sewer system and improvements	12,324,876	-	12,324,876
Other capital assets	1,457,966	-	1,457,966
Accumulated depreciation	(11,104,067)	-	(11,104,067)
	<u>2,678,775</u>	<u>-</u>	<u>2,678,775</u>
<b>TOTAL CAPITAL ASSETS</b>			
	<u>\$ 4,276,004</u>	<u>\$ 929,366</u>	<u>\$ 5,205,370</u>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accrued salaries and benefits	\$ 8,824	\$ -	\$ 8,824
Due to other governments	-	119,217	119,217
Due to other funds	671,085	15,246	686,331
	<u>679,909</u>	<u>134,463</u>	<u>814,372</u>
<b>TOTAL CURRENT LIABILITIES</b>			
<b>NONCURRENT LIABILITIES</b>			
Net OPEB obligation	13,749	-	13,749
Compensated absences	7,341	-	7,341
	<u>21,090</u>	<u>-</u>	<u>21,090</u>
<b>TOTAL NONCURRENT LIABILITIES</b>			
	<u>700,999</u>	<u>134,463</u>	<u>835,462</u>
<b>TOTAL LIABILITIES</b>			
<b>NET ASSETS</b>			
Invested in capital assets	2,678,775	-	2,678,775
Restricted for capital improvements	-	794,903	794,903
Unrestricted	896,230	-	896,230
	<u>3,575,005</u>	<u>794,903</u>	<u>4,369,908</u>
<b>TOTAL NET ASSETS</b>			
	<u>\$ 4,276,004</u>	<u>\$ 929,366</u>	<u>\$ 5,205,370</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>			

*See accompanying notes to the basic financial statements.*

**WHITPAIN TOWNSHIP****STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS***Year Ended December 31, 2011*

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
OPERATING REVENUES			
Sewer service	\$ 3,501,839	\$ -	\$ 3,501,839
Connection fees	3,250	-	3,250
Other revenues	<u>15,824</u>	<u>-</u>	<u>15,824</u>
TOTAL OPERATING REVENUES	<u>3,520,913</u>	<u>-</u>	<u>3,520,913</u>
OPERATING EXPENSES			
Salaries, wages and benefits	1,510,561	-	1,510,561
Contracted services	1,378,211	-	1,378,211
Maintenance	57,104	-	57,104
Other	163,434	21,508	184,942
Depreciation	<u>388,920</u>	<u>-</u>	<u>388,920</u>
TOTAL OPERATING EXPENSES	<u>3,498,230</u>	<u>21,508</u>	<u>3,519,738</u>
OPERATING INCOME (LOSS)	<u>22,683</u>	<u>(21,508)</u>	<u>1,175</u>
NONOPERATING REVENUES			
Interest and investment revenue	<u>4,245</u>	<u>2,050</u>	<u>6,295</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	26,928	(19,458)	7,470
CAPITAL CONTRIBUTIONS FROM DEVELOPERS	-	58,488	58,488
CAPITAL CONTRIBUTIONS TO OTHERS	-	(444,290)	(444,290)
TRANSFERS IN	100,475	800,000	900,475
TRANSFERS OUT	<u>(800,000)</u>	<u>(100,475)</u>	<u>(900,475)</u>
CHANGE IN NET ASSETS	(672,597)	294,265	(378,332)
NET ASSETS AT BEGINNING OF YEAR	<u>4,247,602</u>	<u>500,638</u>	<u>4,748,240</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,575,005</u>	<u>\$ 794,903</u>	<u>\$ 4,369,908</u>

*See accompanying notes to the basic financial statements.*

**WHITPAIN TOWNSHIP**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
*Year Ended December 31, 2011*

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 3,493,855	\$ -	\$ 3,493,855
Cash paid to employees	(953,850)	-	(953,850)
Cash paid to suppliers	(1,301,271)	-	(1,301,271)
Cash paid for employee benefits	(550,978)	-	(550,978)
Refunds	-	(27,850)	(27,850)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>687,756</u>	<u>(27,850)</u>	<u>659,906</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of property, plant and equipment	(100,475)	-	(100,475)
Capital contributions from developers	-	58,488	58,488
Capital contributions to others	-	(491,756)	(491,756)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(100,475)</u>	<u>(433,268)</u>	<u>(533,743)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments	(159)	-	(159)
Earnings on investments	4,245	2,050	6,295
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>4,086</u>	<u>2,050</u>	<u>6,136</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	(400,000)	(100,475)	(500,475)
Transfers from other funds	100,475	400,000	500,475
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(299,525)</u>	<u>299,525</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	291,842	(159,543)	132,299
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>797,633</u>	<u>688,909</u>	<u>1,486,542</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,089,475</u>	<u>\$ 529,366</u>	<u>\$ 1,618,841</u>

**WHITPAIN TOWNSHIP**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
*Year Ended December 31, 2011*

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 22,683	\$ (21,508)	\$ 1,175
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	388,920	-	388,920
(Increase) decrease in			
Receivables	(27,058)	-	(27,058)
Prepays	27,431	-	27,431
Due from other funds	2,902	-	2,902
Increase (decrease) in			
Payables	(3,940)	(21,588)	(25,528)
Accrued salaries and benefits	5,733	-	5,733
Due to other funds	<u>271,085</u>	<u>15,246</u>	<u>286,331</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>\$ 687,756</u>	 <u>\$ (27,850)</u>	 <u>\$ 659,906</u>

*See accompanying notes to the basic financial statements.*

**WHITPAIN TOWNSHIP****STATEMENT OF FIDUCIARY NET ASSETS****FIDUCIARY FUNDS***December 31, 2011*

	<u>Pension Trust Funds</u>	<u>Medical Benefits Funds</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 392,170	\$ 306,189	\$ 626,548
Investments			
Mutual funds	14,293,578	-	-
Mortgage-backed securities	506,037	-	-
U.S. Government notes	1,286,749	-	-
Corporate bonds	2,322,494	-	-
Due from Township	114,339	22,500	-
Prepaid expenses	100,482	-	-
	<u>19,015,849</u>	<u>328,689</u>	<u>626,548</u>
<b>TOTAL ASSETS</b>	<b>\$ 19,015,849</b>	<b>\$ 328,689</b>	<b>\$ 626,548</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Due to Township	\$ -	\$ -	\$ 68,691
Escrow deposits	-	-	557,857
	<u>-</u>	<u>-</u>	<u>626,548</u>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>\$ 626,548</b>
<b>NET ASSETS</b>			
Held in trust for			
Pension benefits	19,015,849	-	
Post-retirement medical insurance	-	328,689	
<b>TOTAL NET ASSETS</b>	<u>19,015,849</u>	<u>328,689</u>	
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 19,015,849</b>	<b>\$ 328,689</b>	

*See accompanying notes to the basic financial statements.*

**WHITPAIN TOWNSHIP****STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS****FIDUCIARY FUNDS***Year Ended December 31, 2011*

	<u>Pension Trust Funds</u>	<u>Medical Benefits Funds</u>
<b>ADDITIONS</b>		
Contributions		
Member contributions	\$ 258,927	\$ -
Employer contributions	555,172	45,000
State contributions	645,589	-
TOTAL CONTRIBUTIONS	<u>1,459,688</u>	<u>45,000</u>
Investment income (loss)		
Net depreciation in fair value of investments	(661,037)	-
Dividends	358,212	-
Investment income	161,745	975
Investment expense	(113,937)	-
TOTAL INVESTMENT INCOME (LOSS)	<u>(255,017)</u>	<u>975</u>
TOTAL ADDITIONS	<u>1,204,671</u>	<u>45,975</u>
<b>DEDUCTIONS</b>		
Benefits	690,146	19,024
Actuary fees	22,770	-
TOTAL DEDUCTIONS	<u>712,916</u>	<u>19,024</u>
CHANGE IN NET ASSETS	491,755	26,951
NET ASSETS HELD IN TRUST AT BEGINNING OF YEAR	<u>18,524,094</u>	<u>301,738</u>
NET ASSETS HELD IN TRUST AT END OF YEAR	<u>\$ 19,015,849</u>	<u>\$ 328,689</u>

*See accompanying notes to the basic financial statements.*

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

NOTE A      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Whitpain Township (the "Township") is a municipal corporation existing and operating under the Second Class Township Code of the Commonwealth of Pennsylvania. The accompanying financial statements present the primary government only. In evaluating the Township (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Township have been addressed. Financial accountability is present if the Township appoints a voting majority of a component unit's governing body and has the ability to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Township. Based upon the application of these criteria, the following is an analysis of the potential component unit addressed in defining the Township's reporting entity:

**Centre Square Fire Company** - This potential component unit has a separately elected and/or appointed governing body. The Township does not have a controlling influence over daily operations, the establishment of a budget, or appointment of management staff or officers. Therefore, based on the criteria above, this entity is excluded from the reporting entity of the Township.

**Government-Wide and Fund Financial Statements**

The accompanying financial statements of the Township are in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments--Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Statement No. 41, *Budgetary Comparison Schedules--Perspective Differences*. The requirements of this new reporting model are described below.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

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

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

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 are reported as separate columns (Other Governmental Funds) in the fund financial statements.

**Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Under this basis, certain revenues (those susceptible to accrual, readily measurable and available as to amount and anticipated as being readily collectible) are recorded on the accrual basis. Property taxes and licenses associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are recognized only when received in cash. Expenditures, with the exception of interest requirements on long-term debt, are accounted for on the accrual basis of accounting.

The Township 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 required to be accounted for in another fund.
- The *Fire Tax Fund* accounts for the collection of tax for fire services.
- The *Capital Projects Fund* is used to account for various capital projects within the Township.
- The *Open Space Fund* accounts for the purchases and maintenance of open space.
- The *Debt Service Fund* accounts for principal and interest debt payments.

The Township reports the following major Proprietary Funds:

- The *Sewer Fund* accounts for the activities of the Township's sewer and wastewater treatment services.
- The *Sewer Capital Fund* accounts for the capital improvement activities of the Township's sewer and wastewater treatment services.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

Additionally, the Township reports the following Fiduciary Fund Types:

- The *Pension Trust Funds* are used to account for the activities of the Police and Non-Uniformed Employees' Pension Plans, which accumulate resources for pension benefit payments to qualified employees.
- The *Medical Benefits Funds* are used to account for the assets held by the Township to pay for postemployment medical benefits.
- The *Agency Fund* is used to account for monies held by the Township for developer escrow deposits. Assets in the Agency Fund equal liabilities.

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

Proprietary Funds distinguish *operating* revenues 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 Sewer Fund and Sewer Capital Fund are charges to customers for sales and services. The funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for Enterprise Funds 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.

**Stewardship, Compliance and Accountability**

***Budgets and Budgetary Accounting*** - The Township follows the procedures outlined below, which comply with legal requirements in establishing the budgetary data reflected in the financial statements:

1. Budgets are legally adopted on an annual basis for most Township funds, which is consistent with generally accepted accounting principles. The operating budget includes proposed expenditures and the means of financing them.
2. During November and December, the Township holds budget hearings for the purpose of receiving oral and written comments from interested parties in regard to the proposed budget for the following year. The Township makes available to the public its proposed operating budget for all funds.
3. No later than December 31, the budget is legally adopted through the passage of a resolution.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

4. Budget transfers at the activity level must be approved by the Township Board of Supervisors.
5. Budgets for the funds are prepared on the modified accrual basis of accounting.

All appropriations lapse at year-end. Supplemental appropriations can be made at any time.

As a matter of state law, expenditures cannot exceed total appropriations by fund.

The General Fund, Fire Tax Fund, Capital Projects Fund, Fire Hydrant Fund, Traffic Improvement Fund, Reserve for Outfall Stormwater Fund, Fee in Lieu of Stormwater Management Fund, Highway Aid Fund, Open Space Fund and Debt Service Fund all have legally adopted budgets for the year ended December 31, 2011.

***Encumbrance Accounting*** - Encumbrance accounting, under which purchase orders and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all funds for which budgets are prepared. Encumbrances outstanding at year-end lapse. Encumbrances do not constitute expenditures or liabilities under accounting principles generally accepted in the United States of America.

**Assets, Liabilities and Equity**

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

With the exception of Pension Trust Funds, state statutes authorize the Township to invest in obligations of the United States of America, the Commonwealth of Pennsylvania, or any agency or instrumentality of either, which are secured by the full faith and credit of such entity. The law also allows for the Township to invest in certificates of deposit of banks, savings and loans, credit unions and savings banks both within and outside the Commonwealth of Pennsylvania, provided such amounts are insured by the Federal Deposit Insurance Corporation (FDIC) or other like insurance, and that deposits in excess of such insurance are collateralized by the depository.

The state also imposes limitations with respect to the amount of investment in certificates of deposit to the extent that such deposits may not exceed 20% of a bank's total capital surplus or 20% of a credit union's, savings and loan's, or savings bank's assets, net of its liabilities. The Township may also invest in shares of registered investment companies, provided that investments of the Company are authorized investments, as noted above.

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

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

Investments for the Township are reported at fair value. The investment pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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

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

**Real Estate Taxes** - Real estate taxes are recorded as revenues when the taxes are levied. All property tax receivables are shown net of an allowance for uncollectibles. At December 31, 2011, all tax receivables were deemed to be fully collectible. There is no tax receivable allowance due to the materiality of the outstanding receivables.

Real estate taxes are levied on January 1 on property values assessed as of the same date. Taxes are billed March 1 and are due on June 30 of each year. A 2% discount is provided for taxes paid prior to May 1. A 10% penalty is applied to taxes paid after June 30. Any unpaid bills at December 31 are subject to lien, and penalties and interest are assessed.

**Earned Income Taxes** - A 1% earned income tax is imposed on all residents and on nonresidents who work within the Township limits. This tax is recorded as revenue when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first.

**Provision for Estimated Uncollectible Receivables** - No provision is considered necessary for other receivables.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Capital Assets** - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Township defines a capital asset as an asset with an initial, individual cost equal to or greater than \$5,000 and must have an estimated useful life in excess of one year. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of a business-type activity is included as part of the capitalized value of the assets constructed. Prior to January 1, 2004, Governmental Funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation has been provided over the estimated useful lives of property, plant and equipment using the straight-line method as follows:

	<u>Years</u>
Buildings	20-45
Land and building improvements	10-45
Roads, curbs, walks and bridges	30-40
Storm sewer pipes	25
Sewer pipes	20
Machinery and equipment	5-20
Traffic signals and intersection improvements	25

**Long-Term Obligations** - In the government-wide financial statements and the Proprietary Fund Types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund Type statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bond premiums or discounts and issuance costs are reported as deferred charges. Bonds payable are reported net of deferred amounts on refunding, which represent the difference between the reacquisition price and the net carrying amount of old debt that has been defeased in refunding transactions since 1993. This deferred amount is amortized as a component of interest expense over the lesser of the remaining life of the old debt or the life of the new debt.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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In the fund financial statements, Governmental Fund Types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures.

**Net Assets** - Beginning with the year ended December 31, 2010, the Township has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the Township's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable Fund Balance** - Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- **Restricted Fund Balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation.
- **Committed Fund Balance** - Amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority (the Board of Supervisors). To be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest level action to remove or change the constraint.
- **Assigned Fund Balance** - Amounts the Township intends to use for a specific purpose. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board of Supervisors delegates the authority. As of December 31, 2011, the Board has not delegated the authority to assign fund balance.
- **Unassigned Fund Balance** - Amounts available for any purpose. Positive amounts are reported only in the General Fund.

Beginning fund balances for the Township's Governmental Funds have been restated to reflect the above classifications.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a motion. Assigned fund balance is intended to be used by the government for specific purposes but does not meet the criteria to be classified as restricted or committed.

The Township will typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Cash and Cash Equivalents** - For purposes of reporting cash flows for the Proprietary Funds, all highly liquid investments with original maturities of three months or less are considered short-term investments.

**Compensated Absences** - The Township allows full-time permanent employees to carry over vacation pay (maximum of one week) and compensates for it at termination or retirement. Limited sick leave benefits may be carried forward; however, the Township does not compensate for them at termination or retirement.

**Prepaid Items** - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Accounting and Financial Reporting for Proprietary Funds** - The Township has not and does not intend to apply any Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989, to its Proprietary Funds.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**Concentrations of Credit Risk** - The Township's revenues and receivables for taxes and utility service are mostly derived from residents and businesses located in the Township and are, therefore, subject to the economic conditions of the area.

**NOTE B DEPOSITS AND INVESTMENTS**

**Deposits**

**Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. As of December 31, 2011, \$609,402 was insured by the Federal Depository Insurance Corporation. The remaining \$13,335,116 of the Township's bank balance of \$13,944,518 was exposed to credit risk because it was uninsured and collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania Legislature, which permits the institution to pool collateral for all governmental deposits and has the collateral held by a custodian in the institution's name.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

**Investments**

As of December 31, 2011, the Township had the following investments:

<u>Investment Type</u>	<u>Investment Maturities</u>	
	<u>Fair Value</u>	<u>Less Than One Year</u>
<b>GOVERNMENTAL ACTIVITIES</b>		
Externally pooled investments	\$ <u>179,553</u>	\$ <u>179,553</u>
<b>PROPRIETARY ACTIVITIES</b>		
Externally pooled investments	\$ <u>281,066</u>	\$ <u>281,066</u>
<b>PENSION ACTIVITIES</b>		
Mutual funds	\$ 14,293,578	\$ 14,293,578
Mortgage-backed securities	506,037	506,037
U.S. Government notes	1,286,749	1,286,749
Corporate bonds	<u>2,322,494</u>	<u>2,322,494</u>
<b>TOTAL PENSION ACTIVITIES</b>	\$ <u>18,408,858</u>	\$ <u>18,408,858</u>

***Interest Rate Risk*** - This is the risk that changes in interest rates will adversely affect the fair market value of an investment. The Township's investment policy includes a balancing provision to address this type of risk.

***Credit Risk*** - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the investment of government funds as described in Note A. The Township's investment policy does not further limit its investment choices. The Township's investment in the external investment pools was rated AAAM by Standard & Poor's.

***Concentration of Credit Risk*** - This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. There were no investments that exceeded 5% of the total investments reported in the Governmental, Proprietary, or Fiduciary Funds that would be considered a concentration of credit risk.

**Escrow Cash Deposits and Investments**

The Township acts in a custodial capacity with respect to monies deposited with it by developers. These monies are held by the Township and used to pay legal, engineering and other fees incurred on behalf of a specific project. Any unused deposits are returned to the developer upon completion of the project, except for an administrative handling fee. None of the monies received from or expended on behalf of the developers are recorded in the revenues or expenses of the Township. At December 31, 2011, \$557,857 represents the balance of these monies held in escrow.

**WHITPAIN TOWNSHIP**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 December 31, 2011

**NOTE C CAPITAL ASSETS**

Changes in capital asset activity for the year ended December 31, 2011, were as follows:

	Balance January 1, 2011	Increases	Decreases	Balance December 31, 2011
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 16,108,463	\$ -	\$ -	\$ 16,108,463
Conservation easements	1,052,009	-	-	1,052,009
Construction in progress	144,258	-	-	144,258
<b>TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED</b>	<u>17,304,730</u>	<u>-</u>	<u>-</u>	<u>17,304,730</u>
Capital assets being depreciated				
Land improvements	2,071,517	3,761	-	2,075,278
Buildings and improvements	5,119,601	53,191	-	5,172,792
Machinery and equipment	4,208,672	414,671	(172,909)	4,450,434
Infrastructure	56,663,997	644,693	-	57,308,690
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED</b>	<u>68,063,787</u>	<u>1,116,316</u>	<u>(172,909)</u>	<u>69,007,194</u>
Accumulated depreciation				
Land improvements	(661,341)	(46,846)	-	(708,187)
Buildings and improvements	(2,014,448)	(112,660)	-	(2,127,108)
Machinery and equipment	(2,591,159)	(317,232)	172,909	(2,735,482)
Infrastructure	(30,261,640)	(1,759,405)	-	(32,021,045)
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<u>(35,528,588)</u>	<u>(2,236,143)</u>	<u>172,909</u>	<u>(37,591,822)</u>
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED, net</b>	<u>32,535,199</u>	<u>(1,119,827)</u>	<u>-</u>	<u>31,415,372</u>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net</b>	<u>\$ 49,839,929</u>	<u>\$ (1,119,827)</u>	<u>\$ -</u>	<u>\$ 48,720,102</u>

**WHITPAIN TOWNSHIP**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 December 31, 2011

Depreciation expense was charged to governmental functions as follows:

GOVERNMENTAL ACTIVITIES	
Administrative	\$ 69,355
Codes	3,585
Police and emergency services	165,798
Public works, highways and streets	1,894,673
Parks	<u>102,732</u>
	<u>\$ 2,236,143</u>

	Balance January 1, 2011	Increases	Decreases	Balance December 31, 2011
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets being depreciated				
Buildings and improvements	\$ 180,684	\$ -	\$ -	\$ 180,684
Machinery and equipment	1,212,582	64,700	-	1,277,282
Infrastructure	<u>12,289,101</u>	<u>35,775</u>	-	<u>12,324,876</u>
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED</b>	<u>13,682,367</u>	<u>100,475</u>	<u>-</u>	<u>13,782,842</u>
Accumulated depreciation				
Buildings and improvements	(180,684)	-	-	(180,684)
Machinery and equipment	(704,687)	(114,799)	-	(819,486)
Infrastructure	<u>(9,829,776)</u>	<u>(274,121)</u>	-	<u>(10,103,897)</u>
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<u>(10,715,147)</u>	<u>(388,920)</u>	<u>-</u>	<u>(11,104,067)</u>
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED, net</b>	<u>2,967,220</u>	<u>(288,445)</u>	<u>-</u>	<u>2,678,775</u>
<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net</b>	<u>\$ 2,967,220</u>	<u>\$ (288,445)</u>	<u>\$ -</u>	<u>\$ 2,678,775</u>

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

**NOTE D INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables at December 31, 2011, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<b>GOVERNMENTAL FUNDS</b>		
General Fund	\$ 360,541	\$ 596,791
Fire Tax Fund	336,846	58,463
Capital Projects Fund	259,945	3,245
Open Space Fund	-	9,455
Fire Hydrant Fund	-	3,047
<b>BUSINESS-TYPE ACTIVITIES</b>		
Sewer Capital Fund	400,000	15,246
Sewer Fund	-	671,085
	<u>\$ 1,357,332</u>	<u>\$ 1,357,332</u>

These 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.

Interfund transfers at December 31, 2011, are as follows:

	<u>Transfer Out</u>	<u>Transfer In</u>
General Fund	\$ 500,000	\$ -
Capital Projects Fund	-	500,000
Sewer Fund	800,000	100,475
Sewer Capital Fund	<u>100,475</u>	<u>800,000</u>
	<u>\$ 1,400,475</u>	<u>\$ 1,400,475</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) account for saving for future capital projects.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

**NOTE E RECEIVABLES**

Receivables as of December 31, 2011, are as follows:

	<u>General Fund</u>	<u>Fire Tax Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Sewer Fund</u>	<u>Totals</u>
RECEIVABLES						
Taxes	\$ 435,193	\$ 8,850	\$ 16,151	\$ 2,554	\$ -	\$ 462,748
Accounts	130,254	-	-	-	-	130,254
Special assessments	-	-	-	-	222,235	222,235
	<u>\$ 565,447</u>	<u>\$ 8,850</u>	<u>\$ 16,151</u>	<u>\$ 2,554</u>	<u>\$ 222,235</u>	<u>\$ 815,237</u>

**NOTE F LONG-TERM DEBT**

A summary of activity in the Township's debt payable accounts during 2011 is as follows:

	<u>Balance January 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2011</u>	<u>Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
General Obligation Notes					
Series A of 1999	\$ 4,606,000	\$ -	\$ (172,000)	\$ 4,434,000	\$ 181,000
Series B of 1999	2,483,000	-	(320,000)	2,163,000	331,000
Series of 2002	2,145,000	-	(276,000)	1,869,000	286,000
Series of 2006	3,090,000	-	(140,000)	2,950,000	145,000
TOTAL GENERAL OBLIGATION NOTES	<u>12,324,000</u>	<u>-</u>	<u>(908,000)</u>	<u>11,416,000</u>	<u>943,000</u>
Deferred issuance costs and discounts	(31,056)	-	2,071	(28,985)	-
Net OPEB obligation	472,874	159,127	-	632,001	-
Compensated absences	42,754	185,712	(176,663)	51,803	5,180
TOTAL GOVERNMENTAL ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 12,808,572</u>	<u>\$ 344,839</u>	<u>\$ (1,082,592)</u>	<u>\$ 12,070,819</u>	<u>\$ 948,180</u>
BUSINESS-TYPE ACTIVITIES					
Net OPEB obligation	\$ 10,387	\$ 3,362	\$ -	\$ 13,749	\$ -
Compensated absences	6,593	41,341	(40,593)	7,341	734
TOTAL BUSINESS-TYPE ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 16,980</u>	<u>\$ 44,703</u>	<u>\$ (40,593)</u>	<u>\$ 21,090</u>	<u>\$ 734</u>

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

Payments on the bonds and loans payable pertaining to the Township's governmental activities are made by the Debt Service Fund. Payments of compensated absences, net pension obligations and net other postemployment benefit obligations pertaining to the Township's governmental activities are made by the General Fund.

**Governmental Activities Debt**

The Township issues general obligation notes to provide funds for the acquisition, construction and improvement of facilities and the purchase of equipment and open space. General obligation notes have been issued for the governmental activities only. The original amount of notes issued was \$17,570,000.

General obligation notes are direct obligations and pledge the full faith and credit of the Township. These notes are generally issued as 15- to 28-year serial notes with varying amounts of principal maturing each year.

**Total Scheduled Annual Debt Service**

The Township's total scheduled annual debt service on all long-term debt is as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 943,000	\$ 502,192
2013	979,000	464,497
2014	1,021,000	425,207
2015	1,060,000	384,287
2016	1,101,000	341,753
2017	1,138,000	346,216
2018	434,000	296,080
2019	452,000	270,379
2020	476,000	243,485
2021	501,000	215,182
2022	527,000	185,414
2023	554,000	154,128
2024	581,000	121,270
2025	610,000	86,839
2026	639,000	50,726
2027	400,000	21,708
	<u>\$ 11,416,000</u>	<u>\$ 4,109,363</u>

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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The Township financed the Series A and B of 1999 and Series of 2002 general obligation notes through the Delaware Valley Regional Finance Authority (DeVal). DeVal has in turn entered into interest rate swap agreements with various counterparties to provide fixed interest rates to borrowers. These agreements may be terminated under the following circumstances: (1) DeVal and the counterparty mutually consent to termination, (2) the borrower defaults on its loan, or (3) DeVal or the counterparty default or their financial conditions deteriorate to make a default imminent. Upon termination, DeVal would receive or make a payment depending on the market value of the related interest rate swap. If DeVal were obligated to make such a payment and sufficient funds were not available, DeVal could assess each borrower its allocable share of the termination payment.

As of December 31, 2011, DeVal would have received a payment of nearly \$206 million if all of the swap agreements were terminated. Therefore, no amounts are reflected on the Township's financial statements.

**NOTE G      DEFINED CONTRIBUTION PENSION PLAN**

The Township has established a defined contribution pension plan to provide pension benefits for its regular, full-time, non-police employees. Under the plan, an individual receives his own account to which all contributions are made. The employee determines how his account is invested. The accounts are administered by ICMA-RC, and the funds held in the plan are invested in VantageTrust, a trust established by public employers for the collective investment of funds held under their retirement plans.

Under the plan, the employer contributes 4% to 8%, with a mandatory participant contribution of 3% to 5% of total earnings, including overtime and any bonuses. Covered employees are fully vested in employer contributions after seven years of service.

This plan was established effective January 1, 2010, with a 12-month period of service before entry into the plan. For the year ended December 31, 2011, contributions of \$6,115 were made to this plan.

**NOTE H      DEFINED BENEFIT PENSION PLANS**

**Summary of Significant Accounting Policies**

***Basis of Accounting*** - The Pension Plans financial statements are prepared on the accrual basis of accounting. Contributions and pension payments are recognized in the period they are due.

***Valuation of Investments*** - The Pension Plans investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

**Plan Descriptions**

The Township contributes to two single-employer defined benefit pension plans, the Non-Uniformed Employees' Pension Plan and the Police Pension Plan. All full-time police and non-uniformed employees participate in the plans. Neither pension plan issues separate, stand-alone financial statements.

At January 1, 2011, the date of the most recent actuarial valuation, participants in the plans were as follows:

	<u>Non-Uniformed Employees' Pension Plan</u>	<u>Police Pension Plan</u>
<b>PARTICIPANTS</b>		
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits not yet receiving them	25	19
Active employees	<u>58</u>	<u>30</u>
<b>TOTAL MEMBERSHIP</b>	<u>83</u>	<u>49</u>

***Non-Uniformed Employees' Pension Plan***

The Non-Uniformed Employees' Pension Plan provides retirement benefits as well as death benefits. All benefits vest at 100% after seven years of credited service. Employees who retire at or after age 62 with 20 years of service are entitled to an annual retirement benefit, payable monthly, for life. Monthly pension is 50% of the employee's average monthly earnings over the highest three consecutive years out of the last ten years, prorated if less than 20 years of service. If a member continues working after his normal retirement date, his normal retirement pension increases by .75% per month, provided the participant had at least 20 years of service at normal retirement.

Covered employees are required to contribute 3% of their compensation to the plan. Contributions are not required after attainment of age 62 and completion of 20 years of service. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the plan. Contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

The plan does not issue a stand-alone financial report.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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***Police Pension Plan***

The Police Pension Plan provides retirement benefits as well as death and disability benefits under Pennsylvania Act 600. All benefits vest after 12 years of credited service. Officers are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 50% of their final average salary. Final average salary is the employee's average compensation over the last 36 months of service. Compensation is defined as base pay, holiday pay and longevity pay only. Normal retirement is age 50 with at least 25 years of service.

If an employee leaves covered employment before 12 years of credited service, accumulated employee contributions to the plan plus related interest are refunded to the employee or designated beneficiary. Covered employees are required by statute to contribute 5% of their compensation to the plan. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the plan. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

The plan does not issue a stand-alone financial report.

**Funding Policy and Contribution Information**

Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the minimum municipal obligation ("MMO"), which is based on the plan's actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer.

In 2011, the MMO obligation for the Non-Uniformed Employees' Pension Plan was \$669,152 for the year 2011. Contributions of \$346,358 and \$322,794 were made by the Township and the Commonwealth, respectively.

In 2011, the MMO obligation for the Police Pension Plan was \$531,609 for the year 2011. Contributions of \$208,814 and \$322,795 were made by the Township and the Commonwealth, respectively.

Administrative costs, which may include, but are not limited to, investment management fees and actuarial services, are charged to the appropriate plan and funded through the MMO and/or plan earnings. On-behalf payments of fringe benefits and salaries for the Township's employees were recognized as revenues and expenditures during the year.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

**Financial Requirement and Minimum Municipal Obligation Budget for 2011**

	<u>Non-Uniformed Employees' Pension Plan</u>	<u>Police Pension Plan</u>
Annual required contribution	\$ 669,152	\$ 531,609
Interest on net pension asset	278	7
Adjustment to annual required contribution	(506)	(10)
ANNUAL PENSION COST	<u>668,924</u>	<u>531,606</u>
Contributions made	<u>(669,152)</u>	<u>(531,609)</u>
DECREASE IN NET PENSION ASSET	<u>(228)</u>	<u>(3)</u>
Net pension asset at beginning of year	<u>(3,701)</u>	<u>(85)</u>
NET PENSION ASSET AT END OF YEAR	<u>\$ (3,473)</u>	<u>\$ (82)</u>
ACTUAL FUNDS DEPOSITED INTO PLAN	<u>\$ 669,152</u>	<u>\$ 531,609</u>
STATE AID PORTION OF FUNDS DEPOSITED	<u>\$ 322,794</u>	<u>\$ 322,795</u>

**Three-Year Trend**

***Non-Uniformed Employees' Pension Plan***

<u>Fiscal Year Ended December 31,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2009	\$ 464,198	100.05%	\$ (3,944)
2010	480,450	100.05%	(3,701)
2011	668,924	100.03%	(3,473)

***Police Pension Plan***

<u>Fiscal Year Ended December 31,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2009	\$ 271,856	100%+	\$ (89)
2010	287,303	100%+	(85)
2011	531,606	100%+	(82)

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

**Funded Status and Funding Progress**

**Non-Uniformed Employees' Pension Plan** - As of January 1, 2011, the most recent actuarial valuation date, the plan was 80.7% funded. The actuarial accrued liability for benefits was \$9.7 million and the actuarial value of assets was \$7.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.9 million. The covered payroll (annual payroll of active employees covered in the plan) was \$3.6 million, and the ratio of the UAAL to the covered payroll was 51.9%.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information as of the latest actuarial valuation for the plan follows:

Valuation date.....	January 1, 2011
Actuarial cost method .....	Entry age normal
Amortization method.....	Level dollar, closed
Remaining amortization period .....	12 years
Asset valuation method.....	Market value
Actuarial assumptions	
Investment rate of return .....	7.5%
Projected salary increases .....	4.5%

**Police Pension Plan** - As of January 1, 2011, the most recent actuarial valuation date, the plan was 92.1% funded. The actuarial accrued liability for benefits was \$11.6 million and the actuarial value of assets was \$10.7 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.9 million. The covered payroll (annual payroll of active employees covered in the plan) was \$2.6 million, and the ratio of the UAAL to the covered payroll was 35.5%.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information as of the latest actuarial valuation for the plan follows:

Valuation date.....	January 1, 2011
Actuarial cost method .....	Entry age normal
Amortization method.....	Level dollar, closed
Remaining amortization period .....	14 years
Asset valuation method.....	Market value
Actuarial assumptions	
Investment rate of return .....	7.5%
Projected salary increases .....	5.0%

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

**Investments that Represent 5% or More of Net Assets Available for Benefits**

At December 31, 2011, there were no investments of the Non-Uniformed Employees' Pension Plan in any one organization that represented 5% or more of net assets available for benefits (\$7,952,072 X 5% = \$397,604) other than mutual funds, which do not require disclosure of concentration per GASB Statement No. 25.

At December 31, 2011, there were no investments of the Police Pension Plan in any one organization that represented 5% or more of net assets available for benefits (\$10,456,786 X 5% = \$522,839) other than mutual funds, which do not require disclosure of concentration per GASB Statement No. 25.

**NOTE I POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Plan Descriptions**

***Non-Uniformed OPEB Plan*** - Effective January 1, 2000, the Township implemented a post-retirement healthcare benefit plan for non-uniformed employees who retire from the Township. All non-uniformed employees will be eligible for coverage upon retirement after reaching the minimum age of 62 years and the completion of 20 years of service or age 65. A retired employee's spouse, surviving spouse (as long as he/she has not remarried) and minor children are also eligible for coverage under the plan. Under the terms of the plan, the Township pays up to \$1,200 annually as reimbursement of premiums paid for hospitalization and major medical insurance. The coverage will not apply to prescription drug, dental, or vision benefits. The retiree will receive payments until a lifetime maximum of \$15,000 is reached. Plan benefits may be amended through Board Resolution.

The plan does not issue a stand-alone report.

***Police OPEB Plan*** - In accordance with the Police Labor Contract effective January 1, 1993, the Township implemented a post-retirement healthcare benefit plan for police employees who retire from the Township. All officers will be eligible for coverage upon retirement after reaching the minimum age of 50 years and the completion of 25 years of service. A retired officer's spouse, surviving spouse (as long as he/she has not remarried) and minor children are also eligible for coverage under the plan. Plan benefits may be amended through Police Labor Contracts.

An officer who retires prior to January 1, 2004, will receive payments up to \$1,500 annually as reimbursement for premiums paid for hospitalization and major medical insurance. The coverage will not apply to prescription drug, dental, or vision benefits. The retiree will receive payments until a lifetime maximum of \$15,000 is reached.

An officer who retires after January 1, 2004, will be able to continue coverage in the Township's medical plan. The Township will pay 50% of the premium cost for the officer and spouse only. Coverage will only include hospitalization and major medical and will cease upon Medicare eligibility.

The plan does not issue a stand-alone report.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

**Funding Policy**

Retirees are not required to make contributions to either plan. The contribution requirements of plan members have been established and may be amended through Board Resolution (Non-Uniformed) and Police Labor Contracts (Police). The Township is accounting for these expenditures on a "pay-as-you-go" basis. The costs of administering the plans are paid by the Township.

**Annual OPEB Cost and Net OPEB Obligation**

The Township's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Township's net OPEB obligation to the plan are as follows:

	<u>Non-Uniformed</u>	<u>Police</u>
Annual required contribution	\$ 31,149	\$ 184,262
Interest on net OPEB obligation	2,824	18,922
Adjustments to annual required contribution	<u>(3,853)</u>	<u>(25,815)</u>
ANNUAL OPEB EXPENSE	30,120	177,369
Contributions made	<u>(12,000)</u>	<u>(33,000)</u>
INCREASE IN NET OPEB OBLIGATION	18,120	144,369
Net OPEB obligation at beginning of year	<u>62,759</u>	<u>420,502</u>
NET OPEB OBLIGATION AT END OF YEAR	<u>\$ 80,879</u>	<u>\$ 564,871</u>

**Three-Year Trend**

**Non-Uniformed OPEB Plan**

<u>Fiscal Year</u> Ending December 31,	<u>Annual</u> OPEB Cost	<u>Percentage</u> of Annual OPEB Cost Contributed	<u>Net Pension</u> OPEB Obligation
2009	\$ 28,857	42%	\$ 46,155
2010	28,604	42%	62,759
2011	30,120	40%	80,879

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

***Police OPEB Plan***

<u>Fiscal Year Ending December 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net Pension OPEB Obligation</u>
2009	\$ 155,080	10%	\$ 297,530
2010	152,972	20%	420,502
2011	177,369	19%	564,871

**Funded Status and Funding Progress**

As of January 1, 2011, the most recent actuarial valuation date, the funded status of each plan is as follows:

	(a) Actuarial Value of Net Assets	(b) Actuarial Accrued Liability Obligation	(c) Unfunded Actuarial Accrued Liability (b)-(a)	(d) Percentage Funded (a)/(b)	(e) Accrued Projected Annual Covered Payroll	(f) Liability as a Percentage of Payroll (c)/(e)
Non-Uniformed	\$ -	\$ 321,347	\$ 321,347	0%	\$ 3,733,487	9%
Police	-	1,521,483	1,521,483	0%	2,611,344	58%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

In the January 1, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included an investment rate of return (net of administrative expenses) of 4.5% for the Non-Uniformed Plan and 4.5% for the Police Plan, which is a blended rate of the expected long-term investment returns on plan assets. Annual salary increases are assumed to be 4.5% for the Non-Uniformed Plan and 5.0% for the Police Plan. For the inflation rate for both plans, healthcare costs are assumed to increase at the rate of 8% in 2011, with such trend rate decreasing by 0.5% per year, to an ultimate rate of 5.5% in 2016 and later years. The UAAL is being amortized based on a level dollar, 30-year closed period over future years as part of the annual contribution requirement.

**NOTE J COMBINING SCHEDULES OF FIDUCIARY FUNDS**

The following is a combining schedule of fiduciary net assets for the Pension Trust Funds and Medical Benefits Funds:

	Pension Trust Funds			Medical Benefits Funds		
	Non-Uniformed Pension Fund	Police Pension Fund	Total Pension Trust Funds	Non-Uniformed Post-Retirement Medical Benefits Fund	Police Post-Retirement Medical Benefits Fund	Total Medical Benefits Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 142,194	\$ 249,976	\$ 392,170	\$ 31,313	\$ 274,876	\$ 306,189
Investments, mutual funds						
Mutual funds	6,186,154	8,107,424	14,293,578	-	-	-
Mortgage-backed securities	221,390	284,647	506,037	-	-	-
U.S. Government notes	548,780	737,969	1,286,749	-	-	-
Corporate bonds	995,748	1,326,746	2,322,494	-	-	-
Due from Township	44,995	69,344	114,339	6,000	16,500	22,500
Prepaid expenses	100,482	-	100,482	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 8,239,743</b>	<b>\$ 10,776,106</b>	<b>\$ 19,015,849</b>	<b>\$ 37,313</b>	<b>\$ 291,376</b>	<b>\$ 328,689</b>
<b>NET ASSETS</b>						
Held in trust for						
Pension benefits	\$ 8,239,743	\$ 10,776,106	\$ 19,015,849	\$ -	\$ -	\$ -
Post-retirement medical insurance	-	-	-	37,313	291,376	328,689
<b>TOTAL NET ASSETS</b>	<b>\$ 8,239,743</b>	<b>\$ 10,776,106</b>	<b>\$ 19,015,849</b>	<b>\$ 37,313</b>	<b>\$ 291,376</b>	<b>\$ 328,689</b>

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*December 31, 2011*

The following is a combining schedule of changes in fiduciary net assets for the Pension Trust Funds and Medical Benefits Funds:

	Pension Trust Funds			Medical Benefits Funds		
	Non-Uniformed Pension Fund	Police Pension Fund	Total Pension Trust Funds	Non-Uniformed Post-Retirement Medical Benefits Fund	Police Post-Retirement Medical Benefits Fund	Total Medical Benefits Funds
<b>ADDITIONS</b>						
Contributions						
Member contributions	\$ 110,094	\$ 148,833	\$ 258,927	\$ -	\$ -	\$ -
Employer contributions	346,358	208,814	555,172	12,000	33,000	45,000
State contributions	322,794	322,795	645,589	-	-	-
<b>TOTAL CONTRIBUTIONS</b>	<u>779,246</u>	<u>680,442</u>	<u>1,459,688</u>	<u>12,000</u>	<u>33,000</u>	<u>45,000</u>
Investment income (loss)						
Net depreciation in fair value of investments	(242,845)	(418,192)	(661,037)	-	-	-
Dividends	152,545	205,667	358,212	-	-	-
Investment income	67,411	94,334	161,745	118	857	975
Investment expense	(51,929)	(62,008)	(113,937)	-	-	-
<b>TOTAL INVESTMENT INCOME (LOSS)</b>	<u>(74,818)</u>	<u>(180,199)</u>	<u>(255,017)</u>	<u>118</u>	<u>857</u>	<u>975</u>
<b>TOTAL ADDITIONS</b>	<u>704,428</u>	<u>500,243</u>	<u>1,204,671</u>	<u>12,118</u>	<u>33,857</u>	<u>45,975</u>
<b>DEDUCTIONS</b>						
Benefits	288,217	401,929	690,146	15,900	3,124	19,024
Actuary fees	10,820	11,950	22,770	-	-	-
<b>TOTAL DEDUCTIONS</b>	<u>299,037</u>	<u>413,879</u>	<u>712,916</u>	<u>15,900</u>	<u>3,124</u>	<u>19,024</u>
<b>CHANGE IN NET ASSETS</b>	<u>405,391</u>	<u>86,364</u>	<u>491,755</u>	<u>(3,782)</u>	<u>30,733</u>	<u>26,951</u>
<b>NET ASSETS HELD IN TRUST AT BEGINNING OF YEAR</b>	<u>7,834,352</u>	<u>10,689,742</u>	<u>18,524,094</u>	<u>41,095</u>	<u>260,643</u>	<u>301,738</u>
<b>NET ASSETS HELD IN TRUST AT END OF YEAR</b>	<u>\$ 8,239,743</u>	<u>\$ 10,776,106</u>	<u>\$ 19,015,849</u>	<u>\$ 37,313</u>	<u>\$ 291,376</u>	<u>\$ 328,689</u>

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
*December 31, 2011*

NOTE K      **JOINT VENTURES**

**East Norriton-Plymouth-Whitpain Joint Sewer Authority**

Under a joint resolution authorized by state statutes, the Township joined East Norriton and Plymouth Township to establish and operate the East Norriton-Plymouth-Whitpain Joint Sewer Authority. The Sewer Authority Board is appointed by each of the three member government's governing body. The rates for user charges are approved by the Sewer Authority Board. The legal liability for the general obligation portion of the Sewer Authority's debt remains with the Joint Sewer Authority.

A complete financial statement is available upon request.

The Township's treatment cost provided by the Joint Sewer Authority was \$978,061 during 2011. Also during 2011, the Township paid \$365,297 to the Capital Improvement Program of the Joint Sewer Authority. The Township maintains no equity interest in the Authority; however, annual contributions are made to the Capital Improvement Program.

**Ambler Jointure**

Under a joint agreement authorized by state statutes, the Township joined Lower Gwynedd, Upper Dublin and Whitemarsh Townships with the Borough of Ambler to provide capacity for treatment and disposal of sewage received from certain areas of the aforementioned townships at a treatment plant constructed in the Borough of Ambler. The Township is represented on the wastewater treatment jointure committee in an advisory capacity. The Borough of Ambler prepares a budget for the operation and maintenance of the treatment plant and determines the proportionate cost share for each of the townships based upon provisions of the joint agreement.

A complete financial statement is available upon request.

The Township's treatment cost paid for the Ambler wastewater treatment plant was \$226,645 in 2011. Also during 2011, the Township paid \$65,818 for its share of the capital improvement program to the Borough of Ambler. The Township maintains no equity interest in the Ambler treatment plant; however, annual contributions are made to the capital improvement program.

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
*December 31, 2011*

**NOTE L FUND BALANCE**

The Township has adopted GASB Statement No. 54, which redefined how fund balances of the Governmental Funds are presented in the financial statements. Fund balances are classified as follows:

- ***Nonspendable*** - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- ***Restricted*** - Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.
- ***Committed*** - Amounts that can be used only for specific purposes determined by a formal action by a Board of Supervisors' resolution. This includes the budget reserve account.
- ***Assigned*** - Amounts that are intended to be used for a specific purpose, as expressed by the Board of Supervisors or by an official or body to which the Board of Supervisors delegates the Authority.
- ***Unassigned*** - All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds balance sheet (page 27). As discussed in Note A, restricted funds are used first as appropriate, followed by committed resources and then assigned resources, to the extent that expenditure authority has been budgeted by the Board of Supervisors. The Township does reserve the right to first reduce unassigned fund balance to defer the use of these other classified funds. In the event that unassigned fund balance becomes zero, then assigned and committed fund balances are used in that order.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**WHITPAIN TOWNSHIP**  
**SCHEDULE OF REVENUES**  
**GENERAL FUND**  
*Year Ended December 31, 2011*

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
<b>REVENUES</b>				
<b>Taxes</b>				
Real estate taxes	\$ 3,915,639	\$ 3,915,639	\$ 3,913,021	\$ (2,618)
Transfer taxes	515,000	515,000	640,574	125,574
Earned income taxes	4,850,000	4,850,000	5,382,806	532,806
Local services taxes	575,000	575,000	765,598	190,598
<b>TOTAL TAXES</b>	<u>9,855,639</u>	<u>9,855,639</u>	<u>10,701,999</u>	<u>846,360</u>
<b>Fees, licenses and permits</b>				
Building	120,000	120,000	136,709	16,709
Zoning	5,000	5,000	5,803	803
Electrical	50,500	50,500	62,583	12,083
Engineering	12,000	12,000	44,789	32,789
Plumbing	23,000	23,000	33,604	10,604
Street	10,000	10,000	19,865	9,865
Energy	23,000	23,000	29,534	6,534
Use and occupancy	4,500	4,500	5,120	620
Flood plain	1,200	1,200	-	(1,200)
Heat, vent and air conditioning	34,000	34,000	36,497	2,497
Fire prevention	1,500	1,500	1,153	(347)
Hearing	20,000	20,000	23,717	3,717
Alcoholic beverage licensees	6,650	6,650	6,050	(600)
Cable television franchise fees	215,000	215,000	221,209	6,209
<b>TOTAL FEES, LICENSES AND PERMITS</b>	<u>526,350</u>	<u>526,350</u>	<u>626,633</u>	<u>100,283</u>
Investment income and rent	115,300	115,300	115,348	48
<b>Intergovernmental revenues</b>				
Public utility realty tax	15,000	15,000	16,599	1,599
State pension aid	380,000	380,000	643,590	263,590
Other state grants	36,000	36,000	62,059	26,059
<b>TOTAL INTERGOVERNMENTAL REVENUES</b>	<u>431,000</u>	<u>431,000</u>	<u>722,248</u>	<u>291,248</u>
<b>Fines and forfeitures</b>				
Police	80,000	80,000	102,133	22,133
Code	3,000	3,000	6,370	3,370
<b>TOTAL FINES AND FORFEITURES</b>	<u>83,000</u>	<u>83,000</u>	<u>108,503</u>	<u>25,503</u>
<b>Charges for services</b>				
Administrative	1,000	1,000	16,139	15,139
Police services	8,000	8,000	19,384	11,384
Culture and recreation	368,250	368,250	315,216	(53,034)
<b>TOTAL CHARGES FOR SERVICES</b>	<u>377,250</u>	<u>377,250</u>	<u>350,739</u>	<u>(26,511)</u>
<b>Other</b>				
Refunds of prior year expenditures	111,000	111,000	260,277	149,277
<b>TOTAL REVENUES</b>	<u>\$ 11,499,539</u>	<u>\$ 11,499,539</u>	<u>\$ 12,885,747</u>	<u>\$ 1,386,208</u>

**WHITPAIN TOWNSHIP**

## SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY AND

## OTHER FINANCING USES

## GENERAL FUND

Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
<b>EXPENDITURES</b>				
General government				
Supervisors	\$ 101,022	\$ 101,022	\$ 100,146	\$ (876)
Administration	1,042,547	1,042,547	1,121,719	79,172
Finance	366,308	366,308	280,615	(85,693)
Tax collection	110,615	110,615	127,365	16,750
Solicitor	165,000	165,000	232,767	67,767
Computer and information technology	75,311	75,311	72,935	(2,376)
Planning and engineering	290,632	290,632	197,101	(93,531)
Municipal buildings	353,419	353,419	328,607	(24,812)
<b>TOTAL GENERAL GOVERNMENT</b>	<u>2,504,854</u>	<u>2,504,854</u>	<u>2,461,255</u>	<u>(43,599)</u>
Public safety				
Police	5,189,221	5,189,221	4,982,393	(206,828)
Fire protection	254,211	254,211	235,140	(19,071)
Code enforcement	421,570	421,570	480,433	58,863
Planning and zoning	67,804	67,804	45,738	(22,066)
<b>TOTAL PUBLIC SAFETY</b>	<u>5,932,806</u>	<u>5,932,806</u>	<u>5,743,704</u>	<u>(189,102)</u>
Highways and streets				
Administration	573,330	573,330	529,583	(43,747)
Cleaning and trash removal	4,917	4,917	524	(4,393)
Snow removal	74,864	74,864	52,288	(22,576)
Traffic signals	86,545	86,545	92,346	5,801
Streets	759,284	759,284	626,277	(133,007)
Storm sewer maintenance	24,623	24,623	28,118	3,495
Equipment maintenance	346,890	346,890	372,394	25,504
Road and curb inspections	19,500	19,500	16,800	(2,700)
<b>TOTAL HIGHWAYS AND STREETS</b>	<u>1,889,953</u>	<u>1,889,953</u>	<u>1,718,330</u>	<u>(171,623)</u>
Culture and recreation	859,034	859,034	831,610	(27,424)
<b>TOTAL EXPENDITURES</b>	<u>11,186,647</u>	<u>11,186,647</u>	<u>10,754,899</u>	<u>(431,748)</u>
<b>OTHER FINANCING USES</b>				
Interfund transfers out				
Capital Projects Fund	500,000	500,000	500,000	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 11,686,647</u>	<u>\$ 11,686,647</u>	<u>\$ 11,254,899</u>	<u>\$ (431,748)</u>

**WHITPAIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**FIRE TAX FUND**  
*Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Budget
<b>REVENUES</b>				
Real estate taxes	\$ 772,930	\$ 772,930	\$ 763,050	\$ (9,880)
Interest income	2,000	2,000	2,651	651
Intergovernmental revenues	<u>217,000</u>	<u>217,000</u>	<u>336,846</u>	<u>119,846</u>
<b>TOTAL REVENUES</b>	<u>991,930</u>	<u>991,930</u>	<u>1,102,547</u>	<u>110,617</u>
<b>EXPENDITURES</b>				
Public safety				
Fire company				
Operating	305,600	305,600	546,130	240,530
Capital expenditures	45,000	45,000	29,185	(15,815)
Workers' compensation	10,210	10,210	14,652	4,442
Fireman's Relief Fund	217,000	217,000	336,846	119,846
<b>TOTAL EXPENDITURES</b>	<u>577,810</u>	<u>577,810</u>	<u>926,813</u>	<u>349,003</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	414,120	414,120	175,734	(238,386)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>596,987</u>	<u>596,987</u>	<u>596,987</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 1,011,107</u>	<u>\$ 1,011,107</u>	<u>\$ 772,721</u>	<u>\$ (238,386)</u>

**WHITPAIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**OPEN SPACE FUND**  
*Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Budget
REVENUES				
Investment income and rent				
Interest income	\$ 4,000	\$ 4,000	\$ 5,021	\$ 1,021
Rent income	-	-	112,450	112,450
TOTAL INVESTMENT INCOME AND RENT	<u>4,000</u>	<u>4,000</u>	<u>117,471</u>	<u>113,471</u>
Intergovernmental revenues	12,150	12,150	-	(12,150)
Contributions	10,000	10,000	-	(10,000)
Other	-	-	6,500	6,500
TOTAL REVENUES	<u>26,150</u>	<u>26,150</u>	<u>123,971</u>	<u>97,821</u>
EXPENDITURES				
Culture and recreation				
Land development	78,600	78,600	15,455	(63,145)
Park construction	377,500	377,500	146,465	(231,035)
Park equipment	20,000	20,000	13,153	(6,847)
TOTAL EXPENDITURES	<u>476,100</u>	<u>476,100</u>	<u>175,073</u>	<u>(301,027)</u>
NET CHANGE IN FUND BALANCE	(449,950)	(449,950)	(51,102)	398,848
FUND BALANCE AT BEGINNING OF YEAR	1,537,486	1,537,486	1,537,486	-
FUND BALANCE AT END OF YEAR	<u>\$ 1,087,536</u>	<u>\$ 1,087,536</u>	<u>\$ 1,486,384</u>	<u>\$ 398,848</u>

**WHITPAIN TOWNSHIP**  
**PENSION PLAN FUNDING PROGRESS**  
*Year Ended December 31, 2011*

**NON-UNIFORMED EMPLOYEES' PENSION PLAN**

**Schedule of Funding Progress**

Actuarial Valuation Date <u>January 1,</u>	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(c) Unfunded AAL (UAAL) (b)-(a)	(d) Funded Ratio (a)/(b)	(e) Annual Covered Payroll	(f) UAAL as a Percentage of Covered Payroll (c)/(e)
2009	\$ 5,424,985	\$ 8,290,151	\$ 2,865,166	65%	\$ 3,366,898	85%
2010	6,714,629	8,867,362	2,152,733	76%	3,533,246	61%
2011	7,847,709	9,721,509	1,873,800	81%	3,613,491	52%

Source: Whitpain Township annual financial statements.

**Analysis of Employer Contributions**

<u>Year Ended December 31,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2006	\$ 441,093	100%
2007	464,591	100%
2008	455,723	100%
2009	463,939	100%
2010	480,450	100%
2011	669,152	100%

**WHITPAIN TOWNSHIP**  
**PENSION PLAN FUNDING PROGRESS**  
*Year Ended December 31, 2011*

**POLICE PENSION PLAN**

**Schedule of Funding Progress**

Actuarial Valuation Date January 1,	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(c) Unfunded AAL (UAAL) (b)-(a)	(d) Funded Ratio (a)/(b)	(e) Annual Covered Payroll	(f) UAAL as a Percentage of Covered Payroll (c)/(e)
2009	\$ 8,383,816	\$ 10,609,721	\$ 2,225,905	79%	\$ 2,290,924	97%
2010	9,786,247	11,248,467	1,462,220	87%	2,369,754	62%
2011	10,706,024	11,626,578	920,554	92%	2,589,632	36%

Source: Whitpain Township annual financial statements.

**Analysis of Employer Contributions**

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2006	\$ 281,109	100%
2007	258,036	100%
2008	238,174	100%
2009	271,853	100%
2010	287,303	100%
2011	531,609	100%

**WHITPAIN TOWNSHIP**  
**POSTEMPLOYMENT BENEFITS OTHER THAN**  
**PENSION FUNDING PROGRESS**  
*Year Ended December 31, 2011*

**SCHEDULE OF FUNDING PROGRESS**

**Non-Uniformed OPEB Plan**

<u>Valuation Date</u> January 1,	<u>(a)</u> Actuarial Value of Assets	<u>(b)</u> Entry Age Actuarial Accrued Liability (AAL)	<u>(c)</u> Unfunded AAL (UAAL) (b)-(a)	<u>(d)</u> Funded Ratio (a)/(b)	<u>(e)</u> Covered Payroll	<u>(f)</u> UAAL as a Percentage of Covered Payroll (c)/(e)
2006	\$ -	\$ 255,009	\$ 255,009	0%	\$ 2,762,949	9.23%
2011	-	321,347	321,347	0%	3,733,487	8.61%

**Police OPEB Plan**

<u>Valuation Date</u> January 1,	<u>(a)</u> Actuarial Value of Assets	<u>(b)</u> Entry Age Actuarial Accrued Liability (AAL)	<u>(c)</u> Unfunded AAL (UAAL) (b)-(a)	<u>(d)</u> Funded Ratio (a)/(b)	<u>(e)</u> Covered Payroll	<u>(f)</u> UAAL as a Percentage of Covered Payroll (c)/(e)
2006	\$ -	\$ 1,346,349	\$ 1,346,349	0%	\$ 2,046,190	65.80%
2011	-	1,521,483	1,521,483	0%	2,611,344	58.26%

## **SUPPLEMENTARY INFORMATION SECTION**

## WHITPAIN TOWNSHIP

### DESCRIPTION OF NONMAJOR SPECIAL REVENUE FUNDS

#### OTHER GOVERNMENTAL FUNDS

*Year Ended December 31, 2011*

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes as follows:

- The *Fire Hydrant Fund* is used to account for the portion of real estate tax collections used to make hydrant rental payments.
- The *Fee in Lieu of Stormwater Management Fund* is used to account for projects related to stormwater detention facilities.
- The *Reserve for Outfall Stormwater Fund* is used to account for projects related to outfall water drainage.
- The *Highway Aid Fund* is used to account for state revenues required to be used primarily for building and improving local roads and highways, including snow removal costs.
- The *Traffic Improvement Fund* is used to account for traffic and intersection improvements.

**WHITPAIN TOWNSHIP**  
 COMBINING BALANCE SHEET  
 OTHER GOVERNMENTAL FUNDS  
 December 31, 2011

	Special Revenue Funds					Total Other Governmental Funds
	Fire Hydrant Fund	Fee in Lieu of Stormwater Management Fund	Reserve for Outfall Stormwater Fund	Highway Aid Fund	Traffic Improvement Fund	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 97,129	\$ 24,489	\$ 31,938	\$ 30,231	\$ 517,915	\$ 701,702
Receivables	2,554	-	-	-	-	2,554
<b>TOTAL ASSETS</b>	<b>\$ 99,683</b>	<b>\$ 24,489</b>	<b>\$ 31,938</b>	<b>\$ 30,231</b>	<b>\$ 517,915</b>	<b>\$ 704,256</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Due to other funds	\$ 3,047	\$ -	\$ -	\$ -	\$ -	\$ 3,047
Deferred revenue	419	-	-	-	-	419
<b>TOTAL LIABILITIES</b>	<b>3,466</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,466</b>
<b>FUND BALANCES</b>						
Restricted						
Fire hydrants	96,217	-	-	-	-	96,217
Highway and street projects	-	-	-	30,231	-	30,231
Assigned						
Highway and street projects	-	-	-	-	517,915	517,915
Stormwater detention facilities	-	24,489	-	-	-	24,489
Outfall water drainage	-	-	31,938	-	-	31,938
<b>TOTAL FUND BALANCES</b>	<b>96,217</b>	<b>24,489</b>	<b>31,938</b>	<b>30,231</b>	<b>517,915</b>	<b>700,790</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 99,683</b>	<b>\$ 24,489</b>	<b>\$ 31,938</b>	<b>\$ 30,231</b>	<b>\$ 517,915</b>	<b>\$ 704,256</b>

**WHITPAIN TOWNSHIP**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES

OTHER GOVERNMENTAL FUNDS

Year Ended December 31, 2011

	Special Revenue Funds					Total Other Governmental Funds
	Fire Hydrant Fund	Fee in Lieu of Stormwater Management Fund	Reserve for Outfall Stormwater Fund	Highway Aid Fund	Traffic Improvement Fund	
REVENUES						
Real estate taxes	\$ 76,282	\$ -	\$ -	\$ -	\$ -	\$ 76,282
Investment income and rent	302	56	99	719	1,601	2,777
Intergovernmental revenues	-	11,845	-	385,060	-	396,905
Contributions	-	11,600	1,689	-	40,811	54,100
<b>TOTAL REVENUES</b>	<u>76,584</u>	<u>23,501</u>	<u>1,788</u>	<u>385,779</u>	<u>42,412</u>	<u>530,064</u>
EXPENDITURES						
General government	-	537	-	-	-	537
Public safety	55,496	-	-	-	-	55,496
Highways and streets	-	-	-	392,476	-	392,476
<b>TOTAL EXPENDITURES</b>	<u>55,496</u>	<u>537</u>	<u>-</u>	<u>392,476</u>	<u>-</u>	<u>448,509</u>
<b>NET CHANGE IN FUND BALANCES</b>	21,088	22,964	1,788	(6,697)	42,412	81,555
FUND BALANCES AT BEGINNING OF YEAR	<u>75,129</u>	<u>1,525</u>	<u>30,150</u>	<u>36,928</u>	<u>475,503</u>	<u>619,235</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 96,217</u>	<u>\$ 24,489</u>	<u>\$ 31,938</u>	<u>\$ 30,231</u>	<u>\$ 517,915</u>	<u>\$ 700,790</u>

**WHITPAIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL PROJECTS FUND**  
*Year Ended December 31, 2011*

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
<b>REVENUES</b>				
Interest income	\$ 2,000	\$ 2,000	\$ 3,526	\$ 1,526
Intergovernmental revenues	-	-	250,000	250,000
Other	-	-	9,945	9,945
<b>TOTAL REVENUES</b>	<u>2,000</u>	<u>2,000</u>	<u>263,471</u>	<u>261,471</u>
<b>EXPENDITURES</b>				
General government				
Building and improvements	34,500	34,500	97,108	62,608
Furniture and office equipment	12,000	12,000	12,352	352
<b>TOTAL GENERAL GOVERNMENT</b>	<u>46,500</u>	<u>46,500</u>	<u>109,460</u>	<u>62,960</u>
Public safety				
Furniture and office equipment	25,000	25,000	23,550	(1,450)
Highways and streets				
Automobiles, trucks and equipment	286,400	286,400	287,299	899
Culture and recreation				
Automobiles, trucks and equipment	22,000	22,000	21,252	(748)
<b>TOTAL EXPENDITURES</b>	<u>379,900</u>	<u>379,900</u>	<u>441,561</u>	<u>61,661</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<u>(377,900)</u>	<u>(377,900)</u>	<u>(178,090)</u>	<u>199,810</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of fixed assets	15,000	15,000	57,384	42,384
Interfund transfers in, General Fund	500,000	500,000	500,000	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>515,000</u>	<u>515,000</u>	<u>557,384</u>	<u>42,384</u>
<b>NET CHANGE IN FUND BALANCE</b>	137,100	137,100	379,294	242,194
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,011,268</u>	<u>1,011,268</u>	<u>1,011,268</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 1,148,368</u>	<u>\$ 1,148,368</u>	<u>\$ 1,390,562</u>	<u>\$ 242,194</u>

**WHITPAIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
*Year Ended December 31, 2011*

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
REVENUES				
Real estate taxes	\$ 1,408,258	\$ 1,408,258	\$ 1,389,180	\$ (19,078)
Interest income	2,000	2,000	1,725	(275)
<b>TOTAL REVENUES</b>	<u>1,410,258</u>	<u>1,410,258</u>	<u>1,390,905</u>	<u>(19,353)</u>
EXPENDITURES				
Debt service				
Principal	908,000	908,000	908,000	-
Interest	550,894	550,894	550,926	32
<b>TOTAL EXPENDITURES</b>	<u>1,458,894</u>	<u>1,458,894</u>	<u>1,458,926</u>	<u>32</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(48,636)</b>	<b>(48,636)</b>	<b>(68,021)</b>	<b>(19,385)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>90,619</u>	<u>90,619</u>	<u>90,619</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 41,983</u>	<u>\$ 41,983</u>	<u>\$ 22,598</u>	<u>\$ (19,385)</u>

**WHITPAIN TOWNSHIP**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES--BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS  
 Year Ended December 31, 2011

	Fire Hydrant Fund		Fee in Lieu of Stormwater Management Fund		Reserve for Outfall Stormwater Fund		Highway Aid Fund		Traffic Improvement Fund	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>REVENUES</b>										
Real estate taxes	\$ 58,430	\$ 76,282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	300	302	200	56	100	99	1,000	719	1,200	1,601
Intergovernmental revenues	-	-	12,000	11,845	-	-	376,882	385,060	-	-
Contributions	-	-	25,000	11,600	5,000	1,689	-	-	50,000	40,811
<b>TOTAL REVENUES</b>	<b>58,730</b>	<b>76,584</b>	<b>37,200</b>	<b>23,501</b>	<b>5,100</b>	<b>1,788</b>	<b>377,882</b>	<b>385,779</b>	<b>51,200</b>	<b>42,412</b>
<b>EXPENDITURES</b>										
General government										
Engineering services	-	-	5,000	537	2,500	-	-	-	-	-
Construction services	-	-	30,000	-	-	-	-	-	-	-
<b>TOTAL GENERAL GOVERNMENT</b>	<b>-</b>	<b>-</b>	<b>35,000</b>	<b>537</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public safety										
Fire hydrant rental	62,400	55,496	-	-	-	-	-	-	-	-
Highways and streets										
Traffic signals	-	-	-	-	-	-	-	-	150,000	-
Storm sewer materials	-	-	-	-	25,000	-	-	-	-	-
Streets	-	-	-	-	-	-	375,000	392,476	-	-
<b>TOTAL HIGHWAYS AND STREETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>-</b>	<b>375,000</b>	<b>392,476</b>	<b>150,000</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>62,400</b>	<b>55,496</b>	<b>35,000</b>	<b>537</b>	<b>27,500</b>	<b>-</b>	<b>375,000</b>	<b>392,476</b>	<b>150,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(3,670)</b>	<b>21,088</b>	<b>2,200</b>	<b>22,964</b>	<b>(22,400)</b>	<b>1,788</b>	<b>2,882</b>	<b>(6,697)</b>	<b>(98,800)</b>	<b>42,412</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>75,129</b>	<b>75,129</b>	<b>1,525</b>	<b>1,525</b>	<b>30,150</b>	<b>30,150</b>	<b>36,928</b>	<b>36,928</b>	<b>475,503</b>	<b>475,503</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 71,459</b>	<b>\$ 96,217</b>	<b>\$ 3,725</b>	<b>\$ 24,489</b>	<b>\$ 7,750</b>	<b>\$ 31,938</b>	<b>\$ 39,810</b>	<b>\$ 30,231</b>	<b>\$ 376,703</b>	<b>\$ 517,915</b>

**WHITPAIN TOWNSHIP**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
*Year Ended December 31, 2011*

	<u>Escrow Fund</u>
ADDITIONS	
Contributions	\$ <u>211,777</u>
DEDUCTIONS	
Engineering services	30,261
Legal services	9,259
Refunds	<u>32,619</u>
TOTAL DEDUCTIONS	<u>72,139</u>
CHANGE IN CASH	139,638
ASSETS AND LIABILITIES AT BEGINNING OF YEAR	<u>486,910</u>
ASSETS AND LIABILITIES AT END OF YEAR	<u>\$ <u>626,548</u></u>

## **STATISTICAL SECTION**

## STATISTICAL SECTION

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

### **Contents**

#### ***Financial Trends***

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

#### ***Revenue Capacity***

These schedules contain information to help the reader assess the Township's most significant local revenues sources, the property tax.

#### ***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.

#### ***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.

#### ***Operation Information***

These schedules contain service and miscellaneous data to help the reader understand how the information in the Township's financial report relates to the service the Township provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Financial Reports for the relevant year. The Township implemented GASB Statement No. 34 for fiscal year ending December 31, 2003; schedules presenting government-wide information include information beginning in that year.

Table 1

## WHITPAIN TOWNSHIP

## Net Assets by Component

Last Eight Fiscal Years (unaudited)  
(accrual basis of accounting)

	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental activities</b>								
Invested in capital assets, net of related debt	\$ 37,304,102	\$ 37,515,929	\$ 37,746,606	\$ 38,244,530	\$ 35,273,104	\$ 33,313,508	\$ 36,623,259	\$ 10,390,863
Restricted	2,408,151	3,852,545	2,696,658	2,960,903	5,599,057	5,941,867	1,765,298	1,571,610
Unrestricted	10,475,089	6,975,781	6,267,266	7,194,705	7,718,922	7,392,817	6,884,632	6,436,612
<b>Total governmental activities net assets</b>	<b>50,187,342</b>	<b>48,344,255</b>	<b>46,710,530</b>	<b>48,400,138</b>	<b>48,591,083</b>	<b>46,648,192</b>	<b>45,273,189</b>	<b>18,399,085</b>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	2,678,775	2,967,220	2,718,274	2,915,366	2,942,052	2,671,843	2,905,542	3,171,431
Restricted	500,638	500,638	578,113	427,304	259,554	418,301	1,122,228	518,515
Unrestricted	1,193,857	1,280,382	1,608,574	1,814,869	2,085,980	1,243,622	791,253	1,333,372
<b>Total business-type activities net assets</b>	<b>4,373,270</b>	<b>4,748,240</b>	<b>4,904,961</b>	<b>5,157,539</b>	<b>5,287,586</b>	<b>4,333,766</b>	<b>4,819,023</b>	<b>5,023,318</b>
<b>Primary government</b>								
Invested in capital assets, net of related debt	39,982,877	40,483,149	40,464,880	41,159,896	38,215,156	35,985,351	39,528,801	13,562,294
Restricted	3,203,054	4,353,183	3,274,771	3,388,207	5,858,611	6,360,168	2,887,526	2,090,125
Unrestricted	11,371,319	8,256,163	7,875,840	9,009,574	9,804,902	8,636,439	7,675,885	7,769,984
<b>Total primary government net assets</b>	<b>54,557,250</b>	<b>53,092,495</b>	<b>51,615,491</b>	<b>53,557,677</b>	<b>53,878,669</b>	<b>50,981,958</b>	<b>50,092,212</b>	<b>23,422,403</b>

Note: Whitpain Township first applied GASB Statement No. 34 in fiscal year ending December 31, 2003. Therefore, government-wide financial information for years prior to fiscal year 2003 is not available.

Source: Whitpain Township Annual Financial Statements

Table 2

**WHITPAIN TOWNSHIP**  
**Changes in Net Assets**  
**Last Eight Fiscal Years (unaudited)**  
**(modified accrual basis of accounting)**

	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>								
<b>GOVERNMENTAL ACTIVITIES</b>								
General Government	\$ 2,564,470	\$ 2,505,606	\$ 2,460,581	\$ 2,905,796	\$ 2,368,564	\$ 2,416,065	\$ 2,214,549	\$ 2,041,567
Police	5,198,584	4,915,155	4,824,636	4,955,718	4,140,664	4,035,607	4,093,980	3,500,584
Fire	1,217,449	1,172,487	1,146,854	1,148,919	1,071,599	1,176,502	507,453	873,394
Code Enforcement	484,018	458,027	480,379	441,079	447,898	447,898	429,472	356,834
Zoning	45,738	65,613	70,523	93,200	81,426	81,426	351,723	108,215
Public Works	3,459,781	3,983,612	3,678,790	3,664,353	3,782,349	2,865,210	3,068,225	1,828,732
Parks and Recreation	1,061,263	988,643	1,277,552	857,421	857,421	856,001	930,725	671,881
Debt Service	551,996	511,973	638,922	641,540	744,884	680,445	512,089	421,282
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>14,583,289</b>	<b>14,583,116</b>	<b>14,578,737</b>	<b>14,453,992</b>	<b>13,497,166</b>	<b>12,528,954</b>	<b>12,108,216</b>	<b>9,802,890</b>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Sewer	3,950,883	3,803,783	3,855,598	3,889,214	3,598,224	3,619,137	3,289,834	3,231,083
<b>TOTAL TOWNSHIP ACTIVITIES</b>	<b>18,534,152</b>	<b>18,386,899</b>	<b>18,435,335</b>	<b>18,323,206</b>	<b>17,095,390</b>	<b>16,148,091</b>	<b>15,398,050</b>	<b>13,033,973</b>
<b>Program Revenues</b>								
Governmental Activities								
Charges for Services	15,152	20,161	19,620	15,414	31,380	30,518	64,932	98,575
General Government	121,517	121,483	106,484	108,570	119,736	137,173	120,229	125,872
Police								3,445
Fire	311,570	313,352	293,214	293,922	374,970	375,218	316,171	341,411
Code Enforcement	95,161	76,962	65,995	70,305	64,800	65,963	35,139	47,251
Zoning								72,123
Public Works	315,216	322,053	313,292	313,460	291,439	264,926	284,879	263,451
Parks and Recreation								
Debt Service	1,512,804	1,342,150	955,872	1,095,665	783,184	972,132	931,557	884,965
Operating Grants and Contributions	261,845	749,496	215,725	270,241	1,707,242	1,273,738	351,289	317,081
Capital Grants and Contributions	2,633,265	2,945,657	1,972,202	2,109,597	3,372,751	3,117,056	2,104,196	2,154,174
<b>Total governmental activities program revenues</b>	<b>3,505,089</b>	<b>3,526,620</b>	<b>3,523,747</b>	<b>3,589,544</b>	<b>3,599,067</b>	<b>2,736,902</b>	<b>2,690,462</b>	<b>2,048,594</b>
<b>Business-Type Activities</b>								
Charges for Services	45,313	82,226	48,877	91,213	137,086	225,570	314,398	432,649
Operating Grants and Contributions	3,550,402	3,608,846	3,572,624	3,680,757	3,736,163	2,962,472	3,004,860	2,481,245
Capital Grants and Contributions	6,183,067	6,544,503	5,544,826	5,790,354	7,108,914	6,079,530	5,109,056	4,635,417
<b>Total business type activities program revenues</b>	<b>(11,950,034)</b>	<b>(11,635,459)</b>	<b>(12,606,035)</b>	<b>(12,344,395)</b>	<b>(10,124,435)</b>	<b>(9,411,896)</b>	<b>(10,004,020)</b>	<b>(7,648,716)</b>
<b>Net (expense)/revenue</b>	<b>(400,451)</b>	<b>(194,937)</b>	<b>(282,974)</b>	<b>(188,457)</b>	<b>137,939</b>	<b>(656,665)</b>	<b>(284,974)</b>	<b>(749,840)</b>
<b>Governmental Activities</b>	<b>(12,350,485)</b>	<b>(11,380,336)</b>	<b>(12,689,009)</b>	<b>(12,532,832)</b>	<b>(9,986,476)</b>	<b>(10,068,561)</b>	<b>(10,288,954)</b>	<b>(8,398,556)</b>
<b>Business Type Activities</b>								
Total Primary government net expense								
<b>General Revenues and other Changes in Net Assets</b>								
Government Activities								
Real Estate Taxes	6,213,830	6,492,867	4,520,009	4,497,511	3,924,634	2,877,563	2,864,442	2,838,801
Other Local Taxes	6,788,978	6,051,618	5,835,778	6,938,846	7,071,417	7,103,114	6,785,408	6,113,989
Investment Income	149,191	36,114	47,019	9,644	596,402	438,604	213,381	83,462
Gain (loss) on sale of fixed assets	57,384	28,793	11,381	525,261	342,246	10,543	-	14,276
Miscellaneous	583,738	659,792	502,240	375,525	482,607	357,075	320,720	184,689
<b>Total Government Activities</b>	<b>13,793,121</b>	<b>13,269,184</b>	<b>10,916,427</b>	<b>12,243,787</b>	<b>12,367,306</b>	<b>10,786,895</b>	<b>10,183,951</b>	<b>9,285,217</b>
<b>Business-Type Activities</b>								
Investment Income	6,295	8,315	11,404	1,800	136,735	174,888	79,350	27,129
Miscellaneous	15,624	29,901	18,992	60,467	41,535	46,520	73,459	-
<b>Total Business Type Activities</b>	<b>22,119</b>	<b>38,216</b>	<b>30,396</b>	<b>62,267</b>	<b>178,270</b>	<b>171,408</b>	<b>152,809</b>	<b>27,129</b>
<b>Total primary government</b>	<b>13,815,240</b>	<b>13,307,400</b>	<b>10,946,823</b>	<b>12,306,054</b>	<b>12,545,576</b>	<b>10,958,303</b>	<b>10,336,760</b>	<b>9,362,346</b>
<b>Total Change in Net Assets</b>	<b>1,864,887</b>	<b>1,633,725</b>	<b>(1,689,608)</b>	<b>(100,608)</b>	<b>2,242,891</b>	<b>1,375,003</b>	<b>179,931</b>	<b>1,586,501</b>
<b>Government Activities</b>	<b>(378,332)</b>	<b>(156,721)</b>	<b>(252,578)</b>	<b>(126,190)</b>	<b>316,209</b>	<b>(485,257)</b>	<b>(332,165)</b>	<b>(722,711)</b>
<b>Business-Type Activities</b>	<b>1,464,755</b>	<b>1,477,004</b>	<b>(1,942,186)</b>	<b>(226,798)</b>	<b>2,559,100</b>	<b>889,746</b>	<b>47,786</b>	<b>863,790</b>

Note: Whippain Township first applied GASB Statement No. 34 in fiscal year ending December 31, 2003. Therefore, government-wide financial information for years prior to fiscal year 2003 is not available.

Source: Whippain Township Annual Financial Statements.

**WHITPAIN TOWNSHIP**  
**Fund Balances Of Governmental Funds**  
**Last Ten Fiscal Years (unaudited)**  
**(modified accrual basis of accounting)**

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Fund</b>										
Reserved	\$ 4,014,335	\$ 4,026,195	\$ 581,500	\$ 580,925	\$ 525,963	\$ 504,471	\$ 450,290	\$ 1,747,052	\$ 1,564,220	\$ 6,522,087
Unreserved	3,031,071	1,388,363	3,645,654	4,084,499	5,127,582	5,966,907	5,439,133	2,231,546	1,160,356	905,688
<b>Total General Fund</b>	<u>\$ 7,045,406</u>	<u>\$ 5,414,558</u>	<u>\$ 4,227,154</u>	<u>\$ 4,665,424</u>	<u>\$ 5,653,545</u>	<u>\$ 6,471,378</u>	<u>\$ 5,889,423</u>	<u>\$ 3,978,598</u>	<u>\$ 2,724,576</u>	<u>\$ 7,427,775</u>
<b>All other governmental funds</b>										
Reserved	\$ 2,408,151	\$ 2,337,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252,826	\$ 309,673	\$ 344,409
Unreserved, reported in :										
Special revenue funds	574,342	507,178	2,929,268	3,333,629	4,268,222	1,627,854	924,569	722,387	659,768	1,455,491
Capital projects funds	1,390,562	1,011,268	608,549	463,068	804,872	3,809,618	391,491	783,038	1,026,833	866,395
<b>Total all other governmental funds</b>	<u>\$ 4,373,055</u>	<u>\$ 3,855,595</u>	<u>\$ 3,537,817</u>	<u>\$ 3,796,697</u>	<u>\$ 5,073,094</u>	<u>\$ 5,437,472</u>	<u>\$ 1,316,060</u>	<u>\$ 1,758,251</u>	<u>\$ 1,996,274</u>	<u>\$ 2,666,295</u>
<b>Total all Governmental funds</b>	<u>\$ 11,418,461</u>	<u>\$ 9,270,153</u>	<u>\$ 7,764,971</u>	<u>\$ 8,462,121</u>	<u>\$ 10,726,639</u>	<u>\$ 11,908,850</u>	<u>\$ 7,205,483</u>	<u>\$ 5,736,849</u>	<u>\$ 4,720,850</u>	<u>\$ 10,094,070</u>

Source : Whitpain Township Annual Financial Statements

**WHITPAIN TOWNSHIP**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (unaudited)**  
 (modified accrual basis of accounting)

Fiscal Year	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues</b>										
Taxes	\$ 12,930,511	\$ 12,115,401	\$ 10,687,974	\$ 11,122,935	\$ 10,828,543	\$ 9,942,328	\$ 9,475,337	\$ 8,942,764	\$ 8,042,519	\$ 7,814,006
Fees, licenses and permits	626,633	718,046	178,564	169,203	138,320	115,866	92,578	89,398	82,887	73,780
Interest income and rent	243,498	142,572	154,062	410,800	706,967	492,211	302,970	172,577	187,594	254,945
Intergovernmental revenues	1,705,999	1,890,521	978,022	1,095,665	1,914,161	1,690,462	940,727	958,211	904,020	704,730
Fines and Forfeitures	108,503	111,960	96,300	105,625	110,378	124,197	117,959	117,640	97,492	103,230
Charges for Services	350,739	356,383	704,305	638,066	771,947	747,001	703,391	668,860	519,754	456,589
Other	330,822	422,081	410,208	521,505	767,725	701,781	465,557	382,269	285,546	277,068
<b>Total Revenues</b>	<b>16,296,705</b>	<b>15,786,964</b>	<b>13,209,435</b>	<b>14,063,799</b>	<b>15,238,041</b>	<b>13,813,846</b>	<b>12,098,519</b>	<b>11,301,719</b>	<b>10,119,812</b>	<b>9,684,348</b>
<b>Expenditures</b>										
Current										
General Government	2,571,252	2,420,010	2,332,480	2,643,576	2,279,161	2,337,527	2,108,817	2,023,855	1,884,081	1,964,463
Public Safety	6,749,563	6,361,423	6,157,687	6,512,640	5,570,879	5,498,504	5,253,607	4,655,709	4,465,227	4,333,755
Highways and Streets	2,398,105	2,132,695	2,138,283	2,821,919	1,958,732	1,736,284	1,656,144	1,666,525	1,610,095	1,544,261
Parks and Recreation	1,027,935	1,905,872	1,281,604	852,029	1,919,089	864,497	945,645	604,905	581,671	544,188
Debt Service	908,000	874,000	841,000	809,000	555,000	444,000	424,000	406,000	387,000	178,000
Principal	550,926	586,575	632,182	651,246	739,697	579,831	512,089	421,283	406,904	388,975
Interest and other charges	-	-	534,730	1,964,082	3,447,694	1,207,513	543,409	585,388	6,176,054	5,736,278
Capital Outlay	14,205,781	14,280,575	13,917,966	16,254,492	16,470,252	12,668,156	11,443,711	10,363,365	15,493,032	14,689,920
<b>Total Expenditures</b>	<b>2,090,924</b>	<b>1,476,389</b>	<b>(708,531)</b>	<b>(2,190,693)</b>	<b>(1,232,211)</b>	<b>1,145,690</b>	<b>654,808</b>	<b>938,354</b>	<b>(5,373,220)</b>	<b>(5,005,572)</b>
<b>Excess (deficiency) of revenues over expenditures</b>										
<b>Other Financing Sources (Uses)</b>										
Proceeds from debt	57,384	28,793	11,381	16,512	350,000	29,088	15,115	14,276	-	4,000,000
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	63,369	-	12,933
Refund of prior years' expenditures	500,000	1,360,026	500,000	1,550,000	1,980,906	250,000	5,500	-	821,022	821,022
Interfund transfers in	(500,000)	(1,360,026)	(500,000)	(1,550,000)	(2,280,906)	(250,000)	(5,500)	-	(821,022)	(821,022)
Interfund Transfers out	57,384	28,793	11,381	16,512	50,000	3,557,677	15,115	77,645	-	4,012,933
<b>Total Other Financing Sources (Uses)</b>	<b>2,148,308</b>	<b>1,505,182</b>	<b>(697,150)</b>	<b>(2,174,181)</b>	<b>(1,182,211)</b>	<b>4,703,367</b>	<b>669,923</b>	<b>1,015,999</b>	<b>(5,373,220)</b>	<b>(992,639)</b>
Net change in fund balance	9,270,153	7,764,971	8,462,121	10,636,302	11,908,850	7,208,483	6,535,560	4,720,850	10,094,070	11,096,709
Fund balance at beginning of year	\$ 11,418,461	\$ 9,270,153	\$ 7,764,971	\$ 8,462,121	\$ 10,726,639	\$ 11,908,850	\$ 7,205,483	\$ 5,736,849	\$ 4,720,850	\$ 10,094,070
Fund balance at end of year										
Debt Service as a percentage of non-capital expenditures	10.27%	11.13%	11.00%	10.21%	9.94%	8.93%	8.58%	8.46%	8.54%	6.33%

Source: Whitpain Township Annual Financial Statements

**WHITPAIN TOWNSHIP**  
**General Government Tax Revenues by Source**  
**Last Ten Years (unaudited)**  
**(modified accrual basis of accounting)**

Year Ended 31-Dec	Real Estate Tax (1)	Realty Transfer Tax (2)	Earned Income Tax (2)	Local Services Tax (3)	Total
2002	\$ 1,479,624	\$ 876,079	\$ 5,239,283	\$ 219,020	\$ 7,814,006
2003	1,866,934	924,345	5,028,756	222,484	8,042,519
2004	2,828,775	942,567	4,956,313	215,109	8,942,764
2005	2,859,468	1,257,273	4,779,344	579,252	9,475,337
2006	2,892,465	999,635	5,052,743	997,485	9,942,328
2007	3,909,873	943,259	5,113,501	861,910	10,828,543
2008	4,495,624	690,369	5,251,183	685,759	11,122,935
2009	4,509,356	551,063	4,968,497	659,058	10,687,974
2010	6,063,783	572,484	4,804,592	674,542	12,115,401
2011	6,141,533	640,574	5,382,806	765,598	12,930,511

## Notes:

- (1) Includes General, Fire, Fire Hydrant and Debt Service Funds .  
(2) In 2001 and 2002, RE Transfer Tax and Local Services Tax, formerly Occupational Privilege Tax, were combined in the financial statements  
(3) Local Services Tax was formerly Emergency Services Tax and Occupational Privilege Tax

Source : Whitpain Township Annual Financial Statements

**WHITPAIN TOWNSHIP**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year Ended	Total Taxable Assessed Value (1)	Estimated Actual Value (2)	Ratio of Total Assessed Value to Estimated Actual Value		Total Township Tax Rate (3)
31-Dec 2002	\$ 1,915,970,139	\$ 2,498,005,396		.767	0.80
2003	1,933,595,619	2,814,549,664		.687	1.00
2004	1,944,741,559	3,219,770,793		.604	1.50
2005	1,955,436,879	3,661,866,815		.534	1.50
2006	1,976,978,199	3,899,365,284		.507	1.50
2007	1,992,172,329	3,921,599,073		.508	2.00
2008	2,002,999,025	3,709,257,454		.540	2.30
2009	2,006,629,485	3,576,879,652		.561	2.30
2010	2,007,728,740	2,961,251,829		.678	3.20
2011	2,007,303,070	3,578,080,339		.561	3.20
2012	1,984,002,781	3,420,694,450		.580	3.20

Source: (1) Montgomery County Board of Assessments

Notes: (2) Estimated actual value is calculated by dividing assessed value by the common level ratio provided by the PA State Tax Equalization Board  
 In year 2010, the common level ratio for 2009 was used since the common level ratio for 2010 was not yet available

(3) Tax rates are per \$1,000 of assessed value

**WHITPAIN TOWNSHIP**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years (unaudited)**

Tax Year	Whitpain Township				Overlapping Rates				Total Millage
	General Purpose Millage(1)	Fire Protection Millage	Fire Hydrant Millage	Debt Service Millage	Montgomery County Millage	School District Millage	Wissahickon Millage	Total Millage	
2002	0.20	0.15	0.05	0.40	2.840	14.451	17.731	18.091	
2003	0.40	0.15	0.05	0.40	2.840	15.537	17.731	19.377	
2004	0.90	0.15	0.05	0.40	2.840	16.566	17.731	20.906	
2005	0.90	0.15	0.05	0.40	2.890	17.416	17.731	21.806	
2006	0.64	0.15	0.05	0.66	2.890	17.416	17.731	21.806	
2007	1.14	0.15	0.05	0.66	2.840	17.416	17.731	22.256	
2008	1.35	0.17	0.05	0.73	2.695	17.731	17.731	22.726	
2009	1.35	0.30	0.05	0.60	2.695	17.731	17.731	22.726	
2010	2.12	0.30	0.05	0.73	2.695	17.925	17.925	23.820	
2011	2.02	0.40	0.05	0.73	2.695	17.925	17.925	23.820	

Source: Pennsylvania Department of Community and Economic Development Municipal Statistics.

Whitpain Township Records

Notes: (1) 2001 and 2002, the General purpose millage rate was designated for Park and Recreation purposes

**WHITPAIN TOWNSHIP**  
**Principal Property Taxpayers**  
**Current and Ten Years Ago (unaudited)**

Taxpayer	Type of Business	2011			2001 (2)		
		Assessed Value (1)	Rank	% of Total Assessment	Assessed Value	Rank	% of Total Assessment
Normandy Farm Estates	Retirement Community	\$ 31,142,900	1	1.55%			
Whitpain Associates	Office Complex	19,642,080	2	0.98%			
Townline Associates	Apartment Complex	18,335,580	3	0.91%			
Sentry Park West LLC	Office Complex	17,960,260	4	0.89%			
Blue Bell Investment Co. LP 801 Lakeview Dr	Office Building	16,025,150	5	0.80%			
Aetna Life Insurance 1425 Union Meeting Rd	Office Buildings	14,634,450	6	0.73%			
Sentry KPG III LP	Office Complex	14,443,770	7	0.72%			
Plymouth Rock Associates	Office Buildings	13,970,000	8	0.70%			
Blue Bell Investment Co. LP 785 Jolly Rd	Office Building	13,770,000	9	0.69%			
Aetna Life Insurance 980 Jolly Rd	Office Buildings	13,208,000	10	0.66%			
<b>TOTAL</b>		<b>\$ 173,132,190</b>		<b>8.63%</b>	<b>\$0</b>		

Source: Montgomery County Board of Assessments

Note: (1) 2011 Total Taxable Assessed Value

(2) 2001 Information not available.

**WHITPAIN TOWNSHIP**  
**Property Tax Levies and Collections**  
**Last Nine Fiscal Years (unaudited)**

Fiscal Year Ended 31-Dec	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections		Total Collections to Date	
		Amount (2)	Percentage of Levy	Amount	Amount	Amount	Percentage of Levy
2003	\$ 1,890,774	\$ 1,870,666	98.94%	\$ 21,476	\$ 1,892,142	100.07%	
2004	2,874,224	2,855,326	99.34%	20,169	2,875,495	100.04%	
2005	2,890,686	2,865,230	99.12%	20,759	2,885,989	99.84%	
2006	2,923,094	2,902,615	99.30%	24,935	2,927,550	100.15%	
2007	3,943,151	3,909,326	99.14%	15,064	3,924,390	99.52%	
2008	4,565,988	4,527,349	99.15%	26,412	4,553,761	99.73%	
2009	4,574,390	4,528,317	98.99%	36,898	4,565,215	99.80%	
2010	6,384,238	6,312,387	98.87%	44,267	6,356,654	99.57%	
2011	6,401,805	6,290,204	98.26%	66,599	6,356,803	99.30%	

Source: Whitpain Township Tax Collector

Notes: (1) Tax collection information only available through 2003

(2) Taxpayers are entitled to a 2% discount for payment of taxes by April 30th.  
Historically, about 90% of taxpayers pay during the discount period.

**WHITPAIN TOWNSHIP  
Sewer Billing Data  
Last Five Fiscal Years (unaudited)**

DESCRIPTION	2011	2010	2009	2008	2007
<b>RATES:</b>					
Residential	\$85/quarter	\$85/quarter	\$85/quarter	\$85/quarter	\$85/quarter
Commercial	\$150 + \$7.30/1000gal				
<b>ACCOUNTS (in units):</b>					
Residential	7,025	6,994	6,976	6,946	6,946
Commercial	282	283	282	279	279
<b>BILLING (annual amount in \$)</b>					
Residential	\$ 2,383,570	\$ 2,375,580	\$ 2,369,120	\$ 2,357,475	\$ 2,347,700
Commercial	\$ 1,067,262	\$ 1,100,003	\$ 1,119,228	\$ 1,186,460	\$ 1,207,376
<b>TOTAL</b>	<b>\$ 3,450,832</b>	<b>\$ 3,475,583</b>	<b>\$ 3,488,348</b>	<b>\$ 3,543,935</b>	<b>\$ 3,555,076</b>

Source: Whitpain Township Records

**WHITPAIN TOWNSHIP**  
**Computation of Legal Debt Margin**  
**December 31, 2011 (unaudited)**

Borrowing base revenues (1):	
2009	16,215,666
2010	19,001,388
2011	19,998,907
Total Revenues	<u>\$ 55,215,961</u>

**Debt limit for General Obligation Debt:**

Average borrowing base revenues	18,405,320
Debt limit percent	250%
Debt limit	46,013,301
Total amount of debt applicable to debt limit	11,416,000
Legal debt margin	<u>\$ 34,597,301</u>

**Debt limit for General Obligation bonds and lease rental debt:**

Average borrowing base revenues	18,405,320
Debt limit percent	350%
Debt limit	64,418,621
Total amount of debt applicable to debt limit	11,416,000
Legal debt margin	<u>\$ 53,002,621</u>

**Notes:**

(1) Borrowing base represents total revenues per the PA Local Government Unit Debt Act (Act 177 of 1996).

Source: Whitpain Township Annual Financial Statements.

Table 12

**WHITPAIN TOWNSHIP**  
**Legal Debt Margin Information**  
**Last Ten Years (unaudited)**

Year Ended 31-Dec	Debt Limit (1)	Gross General Obligation Debt	Legal Debt Margin	Total Debt Applicable as a Percentage of Debt Limit
2002	\$ 25,142,361	\$ 13,494,000	11,648,361	115.84%
2003	26,823,798	13,107,000	13,716,798	95.55%
2004	28,821,712	12,701,000	16,120,712	78.79%
2005	33,291,018	12,277,000	21,014,018	58.42%
2006	36,201,568	15,403,000	20,798,568	74.06%
2007	39,703,446	14,848,000	24,855,446	59.74%
2008	42,104,374	14,039,000	28,065,374	50.02%
2009	42,652,103	13,198,000	29,454,103	44.81%
2010	44,117,137	12,324,000	31,793,137	38.76%
2011	46,013,301	11,416,000	34,597,301	33.00%

Source: Whitpain Township Annual Financial Statements

Notes: (1) 250% of borrowing base

**WHITPAIN TOWNSHIP**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Governmental Type Activities		Business Type Activities		Total Primary Government	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds (1)	General Obligation Notes(1)	Sewer Bonds(1)				
2002	\$ -	\$ 13,494,000	\$ -	\$ -	\$ 13,494,000	1.74%	727
2003	-	13,107,000	-	-	13,107,000	1.69%	706
2004	-	12,701,000	-	-	12,701,000	1.64%	684
2005	-	12,277,000	-	-	12,277,000	1.16%	661
2006	-	15,403,000	-	-	15,403,000	1.46%	830
2007	-	14,848,000	-	-	14,848,000	1.39%	790
2008	-	14,039,000	-	-	14,039,000	1.31%	747
2009	-	13,198,000	-	-	13,198,000	1.23%	702
2010	-	12,324,000	-	-	12,324,000	1.15%	653
2011	-	11,416,000	-	-	11,416,000	1.06%	605

## Notes

(1) Whitpain Township Annual Financial reports

(2) Personal Income calculated by multiplying the median income per capita per 2000 Census, or subsequent estimate, times current year population projection.

**WHITPAIN TOWNSHIP**  
**Ratio of Net General Obligation Debt To Assessed Value of**  
**Real Estate and Net General Obligation Debt Per Capita**  
**Last Ten Years (unaudited)**

Year Ended 31-Dec	Population	Assessed Value	Gross General Obligation Debt	Debt Service Fund Balance	Net General Obligation Debt	Percentage of	
						Net General Obligation Debt to Assessed Value	Net General Obligation Debt per Capita
2002	18,562	\$ 1,915,970,139	\$ 13,494,000	\$ 344,409	\$ 13,149,591	0.69%	\$708
2003	18,562	1,933,595,619	13,107,000	318,759	12,788,241	0.66%	\$689
2004	18,562	1,944,741,559	12,701,000	264,386	12,436,614	0.64%	\$670
2005	18,562	1,955,436,879	12,277,000	99,904	12,177,096	0.62%	\$656
2006	18,562	1,976,978,199	15,403,000	393,396	15,009,604	0.76%	\$809
2007	18,800	1,992,172,329	14,848,000	441,883	14,406,117	0.72%	\$766
2008	18,800	2,002,999,025	14,039,000	437,148	13,601,852	0.68%	\$724
2009	18,800	2,006,629,485	13,198,000	156,173	13,041,827	0.65%	\$694
2010	18,875	2,007,728,740	12,324,000	90,619	12,233,381	0.61%	\$648
2011	18,875	1,992,856,032	11,416,000	22,598	11,393,402	0.57%	\$604

## Source:

Population                    2000- 2006 - Bureau of Census - 2000 Census  
2007 - 2009 -Bureau of Census 2005-2009 American Community Survey  
2010 - Bureau of Census - 2010 Census  
Assessed Value - Montgomery County Board of Assessments  
Debt - Whitpain Township Annual Financial Reports

**WHITPAIN TOWNSHIP**  
**Computation of Direct and Overlapping Debt**  
**December 31, 2011 (unaudited)**

<u>Jurisdiction</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to Whitpain</u>	<u>Amount Applicable to Whitpain</u>
<b>Direct</b>			
Whitpain Township (1)	\$ 11,416,000	100.00%	\$ 11,416,000
<b>Overlapping</b>			
County of Montgomery	413,889,000	3.44%	14,223,234
Wissahickon School District	11,055,000	54.73%	6,050,303
<b>Total Overlapping Debt</b>	<u>424,944,000</u>		<u>20,273,537</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 436,360,000</u>		<u>\$ 31,689,537</u>

**Notes:**

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Township. This schedule is an estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of Whitpain Township.

(2) Proportional share of existing debt as of December 31, 2011 is based on the ratio of Whitpain's assessed value to Montgomery County's and Wissahickon School District's assessed value, respectively.

Sources: Whitpain Township, County of Montgomery and Wissahickon School District

**WHITPAIN TOWNSHIP**  
**Ratio of Annual Debt Service Expenditures for General**  
**Bonded Debt to Total General Governmental Expenditures**  
**Last Ten Years (unaudited)**

<b>Year Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Total General</b>	<b>Ratio of</b>
<b>31-Dec</b>				<b>Governmental</b>	<b>Debt Service</b>
				<b>Expenditures</b>	<b>to Total</b>
				<b>Expenditures</b>	<b>General</b>
				<b>Expenditures</b>	<b>Governmental</b>
				<b>Expenditures</b>	<b>Expenditures</b>
<b>2002</b>	\$ 178,000	\$ 388,975	\$ 566,975	\$ 14,689,920	3.86%
<b>2003</b>	387,000	408,904	795,904	15,493,032	5.14%
<b>2004</b>	406,000	421,283	827,283	10,363,365	7.98%
<b>2005</b>	424,000	512,089	936,089	11,443,711	8.18%
<b>2006</b>	444,000	579,831	1,023,831	12,668,156	8.08%
<b>2007</b>	555,000	739,697	1,294,697	16,470,252	7.86%
<b>2008</b>	809,000	651,246	1,460,246	16,254,492	8.98%
<b>2009</b>	841,000	632,182	1,473,182	13,917,966	10.58%
<b>2010</b>	874,000	586,575	1,460,575	14,269,407	10.24%
<b>2011</b>	908,000	550,926	1,458,926	14,424,172	10.11%

Source: Whitpain Township Annual Financial Statements.

**WHITPAIN TOWNSHIP**  
**Demographic and Economic Statistics**  
**Last Ten Years (unaudited)**

Year Ended 31-Dec	Per Capita Income (1)	Population (1)	Total		Unemployment Rate (2)
			Personal Income	Income	
2002	\$ 41,739	18,562	\$	774,759,318	4.2
2003	41,739	18,562		774,759,318	4.0
2004	41,739	18,562		774,759,318	3.4
2005	41,739	18,562		774,759,318	3.3
2006	56,928	18,800		1,070,246,400	3.0
2007	56,928	18,800		1,070,246,400	3.4
2008	56,928	18,800		1,070,246,400	5.0
2009	56,928	18,800		1,070,246,400	6.8
2010	56,928	18,875		1,074,516,000	6.9
2011	56,928	18,875		1,074,516,000	7.4

Source:

(1) 2000 - 2005 - U. S. Bureau of Census - 2000 Census  
2006 - 2010 - U. S. Bureau of Census - American Community Survey

(2) U. S. Depart of Labor - Bureau of Labor Statistics for Montgomery County

**WHITPAIN TOWNSHIP**  
**Census Statistics**  
**December 31, 2011 (unaudited)**

<u>Age Group Comparisons:</u>	Township		State		US	
	2010	2000	2010	2000	2010	2000
% Under 18	24.5%	25.0%	24.9%	23.8%	26.9%	25.7%
% 18-44	25.5%	32.2%	31.4%	37.5%	33.6%	39.9%
% 45-64	31.5%	27.9%	28.1%	23.1%	26.4%	22.0%
% 65 and over	18.5%	14.9%	15.6%	15.6%	13.1%	12.4%
Median (years)	45.0	41.1	40.1	38.0	37.2	35.3

<u>Population Density</u>	Township		State		US	
	2010	2000	2010	2000	2010	2000
(persons/sq. mile)	1473.5	1449.0	283.4	274.0	87.3	79.6

<u>Average Household Size (persons):</u>	2010	2000
	Whitpain Township	2.51
Montgomery County	2.53	2.54
Pennsylvania	2.45	2.48
U.S.	2.58	2.59

<u>Percentage of Owner-Occupied Housing Units</u>	2010	2000
	Whitpain Township	77.3%
Montgomery County	73.1%	73.5%
Pennsylvania	69.6%	71.3%
U.S.	65.1%	66.2%

<u>Median Household Income:</u>	2009	1999
	Whitpain Township	\$ 106,689
Montgomery County	75,728	60,829
Pennsylvania	49,737	40,106
U.S.	51,425	41,994

<u>Per Capita Income:</u>	2009	1999
	Whitpain Township	\$ 56,928
Montgomery County	39,511	30,898
Pennsylvania	26,678	20,880
U.S.	27,041	21,587

Source : United States Bureau of the Census - 2000 and 2010 Census Reports

**WHITPAIN TOWNSHIP  
Principal Employers  
Current and Ten Years Ago (unaudited)**

Employer	Description	2011			2001		
		Employees	Rank	% of Total Township Employment	Employees	Rank	% of Total Township Employment
AETNA Insurance Company	Insurance	2,323	1	18.38%	2,746	1	19.63%
M C C	Community College	1,316	2	10.41%	838	4	5.99%
The Carney Group	Job Placement	482	3	3.81%			
Unisys Corporation	IT Consulting	394	4	3.12%	2,214	2	15.83%
Wissahickon School District	K-12 schools	242	5	1.92%	283	8	2.02%
Hansen Properties	Property Management	240	6	1.90%	323	6	2.31%
Kohls Department Stores INC		214	7	1.69%			
ACTS, Inc.	Assisted Living	213	8	1.69%	241	10	1.72%
Merck Sharp & Dohme	Pharmaceuticals	207	9	1.64%	1,349	3	9.64%
Brokerage Concepts INC		199	10	1.57%			
Siemens Industry INC		170		1.35%			
Giant Foods LLC #91	Grocery Store	167		1.32%	246	9	1.76%
Travelers Indemnity CO		159		1.26%			
<b>Subtotals</b>		<b>6,326</b>		<b>50.06%</b>	<b>8,240</b>		<b>58.90%</b>
<b>TOTAL number employed in the Township</b>		<b>12,636</b>			<b>13,990</b>		

Source: Berkheimer Tax Administrator

**WHITPAIN TOWNSHIP**  
**Full Time Equivalent Township Government Employees by Function**  
**Last Ten Fiscal Years (unaudited)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	13.0
Admin., Finance, Engineering										
Police										
Officers	30.0	30.0	30.0	30.0	30.0	30.0	32.0	32.0	30.0	29.0
Civilians	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
Fire										
Officers	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	3.0
Fire Marshal's Office	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.0
Code Enforcement & Zoning										
	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Public Works										
Highway, Facilities and Parks	15.5	15.5	16.5	16.5	17.5	17.5	17.5	17.5	16.5	17.5
Culture and Recreation										
	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Sewer										
	9	9	9	9	9.5	9.5	9.5	9.5	9.5	8.0
Totals:	84.50	84.50	85.50	86.00	89.50	89.50	91.50	91.50	88.50	87.50

Source: Whitpain Township, Montgomery County, Pennsylvania Records

**WHITPAIN TOWNSHIP**

**Operating Indicators by Function  
Last Ten Fiscal Years ( unaudited)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Planning &amp; Engineering</b>										
Land Developments	15	4	10	10	6	7	3	3	5	1
Subdivisions	11	7	6	6	3	2	3	7	2	4
<b>Police</b>										
Part I Crimes	41	41	41	42	37	61	48	44	56	51
Part II Crimes	223	325	287	341	343	209	228	242	275	273
Total Calls for Service	22,629	21,414	21,370	21,633	23,043	22,686	21,473	20,884	21,980	21,589
<b>Fire</b>										
Alarm	249	276	257	235	274	257	253	236	223	223
Structure	52	63	51	54	52	60	43	56	42	54
Vehicle	24	14	34	29	22	28	17	14	22	20
Other	275	288	287	293	380	321	328	311	343	368
Total Incidents	600	641	629	611	728	666	641	617	630	665
<b>Code Enforcement &amp; Zoning</b>										
Building Permits	453	503	444	629	651	681	451	394	438	404
Electrical Permits (1)	-	-	45	248	441	414	277	261	268	265
Fire Protection Permits	70	73	60	71	40	44	32	28	38	31
Mechanical Permits	146	164	176	192	170	202	151	156	171	157
Occupancy Permits	211	240	199	241	409	288	197	178	172	158
Plumbing Permits	151	163	272	260	414	340	219	167	322	261
Conditional Use Applications	2	-	1	2	-	1	1	1	2	1
Zoning Hearing Board Applications	62	53	77	72	64	46	40	30	43	47
<b>Highway and Streets</b>										
Streets Resurfaced (miles)	5.99	5.57	4.97	6.10	5.64	4.50	3.68	7.20	6.40	5.29
<b>Culture and Recreation</b>										
Program Registration	222	228	202	268	200	190	338	298	354	500
Concert Series Attendance	2000	2500	3000	2250	2000	2000	2700	3500	2850	2500

Source: Whitpain Township, Montgomery County, Pennsylvania Records  
Notes: (1) Electrical permits were not issued prior to 6/2004.

**WHITPAIN TOWNSHIP  
Capital Asset Statistics by Function  
Last Ten Fiscal Years (unaudited)**

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Municipal Building	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicle Units	21	21	21	23	23	23	23	22	21	22
Fire (1)										
Stations	2	2	2	2	2	2	2	2	2	1
Apparatus	12	12	12	12	12	12	12	12	12	12
Highway and Streets										
Street Miles	64.93	64.93	65.26	67.40	67.78	67.78	67.78	67.78	67.78	67.78
Traffic Signals	27	27	27	27	27	27	27	27	28	28
Stormwater Detention Basins	8	8	8	8	8	8	8	8	8	8
Parks and Recreation										
Parks	9	9	9	9	9	10	10	10	10	10
Acres	314	314	314	314	314	350	350	350	350	350
Playgrounds	2	2	3	3	4	4	4	4	4	4
Baseball Fields	7	7	7	7	7	7	7	7	7	7
Basketball Courts	4	4	4	4	4	4	4	4	4	4
Football Fields	1	1	1	1	1	1	1	1	1	1
Soccer Fields	3	3	3	3	3	3	3	3	3	3
Street Hockey	2	2	2	2	2	2	2	3	3	3
Tennis Courts	4	4	4	4	4	4	4	4	4	4

Source: Whippain Township, Montgomery County, Pennsylvania Records

**SCHEDULE OF INSURANCE COVERAGES 12/31/2011**  
**PROPERTY COVERAGE**

1	Limit of Liability The following Limit of Liability applies: All Coverages Combined Including Real and Personal Property	\$1,000,000,000	Each Occurrence
2	Sublimits of Liability The following Sublimits of Liability apply. These are part of and not in addition to the Limit of Liability:		
	a. Extra Expense	\$50,000,000	Each Interruption
	b. Miscellaneous Unnamed Locations (excluding flood coverage for locations in Flood Zones A, AE, V and all other 100 year floodplains)	\$25,000,000	Each Occurrence
	c. Automatic Acquisitions for Ninety (90) Days (excluding flood coverage for locations in Flood Zones A, AE, V and all other 100 year floodplains)	\$100,000,000	Each Occurrence
	d. Automatic Acquisitions After Ninety (90) Days (excluding flood coverage for locations in Flood Zones A, AE, V and all other 100 year floodplains)	\$25,000,000	Each Occurrence
	e. Errors and Omissions	\$50,000,000	Each Occurrence
	f. Course of Construction (Builders Risk), if values reported	\$25,000,000	Each Occurrence, Each Project
	g. Course of Construction (Builders Risk), if values not reported	\$25,000,000	Each Occurrence, Each Project
	h. Increased Cost of Construction Due to Ordinance or Law (no sublimit for Demolition Costs)	\$25,000,000	Each Occurrence
	i. Transit	\$25,000,000	Each Occurrence
	j. Unscheduled Animals (not to exceed \$50,000 per Animal)	\$2,500,000	Each Occurrence
	k. Expediting Expense	\$50,000,000	Each Occurrence
	1 Valuable Papers and Records	\$25,000,000	Each Occurrence
	m. Accounts Receivable	\$25,000,000	Each Occurrence
	n. Unscheduled Landscaping, Tees, Sand Traps, Greens and Athletic Fields with sublimits per item per form	\$1,000,000	Each Occurrence

o. Scheduled Landscaping, Tees, Sand Traps, Greens and Athletic Fields with sublimits per item per form	\$5,000,000	Each Occurrence
p. Unscheduled Fine Arts	\$2,500,000	Each Occurrence
q. Furs, Jewelry, Precious Metals and Stones	\$500,000	Each Occurrence, Each Participant
r. Watercraft (under twenty-seven feet in length, unless scheduled)	\$2,500,000	Each Occurrence
s. Off Premises Service Interruption including Extra Expense Resulting from a Covered Peril at Non-Owned/Operated Locations	\$25,000,000	Each Interruption
t. Business Interruption, including Rental Income, Tuition and Related Fees Income and Tax Interruption, if values have been reported	\$100,000,000	Each Interruption for All Participants Combined
u. Business Interruption, including Rental Income, Tuition and Related Fees Income and Tax Interruption, if values have not been reported	\$500,000	Each Interruption, Each Participant
v. Business Interruption, including Rental Income, Tuition and Related Fees Income and Tax Interruption, if values have not been reported	\$2,500,000	Each Interruption for All Participants Combined
w. Extended Period of Indemnity	180	Days
x. Contingent Business Interruption (including Rental Income, Tuition and Fees Income, Tax Interruption) Resulting from a Covered Peril at Direct Supplier or Direct Customer Locations	\$3,000,000	Each Interruption for All Participants Combined
Y. Contingent Extra Expense Resulting from a Covered Peril at Direct Supplier or Direct Customer Locations	\$3,000,000	Each Interruption for All Participants Combined
z. Leasehold Interest	\$500,000	Each Occurrence
aa. Claims Preparation Expense	\$1,000,000	Each Occurrence
bb. Accidental Contamination of Land When Resulting from a Named Peril	\$250,000	Each Occurrence, Annual Aggregate Each Participant
cc. Accidental Contamination of Land When Resulting from a Named Peril	\$500,000	Annual Aggregate for All Participants Combined

dd. Earthquake Shock	\$50,000,000	Annual Aggregate for All Participants Combined
ee. Flood	\$100,000,000	Annual Aggregate for All Participants Combined
ff. Flood - Zones A, AE, V and all other 100 year Floodplains	\$50,000,000	Annual Aggregate for All Participants Combined *
gg. Terrorism **	\$25,000,000	Annual Aggregate for All Participants Combined

Included within above \$100,000,000 annual aggregate limit for all flood loss.

\*\* This terrorism coverage applies excess of any terrorism coverage available through the Trust's property reinsurance underwritten by Alliant Insurance Services' Public Entity Property Insurance Program (PEPIP USA). Per occurrence and aggregate limits of the PEPIP USA program for terrorism are shared by Delaware Valley Insurance Trust and other public entity group self-insurance pools and public entity insureds throughout the United States. This Insurance Trust membership only and is not shared with other public entities covered by the PEPIP USA program.

3	Deductibles		
a	All Coverages Combined - Property Perils	\$1,000	Each Occurrence
b	Flood (Other Than Zone A, AE or V locations, water or sewer plant locations, pump stations, water or sewer lines or wells)	\$25,000	Each Occurrence
c	Flood (Zone A, AE or V locations, water or sewer plant locations, pump stations, water or sewer lines or wells)	\$50,000	Each Occurrence
d	Service Interruption (Property Damage and Time Element)		24 Hours Waiting Period
e	Tax Interruption		2.5% Annual Tax Values, Each Location, Each Occurrence

## BOILER COVERAGE

1	Limit of Liability			
	The following Limit of Liability applies:			
	All Coverages Combined (Property Damage and Business Interruption and Extra Expense)	\$100,000,000		Each Accident
2	Sublimits of Liability			
	The following Sublimits of Liability apply. These are part of and not in addition to the Limit of Liability:			
	a. Expediting Expense	\$25,000,000		Each Accident
	b. Errors and Omissions	\$25,000,000		Each Accident
	c. Hazardous Substances	\$1,000,000		Each Accident
	d. Ammonia Contamination	\$10,000,000		Each Accident
	e. Water Damage	\$10,000,000		Each Accident
	f. Consequential Damage	\$10,000,000		Each Accident
	g. Ordinance or Law - Value of Undamaged Portion of Building, Demolition and Increased Cost of Construction Due to Ordinance or Law	\$25,000,000		Each Accident
	h. EDP Media	\$10,000,000		Each Accident
	i. Earthquake Resultant Damage	\$2,000,000		Annual Aggregate
	j. Utility Interruption for Utilities Owned by Others and For Covered Objects and Covered Perils	\$10,000,000		Each Accident
	k. Automatic Acquisitions	\$25,000,000		Each Accident
3	Deductibles			
	a. All Coverages Combined	\$1,000		Each Accident
	b. Off Premises Service Interruption (Property Damage and Time Element)			24 Hours Waiting Period Time Element)

## CRIME COVERAGE

1	Limits of Liability		
	a. Public Employee Dishonesty Coverage with Faithful Performance of Duty included without sublimit	\$2,000,000	Each Occurrence
	b. Forgery or Alteration Coverage	\$2,000,000	Each Occurrence
	c. Theft, Disappearance and Destruction Coverage (Inside and Outside for Money and Securities excluding checks)	\$250,000	Each Occurrence
	d. Theft, Disappearance and Destruction Coverage (Inside and Outside for Money and Securities - Checks)	\$1,000,000	Each Occurrence
	e. Computer Fraud Coverage	\$2,000,000	Each Occurrence
	f. Wire Transfer Communication Fraud Coverage	\$2,000,000	Each Occurrence
	g. Money Orders and Counterfeit Currency Coverage	\$2,000,000	Each Occurrence
	Deductibles		
	a. Public Employee Dishonesty Coverage	\$1,000	Each Loss
	b. Faithful Performance of Duty	\$1,000	Each Loss
	c. Forgery or Alteration Coverage	\$0	Each Loss
	d. Theft, Disappearance and Destruction Coverage (Inside and Outside for Money and Securities)	\$1,000	Each Loss
	e. Computer Fraud Coverage	\$1,000	Each Loss
	f. Wire Transfer Communication Fraud Coverage	\$1,000	Each Loss
	g. Money Orders and Counterfeit Currency Coverage	\$1,000	Each Loss
	2		

# LIABILITY COVERAGE

<p>1 Limits of Liability</p> <p>a. Primary General Liability including Police Professional Liability arising out of Law Enforcement Activities</p> <p>Fire Damage Liability</p> <p>Limited Pollution Liability - Covered Volunteer Fire Companies</p> <p>Limited Pollution Liability - Covered Volunteer Fire Companies</p> <p>Terrorism</p> <p>Fungi and Bacteria</p> <p>b. Primary Business Auto Liability</p> <p>c. Uninsured Motorists</p> <p>d. Uninsured Motorists</p> <p>e. Basic First Party Benefits:</p> <p>Medical Expense</p> <p>Work Loss Expense</p> <p>Work Loss Expense</p> <p>Funeral Expense</p> <p>f. Garagekeepers Legal Liability</p> <p>g. Auto Physical Damage:</p> <p>Fire, Rescue and Ambulance Autos Valued on a Replacement Cost Basis</p> <p>All Other Autos</p> <p>h. Primary Public Officials and Employees Liability</p> <p>i. Primary Public Officials and Employees Liability</p> <p>j. Excess General Liability including Police Professional Liability arising out of Law Enforcement Activities</p> <p>k. Excess Business Auto Liability</p> <p>1 Excess Public Officials and Employees Liability</p> <p>m. Excess Public Officials and Employees Liability</p> <p>n. Employee Benefit Plan Fiduciary Liability</p>	<p>\$2,000,000</p> <p>\$250,000</p> <p>\$1,000,000</p> <p>\$1,000,000</p> <p>\$2,000,000</p> <p>\$1,000,000</p> <p>\$2,000,000</p> <p>\$15,000</p> <p>\$30,000</p> <p>\$10,000</p> <p>\$5,000</p> <p>\$1,000</p> <p>\$1,500</p> <p>\$250,000</p> <p>Limit Per Unit As Reported to Trust</p> <p>Actual Cash Value</p> <p>\$2,000,000</p> <p>\$2,000,000</p> <p>\$8,000,000</p> <p>\$8,000,000</p> <p>\$8,000,000</p> <p>\$1,000,000</p>	<p>Each Occurrence</p> <p>Each Occurrence</p> <p>Each Occurrence</p> <p>Annual Aggregate</p> <p>Annual Aggregate for All Participants Combined</p> <p>Annual Aggregate for All Participants Combined</p> <p>Each Accident</p> <p>Each Person</p> <p>Each Accident</p> <p>Each Accident</p> <p>Each Accident</p> <p>Each Month</p> <p>Each Accident</p> <p>Each Loss</p> <p>Each Claim</p> <p>Annual Aggregate</p> <p>Each Occurrence</p> <p>Each Accident</p> <p>Each Claim</p> <p>Annual Aggregate</p> <p>Annual Aggregate</p>
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o.	Heart and Lung Act Liability	\$100,000	Annual Aggregate
p.	Privacy Liability (effective May 1, 2009)	\$100,000	Annual Aggregate
2	Deductibles		
a.	General Liability	\$0	Each Occurrence
	General Liability arising out of Skateboarding or Rollerblading	\$2,500	Each Occurrence
	General Liability arising out of Backup of Sewage	n/a	Each Claim
	General Liability arising out of Backup of Sewage	n/a	Each Occurrence
	General Liability arising out of Backup of Sewage	n/a	Annual Aggregate
b.	Police Professional Liability arising out of Law Enforcement Activities	\$3,500	Each Occurrence
c.	Auto Liability, Uninsured Motorists and Basic First Party Benefits	\$0	Each Accident
d.	Auto Physical Damage and Garagekeepers Legal Liability - Collision or Other Than Collision (Passenger Vehicles, Motorcycles and Light Trucks)	\$500	Each Accident
e.	Auto Physical Damage and Garagekeepers Legal Liability - Collision or Other Than Collision (All Other Autos)	\$1,000	Each Accident
f.	Public Officials and Employees Liability	\$2,500	Each Claim
g.	Employee Benefit Plan Fiduciary Liability	\$2,500	Each Loss
h.	Privacy Liability	\$2,500	Each Claim
3	Retroactive Date for Public Officials and Employees Liability:	None	May 1, 2009 or the effective date
4	Retroactive Date for Privacy Liability:		upon which The Participant became a member of The Trust, whichever later

## WORKERS COMPENSATION COVERAGE

1	Statutory Workers Compensation Employers Liability	\$1,000,000	Each Accident
		\$1,000,000	Each Employee - Disease
		\$1,000,000	Disease

# SCHEDULE OF PREMIUMS CONTRIBUTIONS PAID IN 2011

## DELAWARE VALLEY INSURANCE TRUST

Property	\$31,408.00
Crime	2,182.00
Auto Liability	30,083.00
Auto Physical Damage	14,434.00
General Liability	51,230.00
Law Enforcement Liability	38,202.00
Public Officials Liability	20,496.00
Sub Total	\$188,035.00
Less Multi-Trust Discount	(5,641.00)
Less Rate Stabilization Credit	-
Less Prior Year Dividend	-
<b>Net Contribution</b>	<b>\$182,394.00</b>

## DELAWARE VALLEY WORKERS COMPENSATION TRUST

Annual contribution	\$265,936.00
Less Experience Modification factor	(7,978.00)
Less Multi-Trust Discount	(7,739.00)
Less Rate Stabilization Credit	(83,323.00)
Plus Prior Year Contribution	-
<b>Net Contribution</b>	<b>\$166,896.00</b>

Source: Whitpain Township Records

**WHITPAIN TOWNSHIP**  
**Police Pension Plan**  
**Last Ten Years (unaudited)**

Year Ended 31-Dec	Number of Active Members	Contributions		State	Total	Number of Retirees & Beneficiaries (1)
		Members	Township			
2002	29	\$ 94,137	\$ -	\$ 107,838	\$ 201,975	8
2003	28	\$ 99,629	\$ -	\$ 147,611	\$ 247,240	9
2004	29	\$ 97,787	\$ 168	\$ 163,647	\$ 261,602	9
2005	29	\$ 111,997	\$ 192,088	\$ 163,900	\$ 467,985	10
2006	26	\$ 95,368	\$ 101,975	\$ 179,134	\$ 376,477	16
2007	28	\$ 101,439	\$ 84,891	\$ 173,145	\$ 359,475	16
2008	29	\$ 116,934	\$ 72,549	\$ 165,625	\$ 355,108	17
2009	29	\$ 121,164	\$ 90,428	\$ 181,425	\$ 393,017	19
2010	29	\$ 125,980	\$ 93,212	\$ 194,091	\$ 413,283	19
2011	29	\$ 148,833	\$ 208,814	\$ 322,795	\$ 680,442	19

Source: Whitpain Township Records

Notes: (1) Includes Officers participating in DROP.

**WHITPAIN TOWNSHIP  
Non-Uniformed Pension Plan  
Last Ten Years (unaudited)**

Year Ended 31-Dec	Number of Active Members	Members	Contributions		State	Total	Number of Retirees & Beneficiaries
			Township				
2002	57	\$ 73,301	\$ 67,097	\$ 212,666	\$ 353,064	18	
2003	54	\$ 78,222	\$ 95,838	\$ 205,506	\$ 379,566	19	
2004	56	\$ 77,087	\$ 145,543	\$ 168,248	\$ 390,878	21	
2005	55	\$ 81,233	\$ 268,409	\$ 166,825	\$ 516,467	20	
2006	57	\$ 87,622	\$ 265,047	\$ 176,046	\$ 528,715	22	
2007	61	\$ 89,506	\$ 275,414	\$ 189,177	\$ 554,097	21	
2008	58	\$ 97,950	\$ 261,293	\$ 194,430	\$ 553,673	25	
2009	60	\$ 96,748	\$ 273,130	\$ 190,809	\$ 560,687	25	
2010	60	\$ 98,120	\$ 286,359	\$ 194,091	\$ 578,570	25	
2011	58	\$ 110,094	\$ 346,358	\$ 322,794	\$ 779,246	25	

Source: Whitpain Township Records

**WHITPAIN TOWNSHIP**  
**Miscellaneous Statistics**  
**December 31, 2011 (unaudited)**

<b>Date Founded</b>	Incorporated 1701	
<b>Form of Government</b>	Township of the Second Class Governed by a five member Board of Supervisors elected at large	
<b>Area (sq. miles)</b>	12.81	
<b>Miles of Road</b>	67.78	
<b>Fire Protection</b>	Combination department with four career and over thirty volunteer firefighters one (1) stations with twelve (12) apparatus	
<b>Police Protection</b>	Thirty officers Including chief of police. Eight civilian support/dispatch staff.	
<b>Recreation</b>	10 Parks with 350 acres	
<b>Libraries</b>	Wissahickon Valley Public Library	
<b>Transportation:</b>		
<b>Bus</b>	SEPTA Bus Service on Routes 94, 96, and 98	
<b>Railway</b>	SEPTA Regional Rail Line R-5 with access at the North Wales, Gwynedd Valley, Penlyn, and Ambler Rail Stations	
<b>Highway</b>	Township is located at the crossroads of U. S. Rt. 202 and U.S. Rt. 73.	
<b>Education:</b>		
<b>Number of Schools (Fall 2010)</b>	<b>Public</b>	<b>Nonpublic</b>
Elementary	3	1
Middle	0	0
Secondary	0	0
College	1	0
<b>Township Employees:</b>	<b>2011</b>	
Full Time	86	
Part Time	19	
Seasonal	45	
<b>Population:</b>	<b>2010</b>	<b>2000</b>
	18,875	18,562