

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



**WHITPAIN TOWNSHIP
MONTGOMERY COUNTY
PENNSYLVANIA**

For the year ended December 31, 2013

INTRODUCTORY SECTION

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WHITPAIN TOWNSHIP
MONTGOMERY COUNTY
COMMONWEALTH OF PENNSYLVANIA

960 WENTZ ROAD
BLUE BELL, PA 19422-1835
(610) 277-2400
FAX: (610) 277-2209

April 11, 2014

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, 2013. 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 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, 2013, 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, 2013, 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) require 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, the MD&A, 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.

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 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 in 2013:

- **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 2013, the Township received annual license fees totaling \$304,450 from the use of the Manor House. These funds provide additional resources necessary for maintaining currently owned open space and for acquiring or improving additional open space. Throughout 2013, significant improvements were made to the Manor House.
- **Management Information Systems** - The Township continues to integrate its management information systems (MUNIS) organization wide. Accounts payable and payroll payments are generated using automated check signatures. Enhancements are being implemented to scan, process, approve and file accounts payable transactions using an electronic document management system linked to MUNIS. The Code Enforcement Department is converting its legacy permits software to MUNIS.
- **Environment & Stormwater Management** - During 2013, 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 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 has modified our current policies, procedures and general orders to reflect the established standards. We are proud to report that Whitpain attained accreditation in March 2014.

- **Communications** - Whitpain continued its initiative to provide enhanced communications to its residents. The Township continued offering information via an electronic newsletter, traditional bi-yearly print newsletter, website and Twitter postings about Township events, environmental tips, traffic and weather alerts and other valuable information. Electronic forms of communication proved helpful during emergencies. The communications initiative was expanded to include a You Tube channel and a campaign that resulted in a 50% increase in readership (to 1,300 homes) to our electronic newsletter.
- **GFOA Award** - For the second consecutive year, Whitpain was awarded the Certificate for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for the Township's 2012 Comprehensive Annual Financial Report. The report was judged by an impartial panel to meet the high standards of the program including demonstrating a constructive spirit of full disclosure to clearly communicate its financial story and motivate potential users and user groups to read the report.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The attainment represents a significant accomplishment for a government and its management, according to the GFOA.

- **Centre Square Park** - In 2011, the Township entered into a public private partnership with Walsh Construction which allowed Walsh to place clean fill from the PA Turnpike Expansion Project onto Township-owned open space. In return for accepting the clean fill, Walsh agreed to convert the Township open space into a new park with seven fields, a walking trail, and possibly a dog park. The new park will be known as Centre Square Park and will be a vital resource for the community. The entire project includes \$4.5 million of improvements, all of which will be paid by Walsh Construction.
- **West Ambler Revitalization and Action Plan** - Since early 2012, Whitpain Township has been working with a dedicated group of concerned citizens and consultants to formulate a West Ambler Revitalization and Action Plan. The plan addresses three broad themes: revitalization, brownfield reutilization, and stormwater management. West Ambler is a geographically-isolated section of the Township, which is prone to flooding and is dealing with environmental issues caused by the legacy of asbestos factories.

Whitpain Township has partnered with two other communities and Temple University's Center for Sustainable Communities to study the Rose Valley Watershed. The study could lead to revisions of FEMA's floodplain maps and suggest steps to help mitigate the risk of flooding in the future.

The U.S. Environmental Protection Agency is completing an emergency remediation of a Township-owned 17-acre park which is part of the BoRit Asbestos site. The park has been closed since the 1980s because of asbestos contamination. As the EPA completes its work to prevent the immediate risk posed by the asbestos, it is also working on a study that will guide final remediations for the site.

In 2013, a streetscape plan brought sidewalks and enhanced landscaping to a major street in West Ambler. This \$250,000 project, which was completely funded by a state grant, is one of the first physical improvements residents will see in the neighborhood. This neighborhood is poised for revitalization because of its proximity to mass transit, affordable housing and access to walking trails and parks.

Fund Balance Policy

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, Restricted, Committed, Assigned and Unassigned. In 2013, the Township rebalanced its Fund Balances in the General Fund and Capital Projects Fund, by transferring \$2.0 million from General Fund to Capital Projects Fund. These funds are now classified as Assigned for Capital Acquisition, Construction and Improvement.

Long-Term Debt Activity

For more detailed information on long-term debt activity, please see Notes to the Basic Financial Statements (Note F, Long-Term Debt).

Capital Asset Activity

For more detailed information on capital asset activity, please see the Supplementary Information Section.

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 comprised approximately 40% of the workforce in 2013. 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 continued into 2013.

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.

During 2013, land development and subdivision activity remained consistent with the levels experienced in the previous three years. Land development projects that were initiated in 2013 include the redevelopment of approximately 500,000 square feet of office space located within a 138 acre office complex and a proposal to build a new EMS facility for the Township EMS provider. Two new subdivision projects were also initiated during the year. In 2013, the Township observed slight increases in the issuance of grading permits and waivers from land development and decreases in the issuance of Township Roadway Occupancy Permits and site permits. In addition, in 2013, work commenced on Centre Square Park, a public-private partnership project that will provide additional athletic fields and walking trails for the community. The project includes \$4.5 million in improvements; construction of the Township park is scheduled to be completed in 2014.

A more detailed analysis of the Township's overall financial condition during the fiscal year ended 2013 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 is 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.

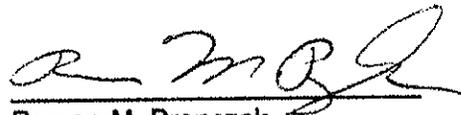
Awards and Acknowledgements

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. As previously noted, Whitpain was awarded the Certificate for Excellence in Financial Reporting by GFOA for the Township's 2013 CAFR.

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 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



Government Finance Officers Association

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

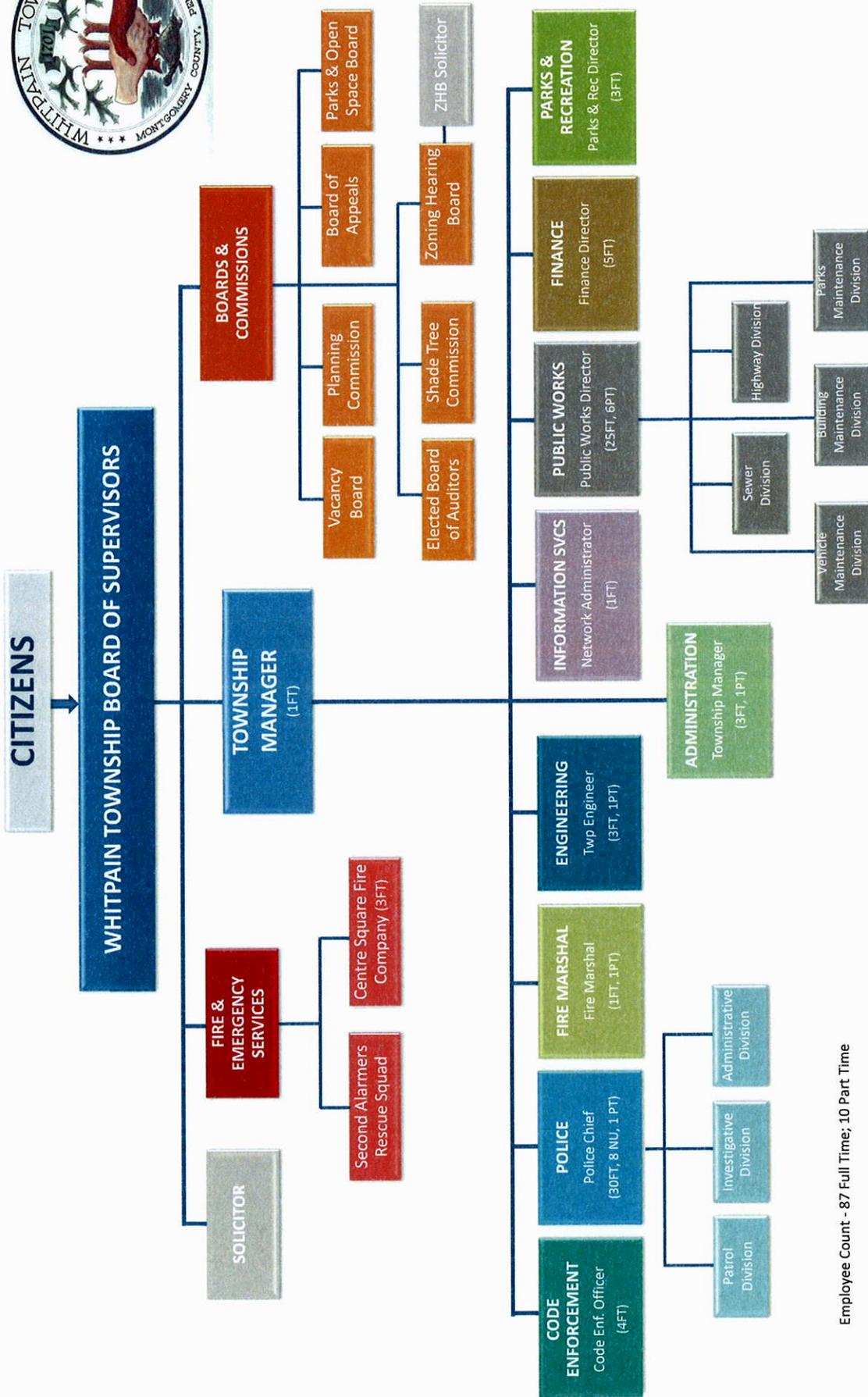
Presented to

**Whitpain Township
Pennsylvania**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO



Employee Count - 87 Full Time; 10 Part Time

Last Edited 6/14/11 - NMG

**WHITPAIN TOWNSHIP
LIST OF OFFICIALS
AS OF DECEMBER 31, 2013**

BOARD OF SUPERVISORS

Fred Conner, Chairman
Adam Zucker, Vice Chairman
Anthony F. Greco, Secretary
Melissa Murphy Weber, Treasurer
Ken Wollman, Assistant Secretary

APPOINTED OFFICIALS

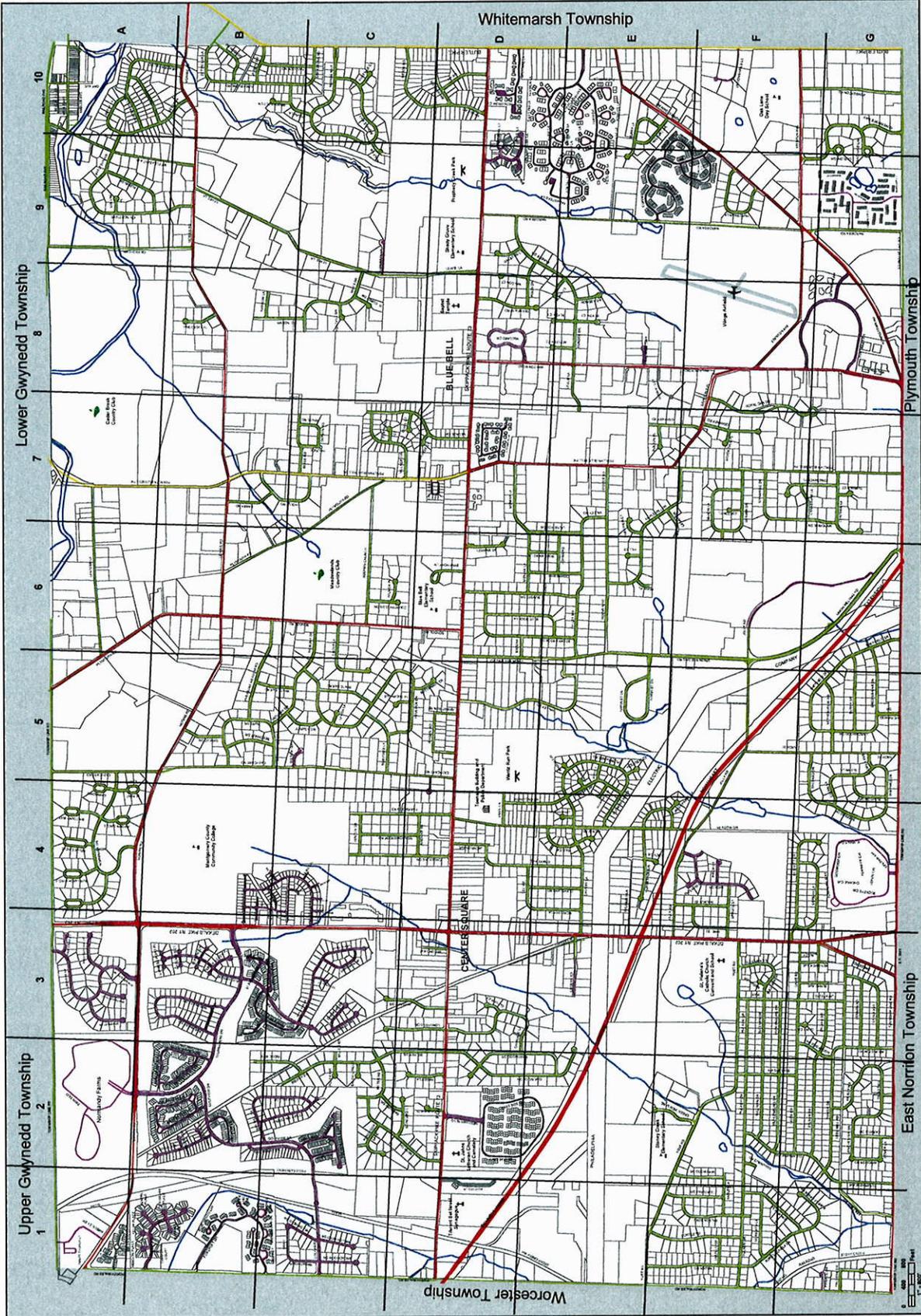
Roman M. Pronczak, Township Manager
James J. Garrity, Township Solicitor
Frank R. Bartle, Zoning Hearing Board Solicitor

OTHER MANAGEMENT OFFICIALS

David Mrochko, Assistant Township Manager
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
Eckert, Seamans Cherin & Mellott, LLC, Labor Law Attorneys
SC Engineers, Inc., Sewer/Environmental Engineers
McMahon Associates, Inc., Traffic Engineers
Van E. Rieker, Planning Consultant



Street Name	Length (Feet)	Street Name	Length (Feet)
1st Street	1000	1st Street	1000
2nd Street	1000	2nd Street	1000
3rd Street	1000	3rd Street	1000
4th Street	1000	4th Street	1000
5th Street	1000	5th Street	1000
6th Street	1000	6th Street	1000
7th Street	1000	7th Street	1000
8th Street	1000	8th Street	1000
9th Street	1000	9th Street	1000
10th Street	1000	10th Street	1000
11th Street	1000	11th Street	1000
12th Street	1000	12th Street	1000
13th Street	1000	13th Street	1000
14th Street	1000	14th Street	1000
15th Street	1000	15th Street	1000
16th Street	1000	16th Street	1000
17th Street	1000	17th Street	1000
18th Street	1000	18th Street	1000
19th Street	1000	19th Street	1000
20th Street	1000	20th Street	1000
21st Street	1000	21st Street	1000
22nd Street	1000	22nd Street	1000
23rd Street	1000	23rd Street	1000
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26th Street	1000	26th Street	1000
27th Street	1000	27th Street	1000
28th Street	1000	28th Street	1000
29th Street	1000	29th Street	1000
30th Street	1000	30th Street	1000
31st Street	1000	31st Street	1000
32nd Street	1000	32nd Street	1000
33rd Street	1000	33rd Street	1000
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35th Street	1000	35th Street	1000
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38th Street	1000	38th Street	1000
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40th Street	1000	40th Street	1000
41st Street	1000	41st Street	1000
42nd Street	1000	42nd Street	1000
43rd Street	1000	43rd Street	1000
44th Street	1000	44th Street	1000
45th Street	1000	45th Street	1000
46th Street	1000	46th Street	1000
47th Street	1000	47th Street	1000
48th Street	1000	48th Street	1000
49th Street	1000	49th Street	1000
50th Street	1000	50th Street	1000

Whitpain Township
STREET MAP

960 Wentz Road
Blue Bell, PA 19422

REV. NOVEMBER 20, 2009



Prepared By
ARRU
649 North Lewis Road
Limerick, PA 19369
(610) 495-2106

Legend

- Streams
- State Roads (21.09 mi.)
- County Roads (3.75 mi.)
- Township Roads (68.34 mi.)
- Private Roads (20.02 mi.)

- Churches
- Schools
- Airports
- Country Clubs
- Parks
- Municipal Building

Primary Roads - 80 foot Ultimate Right-of-Way
Striped Pavement, Station Avenue, and Service Street.
Secondary Roads - 60 foot Ultimate Right-of-Way
Striped Pavement, Station Avenue, and Service Street.
Tertiary Roads - 40 foot Ultimate Right-of-Way
Striped Pavement, Station Avenue, and Service Street.
NOTE: The ultimate right-of-way may not be the legal right-of-way. Ultimate right-of-way width computed from the center line of an established right-of-way.

FINANCIAL SECTION

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 and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Whitpain Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

To the Township Supervisors
Whitpain Township
Blue Bell, Pennsylvania

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 19 through 28, budgetary comparison information on pages 66 through 68, pension plan funding progress on pages 69 and 70 and postemployment benefits other than pension funding progress on page 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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.

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

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



Oaks, Pennsylvania
April 11, 2014

WHITPAIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
Year Ended December 31, 2013

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.

Township-Wide Financial Statements

The Township's annual report contains two Township-Wide Financial Statements. They are the *Statement of Net Position* 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 Position* provides information on all of the Township's assets and liabilities, with the difference reported as *Net Position*. Over time, increases or decreases in net position 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 position 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.

WHITPAIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
Year Ended December 31, 2013

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.

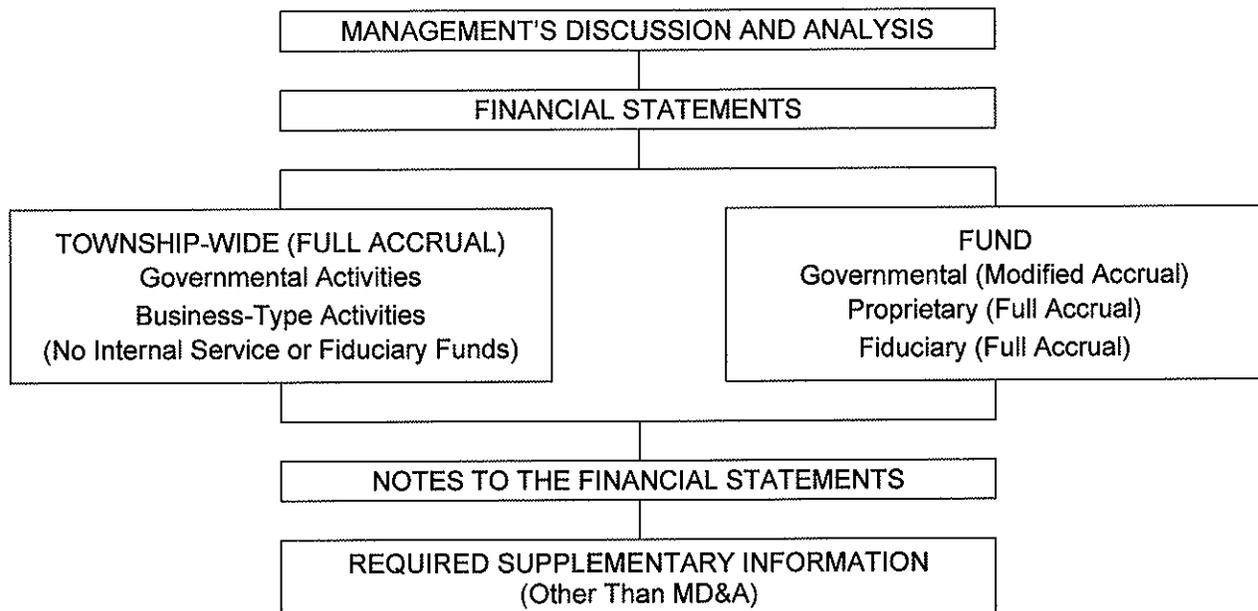
- Some funds are required by state law or bond covenants.
- The Township establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

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.

WHITPAIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
Year Ended December 31, 2013

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



Narrative Discussion & Analysis

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, 2013. The Township's financial performance is discussed and analyzed within the context of the accompanying financial statements following this section.

Condensed Statements of Net Position (In Thousands of Dollars)
Figure I-2

	Governmental Activities		Business-Type Activities		Totals	
	2012	2013	2012	2013	2012	2013
ASSETS						
Current and other assets	\$ 15,255	\$ 17,357	\$ 1,842	\$ 1,518	\$ 17,097	\$ 18,875
Capital assets, net	46,737	46,639	2,617	2,368	49,354	49,007
TOTAL ASSETS	61,992	63,996	4,459	3,886	66,451	67,882
LIABILITIES						
Long-term debt	11,606	10,795	23	25	11,629	10,820
Other liabilities	677	737	430	420	1,107	1,157
TOTAL LIABILITIES	12,283	11,532	453	445	12,736	11,977
NET POSITION						
Net investment in capital assets	35,102	35,891	2,617	2,368	37,719	38,259
Restricted	2,756	2,933	699	379	3,455	3,312
Unrestricted	11,851	13,640	690	694	12,541	14,334
TOTAL NET POSITION	\$ 49,709	\$ 52,464	\$ 4,006	\$ 3,441	\$ 53,715	\$ 55,905

WHITPAIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
Year Ended December 31, 2013

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

	Governmental Activities		Business-Type Activities		Totals	
	2012	2013	2012	2013	2012	2013
REVENUES						
Program revenues						
Charges for services	\$ 896	\$ 885	\$ 3,364	\$ 3,324	\$ 4,260	\$ 4,209
Operating grants and contributions	1,122	1,202	-	-	1,122	1,202
Capital grants and contributions	-	-	36	32	36	32
General revenues						
Real estate taxes	5,957	6,243	-	-	5,957	6,243
Other taxes	7,079	8,286	-	-	7,079	8,286
Investment earnings	79	139	6	2	85	141
Gain (loss) on sale of assets	18	(7)	14	-	32	(7)
Miscellaneous	890	880	43	67	933	947
Transfers	(12)	-	12	-	-	-
TOTAL REVENUES	16,029	17,628	3,475	3,425	19,504	21,053
EXPENSES						
General government	2,591	2,979	-	-	2,591	2,979
Public safety						
Police	5,277	5,311	-	-	5,277	5,311
Fire	1,988	154	-	-	1,988	154
Code enforcement	493	490	-	-	493	490
Zoning	52	33	-	-	52	33
Public works	4,325	4,307	-	-	4,325	4,307
Culture and recreation	1,198	1,153	-	-	1,198	1,153
Interest on long-term debt	583	446	-	-	583	446
Sewer	-	-	3,839	3,990	3,839	3,990
TOTAL EXPENSES	16,507	14,873	3,839	3,990	20,346	18,863
CHANGE IN NET POSITION	(478)	2,755	(364)	(565)	(842)	2,190
BEGINNING NET POSITION	50,187	49,709	4,370	4,006	54,557	53,715
ENDING NET POSITION	\$ 49,709	\$ 52,464	\$ 4,006	\$ 3,441	\$ 53,715	\$ 55,905

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended December 31, 2013

General Revenues and Other Changes in Net Position Figure I-4

	<u>2012</u>	<u>2013</u>	<u>Percent Change</u>
REVENUES			
Real estate taxes	\$ 5,957,187	\$ 6,243,018	5%
Transfer taxes	557,877	808,555	45%
Earned income taxes	5,815,873	6,691,000	15%
Local services taxes	704,755	785,833	12%
Investment income	79,790	139,129	74%
Gain (loss) on sale of assets	17,515	(6,669)	-138%
Miscellaneous	890,059	880,356	-1%
Transfers	(12,000)	-	100%
Charges for services	896,279	884,788	-1%
Operating grants and contributions	1,121,517	1,202,145	7%
TOTAL REVENUES	<u>16,028,852</u>	<u>17,628,155</u>	10%
EXPENSES			
General government	2,590,875	2,979,731	15%
Police	5,277,387	5,311,095	1%
Fire	1,988,166	153,808	-92%
Code enforcement	492,710	489,983	-1%
Zoning	51,719	33,344	-36%
Public works	4,324,700	4,306,726	0%
Parks and recreation	1,198,356	1,152,522	-4%
Debt service	583,177	446,335	-23%
TOTAL EXPENSES	<u>16,507,090</u>	<u>14,873,544</u>	-10%
CHANGE IN NET POSITION	<u>\$ (478,238)</u>	<u>\$ 2,754,611</u>	-676%

FINANCIAL HIGHLIGHTS

- The Township's assets exceeded its liabilities by \$55,904,925 (Total Net Position) for the fiscal year reported. This total includes both governmental and business-type (Sewer) activities.
- Total Net Position is comprised of the following:
 1. Capital Assets, net of related debt of \$38,258,870, which include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended December 31, 2013

1. Net Position of \$3,311,787, which is restricted as a result of debt covenants, grantor constraints or laws and regulations.
 2. Unrestricted Net Position of \$14,334,268, which is available to fund the continued operations of the Township.
- The Township's Governmental Funds fund balance at the end of 2013 was \$15,003,933. This compares to the fund balance at the end of 2012 of \$13,630,215. The increase of \$1,373,718 was primarily due to an 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.
 - Earned Income Taxes (EIT) exceeded 2012 collections by \$875,127 (or 15.0%) primarily due to advanced collections resulting from PA Act 34. Starting in January 2012, PA employers are required to withhold EIT from employee compensation and transmit funds to employee's home municipality. Previously, those employees remitted those taxes on a quarterly or annual basis.
 - Transfer Taxes increased by \$250,678 over 2012. Several large commercial properties transferred ownership in 2013, a positive indicator of better economic times.
 - Fire Expenses decreased by \$1,834,358 from 2012 primarily due to the purchase of an aerial fire truck and a fire police vehicle in 2012.
 - General Government Expenses - starting in 2013, in order to provide more accurate reporting between different funds, Management reallocated \$216,000 in wage and benefit costs from Proprietary Funds to Governmental Funds. We also established a new Governmental Fund (Manor House Fund) to account for activities from an emerging public private partnership. These activities amounted to \$55,000 in additional expenses.
 - Expenditures for Highways and Streets increased by \$726,267 (or 30.2%) in 2013, primarily due to major infrastructure projects such as West Ambler improvements.
 - Cash and Cash Equivalents increased by \$667,101, primarily due to funds temporarily advanced for the acquisition of a new aerial fire truck and a fire police vehicle in 2012. Unassigned Fund Balances of \$1,792,953 existed at year-end, to be considered for assignment to the Capital Projects Fund for capital acquisition, construction and improvement in future years. The Capital Projects Fund has a Strategic Financial Plan for the years 2014 through 2018 totaling \$16,566,340. These additional funds will be used to finance a portion of the Strategic Financial Plan.
 - For the Sewer Fund, Cash and Cash Equivalents increased by \$79,076 primarily due to lien collections. Other Capital Assets decreased by \$81,049 due to a decrease in Depreciation of \$330,317, while being offset by purchases of a new sewer truck and brush chipper.

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended December 31, 2013

- The Sewer Fund Net Position at the end of 2013, compared with 2012, declined by \$245,012, primarily due to a \$180,171 prior year expenditure for accrued treatment costs from Whitemarsh Township. Sewer Service revenue declined by \$41,073, primarily due to increases in commercial water conservation and in commercial property vacancies. There were increases of \$166,242 in operating expenses, primarily due to contributions to others for treatment costs.
- The Sewer Capital Fund Net Position at the end of 2013, compared with 2012, declined by \$319,646. This decrease was a result of two factors: a \$560,120, Contributions to Others and offset by Transfers In of \$323,250.
- Total General Obligation Bonds and Notes Outstanding decreased by \$884,000 from 2012. This increase was due to principal reductions in all four current general obligation notes and bond issues. Retirement of the principal portion of the debt service is as follows: 2014 through 2018 (47.0%), 2019 through 2023 (27.1%), 2024 through 2028 (23.9%) and 2029 through 2032 (2.0%).

Governmental Revenue - 2013

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 increased by 5% in 2013 due to an increase of \$285,831 in deferred revenue for future collections. The number of tax assessment appeals has declined in the last year. Conversely, Earned Income Taxes (EIT) exceeded 2012 collections by \$875,127 (or 15.0%) primarily due to advanced collections resulting from PA Act 34.

Governmental Expenses - 2013

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 1% in 2013, primarily due to the collective bargaining agreement (CBA) which expired in December 2012 and awaits an Act 111 arbitration decision. Public Works expenses were flat.

Governmental Net Position - 2013

As a result of 2013 Governmental Activities, Whitpain recognized a \$478,238 decrease in Net Position.

Business-Type Activities

The Township's only business-type activity is its sewer operation. Charges for services in fiscal year 2013 were \$3,323,797 or \$40,573 less than charges for services in fiscal year 2012. The sewer operation reported a decrease in net position of \$245,012.

WHITPAIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
Year Ended December 31, 2013

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 \$15,003,933. Of this year-end total, \$1,792,953 is unassigned and recommended for assignment for capital acquisition, construction and improvement; \$1,775,071 is committed to tax rate stabilization, \$1,888,043 is assigned to an operating reserve fund and \$5,748,109 is assigned for capital acquisition, construction and improvement; \$569,448 is assigned for highway and street projects; \$49,501 for storm water detention facilities; \$318,378 for a public-private partnership (The Manor House); \$34,567 outfall water drainage. Restricted fund balances include: \$1,123,173 for fire protection, \$1,394,948 for open space acquisition and improvement, \$81,093 for debt service, \$150,172 for fire hydrants and \$55,917 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 \$5,478,627. The General Fund balance decreased by \$209,929 over 2012.

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 \$5,748,109. This is an increase of \$1,317,877 over the ending fund balance for 2012. The increase was the result of reducing expenditures and deferring capital costs prudently through stringent and prudent long-range capital planning. The Capital Projects Fund has a Strategic Financial Plan for the years 2014 through 2018 totaling \$16,566,340. These additional funds will be used to finance a portion of the Strategic Financial Plan.

Proprietary Funds

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

GENERAL FUND BUDGETARY HIGHLIGHTS

- General Fund actual revenues were higher than General Fund budgeted revenues by \$1,750,819. The Earned Income Taxes were over budget by \$1,125,411, primarily due to advanced collections resulting from PA Act 34. Another significant revenue over budget was Real Estate Transfer Taxes which exceed budget by \$358,555.
- General Fund functional services' actual expenses were lower than budgeted expenses by \$484,309. The services that had favorable variances were as follows:

Police	\$267,086
Snow Removal	\$44,060
Highways and streets	\$84,784

WHITPAIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
Year Ended December 31, 2013

CAPITAL ASSETS - NET OF DEPRECIATION

Capital Assets, net of depreciation, decreased in 2013 by \$347,172 to \$49,007,274, primarily due to a decrease in Construction in Progress in 2013 as projects were completed in 2012.

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	
	2012	2013	2012	2013	2012	2013
Land	\$ 16,108	\$ 16,108	\$ -	\$ -	\$ 16,108	\$ 16,108
Conservation easements	1,052	1,052	-	-	1,052	1,052
Construction in progress	144	115	-	-	144	115
Land improvements	1,320	1,273	-	-	1,320	1,273
Buildings and improvements	2,978	3,020	-	-	2,978	3,020
Machinery and equipment	1,621	3,012	637	613	2,258	3,625
Infrastructure	23,513	22,059	1,980	1,755	25,493	23,814
	<u>\$ 46,736</u>	<u>\$ 46,639</u>	<u>\$ 2,617</u>	<u>\$ 2,368</u>	<u>\$ 49,353</u>	<u>\$ 49,007</u>

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	
	2012	2013	2012	2013	2012	2013
General obligation notes	\$ 7,668	\$ 6,839	\$ -	\$ -	\$ 7,668	\$ 6,839
General obligation bonds	3,920	3,865	-	-	3,920	3,865
Bond premium	47	44	-	-	47	44
Net OPEB obligation	789	943	17	20	806	963
Compensated absences	74	50	7	6	81	56
	<u>\$ 12,498</u>	<u>\$ 11,741</u>	<u>\$ 24</u>	<u>\$ 26</u>	<u>\$ 12,522</u>	<u>\$ 11,767</u>

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended December 31, 2013

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 weather the cyclical economic downturns. Moderate growth will continue in 2014 and may level off over the next few years. It is possible that one or more large redevelopment projects could occur in the near future. If that happens, then significant annual revenues, as well as one time capital contributions for traffic improvement projects and sewer projects, will be recognized. Real Estate tax revenues will be flat over the next few years with the continuing tax rate stabilization (since 2010) and with assessments continuing to be challenged. Earned Income taxes have shown significant recent growth due to Act 32 and improved mandatory employer withholding. Local Services taxes will most likely continue a modest increase in 2014. Transfer Taxes are expected to slightly increase over the next few years.

Operating expenses are expected to continue to increase only slightly (2% on average) 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. Starting in 2010, workforce reduction initiatives were implemented and are expected to continue over the next several years. The governing body has continued cost containment initiatives for wages (2% on average) and benefits (4% on average) over the next five years. Whitpain will continue to be challenged to negotiate cost sharing practices with our excellent workforce. We anxiously anticipate the police contract arbitration award later this year.

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. The 2014 Budget includes a usage charge for excess water consumption. In the near future, consideration should be given to evaluating the current sewer rate.

MOODY'S RATING & OPINION

Moody's Investors Service assigned Whitpain an Aaa rating in April 2012. Moody's summarized its opinion indicating that Whitpain has "a very strong tax base with a large commercial component, very high wealth levels, and significant diversity of revenue sources. It also reflects a light debt burden that is likely to shrink over time, stable finances with sizeable reserves, and conservative budgeting practices that have ensured structural balance throughout the downturn."

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 POSITION
December 31, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 13,784,440	\$ 1,112,762	\$ 14,897,202
Investments	844,988	281,281	1,126,269
Receivables	2,661,590	119,438	2,781,028
Deposits	-	350	350
Prepaid items	22,560	4,103	26,663
Net pension asset	43,515	-	43,515
Capital assets			
Land	16,108,463	-	16,108,463
Conservation easements	1,052,009	-	1,052,009
Construction in progress	115,029	-	115,029
Other capital assets	71,248,439	14,101,206	85,349,645
Accumulated depreciation	<u>(41,884,874)</u>	<u>(11,732,998)</u>	<u>(53,617,872)</u>
TOTAL ASSETS	<u>63,996,159</u>	<u>3,886,142</u>	<u>67,882,301</u>
LIABILITIES			
Accounts payable	9,157	784	9,941
Interest payable	12,789	-	12,789
Internal balances	(324,226)	324,226	-
Other current liabilities	93,676	94,135	187,811
Long-term liabilities			
Portion due or payable within one year			
Bonds payable	80,000	-	80,000
Notes payable	861,000	-	861,000
Compensated absences	4,962	602	5,564
Portion due or payable after one year			
Bonds payable	3,785,000	-	3,785,000
Notes payable	5,978,000	-	5,978,000
Bond premium, net	44,404	-	44,404
Net OPEB obligation	943,024	19,759	962,783
Compensated absences	44,658	5,426	50,084
TOTAL LIABILITIES	<u>11,532,444</u>	<u>444,932</u>	<u>11,977,376</u>
NET POSITION			
Net investment in capital assets	35,890,662	2,368,208	38,258,870
Restricted			
Fire protection	1,123,173	-	1,123,173
Open space acquisition and improvement	1,394,948	-	1,394,948
Debt service	81,093	-	81,093
Fire hydrants	150,172	-	150,172
Highway and street projects	55,917	-	55,917
Stormwater detention facilities	49,501	-	49,501
Outfall water drainage	34,567	-	34,567
Pension asset	43,515	-	43,515
Capital improvements	-	378,901	378,901
Unrestricted	<u>13,640,167</u>	<u>694,101</u>	<u>14,334,268</u>
TOTAL NET POSITION	<u>\$ 52,463,715</u>	<u>\$ 3,441,210</u>	<u>\$ 55,904,925</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP
STATEMENT OF ACTIVITIES
Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 2,979,731	\$ -	\$ 492,149	\$ -
Police	5,311,095	142,592	2,068	-
Fire	153,808	-	220,681	-
Code enforcement	489,983	294,031	-	-
Zoning	33,344	81,078	-	-
Public works	4,306,726	-	432,664	-
Culture and recreation	1,152,522	367,087	54,583	-
Debt service	446,335	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>14,873,544</u>	<u>884,788</u>	<u>1,202,145</u>	<u>-</u>
BUSINESS-TYPE ACTIVITIES				
Sewer	<u>3,989,727</u>	<u>3,323,797</u>	<u>-</u>	<u>32,481</u>
TOTAL TOWNSHIP ACTIVITIES	<u>\$ 18,863,271</u>	<u>\$ 4,208,585</u>	<u>\$ 1,202,145</u>	<u>\$ 32,481</u>

GENERAL REVENUES

Taxes

Real estate taxes

Transfer taxes

Earned income taxes

Local services taxes

Investment earnings

Loss on sale of capital assets

Miscellaneous

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION AT BEGINNING OF YEAR

NET POSITION AT END OF YEAR

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental</u>	<u>Business-Type</u>	<u>Totals</u>
<u>Activities</u>	<u>Activities</u>	
\$ (2,487,582)	\$ -	\$ (2,487,582)
(5,166,435)	-	(5,166,435)
66,873	-	66,873
(195,952)	-	(195,952)
47,734	-	47,734
(3,874,062)	-	(3,874,062)
(730,852)	-	(730,852)
(446,335)	-	(446,335)
<u>(12,786,611)</u>	<u>-</u>	<u>(12,786,611)</u>
<u>-</u>	<u>(633,449)</u>	<u>(633,449)</u>
<u>(12,786,611)</u>	<u>(633,449)</u>	<u>(13,420,060)</u>
6,243,018	-	6,243,018
808,555	-	808,555
6,691,000	-	6,691,000
785,833	-	785,833
139,129	1,663	140,792
(6,669)	-	(6,669)
880,356	67,128	947,484
<u>15,541,222</u>	<u>68,791</u>	<u>15,610,013</u>
2,754,611	(564,658)	2,189,953
<u>49,709,104</u>	<u>4,005,868</u>	<u>53,714,972</u>
<u>\$ 52,463,715</u>	<u>\$ 3,441,210</u>	<u>\$ 55,904,925</u>

WHITPAIN TOWNSHIP**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013**

	<u>General Fund</u>	<u>Fire Tax Fund</u>
ASSETS		
Cash and cash equivalents	\$ 3,983,372	\$ 1,002,222
Investments	839,704	5,284
Receivables	545,877	2,235
Prepaid items	22,560	-
Due from other funds	<u>672,086</u>	<u>197,557</u>
TOTAL ASSETS	<u>\$ 6,063,599</u>	<u>\$ 1,207,298</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 8,501	\$ -
Accrued salaries and benefits	93,676	-
Due to other funds	<u>206,148</u>	<u>37,216</u>
TOTAL LIABILITIES	<u>308,325</u>	<u>37,216</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue, property taxes	<u>276,647</u>	<u>46,909</u>
FUND BALANCES		
Nonspendable, prepaid expenses	22,560	-
Restricted		
Fire protection	-	1,123,173
Open space acquisition and improvement	-	-
Debt service	-	-
Fire hydrants	-	-
Highway and street projects	-	-
Stormwater detention facilities	-	-
Outfall water drainage	-	-
Committed		
Tax rate stabilization	1,775,071	-
Highway and street projects	-	-
Manor House	-	-
Assigned		
Operating Reserve Fund	1,888,043	-
Capital acquisition, construction and improvement	-	-
Unassigned	<u>1,792,953</u>	<u>-</u>
TOTAL FUND BALANCES	<u>5,478,627</u>	<u>1,123,173</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 6,063,599</u>	<u>\$ 1,207,298</u>

See accompanying notes to the basic financial statements.

<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>
\$ 6,004,367	\$ 1,402,629	\$ 174,301	\$ 1,217,549	\$ 13,784,440
-	-	-	-	844,988
-	-	4,391	245	552,748
-	-	-	-	22,560
<u>6,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>876,204</u>
<u>\$ 6,010,928</u>	<u>\$ 1,402,629</u>	<u>\$ 178,692</u>	<u>\$ 1,217,794</u>	<u>\$ 16,080,940</u>
\$ 656	\$ -	\$ -	\$ -	\$ 9,157
-	-	-	-	93,676
<u>262,163</u>	<u>7,681</u>	<u>-</u>	<u>38,770</u>	<u>551,978</u>
<u>262,819</u>	<u>7,681</u>	<u>-</u>	<u>38,770</u>	<u>654,811</u>
<u>-</u>	<u>-</u>	<u>97,599</u>	<u>1,041</u>	<u>422,196</u>
-	-	-	-	22,560
-	-	-	-	1,123,173
-	1,394,948	-	-	1,394,948
-	-	81,093	-	81,093
-	-	-	150,172	150,172
-	-	-	55,917	55,917
-	-	-	49,501	49,501
-	-	-	34,567	34,567
-	-	-	-	1,775,071
-	-	-	569,448	569,448
-	-	-	318,378	318,378
-	-	-	-	1,888,043
<u>5,748,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,748,109</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,792,953</u>
<u>5,748,109</u>	<u>1,394,948</u>	<u>81,093</u>	<u>1,177,983</u>	<u>15,003,933</u>
<u>\$ 6,010,928</u>	<u>\$ 1,402,629</u>	<u>\$ 178,692</u>	<u>\$ 1,217,794</u>	<u>\$ 16,080,940</u>

WHITPAIN TOWNSHIP

**RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**

December 31, 2013

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 15,003,933
<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	88,523,940
Accumulated depreciation	(41,884,874)
<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	(12,789)
Bonds payable	(3,865,000)
Notes payable	(6,839,000)
Net OPEB obligation	(943,024)
Net pension asset	43,515
Compensated absences	(49,620)
<p>Bond premiums are not recorded as liabilities in the Governmental Funds, however, these items are recorded as a liability and amortized in the government-wide financial statements.</p>	
	(44,404)
<p>Receivables in the statement of net position that do not provide current financial resources are not reported in the Governmental Funds.</p>	
	2,108,842
<p>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.</p>	
	<u>422,196</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 52,463,715</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, 2013**

	<u>General Fund</u>	<u>Fire Tax Fund</u>
REVENUES		
Taxes		
Real estate taxes	\$ 3,882,007	\$ 765,656
Transfer taxes	808,555	-
Earned income taxes	6,125,411	-
Local services taxes	785,833	-
Fees, licenses and permits	682,276	-
Investment income and rent	101,310	1,152
Intergovernmental revenues	485,552	220,681
Fines and forfeitures	130,477	-
Charges for services	382,627	-
Contributions	-	-
Other	265,221	-
	<u>13,649,269</u>	<u>987,489</u>
TOTAL REVENUES		
	<u>13,649,269</u>	<u>987,489</u>
EXPENDITURES		
General government	2,676,679	-
Public safety	5,800,251	987,385
Highways and streets	1,978,606	-
Culture and recreation	903,662	-
Debt service		
Principal	-	-
Interest	-	-
	<u>11,359,198</u>	<u>987,385</u>
TOTAL EXPENDITURES		
	<u>11,359,198</u>	<u>987,385</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,290,071</u>	<u>104</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	(2,500,000)	-
Proceeds from sale of capital assets	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,500,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(209,929)	104
FUND BALANCES AT BEGINNING OF YEAR	<u>5,688,556</u>	<u>1,123,069</u>
FUND BALANCES AT END OF YEAR	<u>\$ 5,478,627</u>	<u>\$ 1,123,173</u>

See accompanying notes to the basic financial statements.

<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>
\$ -	\$ -	\$ 1,402,263	\$ 76,642	\$ 6,126,568
-	-	-	-	808,555
-	-	-	-	6,125,411
-	-	-	-	785,833
-	-	-	-	682,276
4,233	1,430	604	308,840	417,569
-	-	-	387,109	1,093,342
-	-	-	-	130,477
-	-	-	-	382,627
-	54,583	-	45,555	100,138
-	34,768	-	-	299,989
<u>4,233</u>	<u>90,781</u>	<u>1,402,867</u>	<u>818,146</u>	<u>16,952,785</u>
190,378	-	-	137,462	3,004,519
227,325	-	-	52,531	7,067,492
753,936	-	-	398,028	3,130,570
37,277	124,720	-	-	1,065,659
-	-	884,000	-	884,000
-	-	449,387	-	449,387
<u>1,208,916</u>	<u>124,720</u>	<u>1,333,387</u>	<u>588,021</u>	<u>15,601,627</u>
<u>(1,204,683)</u>	<u>(33,939)</u>	<u>69,480</u>	<u>230,125</u>	<u>1,351,158</u>
2,500,000	-	-	-	2,500,000
-	-	-	-	(2,500,000)
22,560	-	-	-	22,560
<u>2,522,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,560</u>
1,317,877	(33,939)	69,480	230,125	1,373,718
4,430,232	1,428,887	11,613	947,858	13,630,215
<u>\$ 5,748,109</u>	<u>\$ 1,394,948</u>	<u>\$ 81,093</u>	<u>\$ 1,177,983</u>	<u>\$ 15,003,933</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, 2013

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,373,718
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.	(68,675)
Because some property taxes will not be collected for several months after the Township's fiscal year ends, they are not considered as "available" revenues in the Governmental Funds. Deferred tax revenues increased by this amount this year.	116,450
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(29,229)
Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net position.	884,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the Governmental Funds.	605,309
Bond premiums provide current financial resources to Governmental Funds. In the statement of net position, bond premiums are deferred and amortized.	2,400
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).	24,213
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.	652
The net change in the liability for the net OPEB obligation is reported in the government-wide statements but not in the Governmental Funds statements.	<u>(154,227)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,754,611</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 628,235	\$ 484,527	\$ 1,112,762
Investments	281,281	-	281,281
Receivables	119,438	-	119,438
Deposits	350	-	350
Prepaid items	4,103	-	4,103
Due from other funds	2,030	-	2,030
	<u>1,035,437</u>	<u>484,527</u>	<u>1,519,964</u>
TOTAL CURRENT ASSETS			
CAPITAL ASSETS			
Sewer system and improvements	12,334,406	-	12,334,406
Other capital assets	1,766,800	-	1,766,800
Accumulated depreciation	<u>(11,732,998)</u>	<u>-</u>	<u>(11,732,998)</u>
TOTAL CAPITAL ASSETS	<u>2,368,208</u>	<u>-</u>	<u>2,368,208</u>
TOTAL ASSETS	<u>3,403,645</u>	<u>484,527</u>	<u>3,888,172</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	784	-	784
Accrued salaries and benefits	9,436	-	9,436
Compensated absences	602	-	602
Due to other governments	-	84,699	84,699
Due to other funds	305,329	20,927	326,256
	<u>316,151</u>	<u>105,626</u>	<u>421,777</u>
TOTAL CURRENT LIABILITIES	<u>316,151</u>	<u>105,626</u>	<u>421,777</u>
NONCURRENT LIABILITIES			
Net OPEB obligation	19,759	-	19,759
Compensated absences	5,426	-	5,426
TOTAL NONCURRENT LIABILITIES	<u>25,185</u>	<u>-</u>	<u>25,185</u>
TOTAL LIABILITIES	<u>341,336</u>	<u>105,626</u>	<u>446,962</u>
NET POSITION			
Net investment in capital assets	2,368,208	-	2,368,208
Restricted for capital improvements	-	378,901	378,901
Unrestricted	694,101	-	694,101
TOTAL NET POSITION	<u>\$ 3,062,309</u>	<u>\$ 378,901</u>	<u>\$ 3,441,210</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2013

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
OPERATING REVENUES			
Sewer service	\$ 3,320,297	\$ -	\$ 3,320,297
Connection fees	3,500	-	3,500
Other revenues	<u>60,870</u>	<u>6,258</u>	<u>67,128</u>
TOTAL OPERATING REVENUES	<u>3,384,667</u>	<u>6,258</u>	<u>3,390,925</u>
OPERATING EXPENSES			
Salaries, wages and benefits	1,294,651	-	1,294,651
Contracted services	1,354,366	-	1,354,366
Maintenance	86,098	-	86,098
Other	323,036	41,139	364,175
Depreciation	<u>330,317</u>	<u>-</u>	<u>330,317</u>
TOTAL OPERATING EXPENSES	<u>3,388,468</u>	<u>41,139</u>	<u>3,429,607</u>
OPERATING LOSS	<u>(3,801)</u>	<u>(34,881)</u>	<u>(38,682)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and investment revenue	991	672	1,663
Contributions to others	<u>-</u>	<u>(560,120)</u>	<u>(560,120)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>991</u>	<u>(559,448)</u>	<u>(558,457)</u>
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(2,810)</u>	<u>(594,329)</u>	<u>(597,139)</u>
CAPITAL CONTRIBUTIONS FROM DEVELOPERS	-	32,481	32,481
TRANSFERS IN	81,048	323,250	404,298
TRANSFERS OUT	<u>(323,250)</u>	<u>(81,048)</u>	<u>(404,298)</u>
CHANGE IN NET POSITION	<u>(245,012)</u>	<u>(319,646)</u>	<u>(564,658)</u>
NET POSITION AT BEGINNING OF YEAR	<u>3,307,321</u>	<u>698,547</u>	<u>4,005,868</u>
NET POSITION AT END OF YEAR	<u>\$ 3,062,309</u>	<u>\$ 378,901</u>	<u>\$ 3,441,210</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2013

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,464,555	\$ -	\$ 3,464,555
Cash paid to employees	(835,511)	-	(835,511)
Cash paid to suppliers	(1,769,547)	-	(1,769,547)
Cash paid for employee benefits	(458,071)	-	(458,071)
Refunds	-	(40,882)	(40,882)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>401,426</u>	<u>(40,882)</u>	<u>360,544</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of property, plant and equipment	(81,049)	-	(81,049)
Capital contributions from developers	-	32,481	32,481
Capital contributions to others	-	(557,246)	(557,246)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(81,049)</u>	<u>(524,765)</u>	<u>(605,814)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(90)	-	(90)
Earnings on investments	991	672	1,663
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>901</u>	<u>672</u>	<u>1,573</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(323,250)	(81,048)	(404,298)
Transfers from other funds	81,048	323,250	404,298
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(242,202)</u>	<u>242,202</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	79,076	(322,773)	(243,697)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>549,159</u>	<u>807,300</u>	<u>1,356,459</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 628,235</u>	<u>\$ 484,527</u>	<u>\$ 1,112,762</u>

WHITPAIN TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2013

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating loss	\$ (3,801)	\$ (34,881)	\$ (38,682)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities			
Depreciation	330,317	-	330,317
(Increase) decrease in			
Receivables	79,888	-	79,888
Due from other funds	(2,030)	-	(2,030)
Increase (decrease) in			
Payables	784	-	784
Accrued salaries and benefits	1,069	-	1,069
Due to other funds	(4,801)	(6,001)	(10,802)
	<u>401,426</u>	<u>(40,882)</u>	<u>360,544</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>401,426</u>	\$ <u>(40,882)</u>	\$ <u>360,544</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2013

	<u>Pension Trust Funds</u>	<u>Medical Benefits Funds</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$ 1,097,718	\$ 374,196	\$ 1,421,385
Investments			
Mutual funds	1,892,535	-	-
Mortgage-backed securities	2,449,304	-	-
Money market funds	525,706	-	-
U.S. Government notes	1,764,164	-	-
Corporate bonds	1,872,498	-	-
Equity stocks and options	14,272,667	-	-
Prepaid expenses	<u>12,561</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	\$ <u>23,887,153</u>	\$ <u>374,196</u>	\$ <u>1,421,385</u>
LIABILITIES AND NET POSITION			
LIABILITIES			
Escrow deposits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,421,385</u>
NET POSITION			
Held in trust for			
Pension benefits	23,887,153	-	
Post-retirement medical insurance	<u>-</u>	<u>374,196</u>	
TOTAL NET POSITION	<u>23,887,153</u>	<u>374,196</u>	
TOTAL LIABILITIES AND NET POSITION	\$ <u>23,887,153</u>	\$ <u>374,196</u>	

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2013

	<u>Pension Trust Funds</u>	<u>Medical Benefits Funds</u>
ADDITIONS		
Contributions		
Member contributions	\$ 254,336	\$ -
Employer contributions	508,951	45,000
State contributions	435,048	-
TOTAL CONTRIBUTIONS	<u>1,198,335</u>	<u>45,000</u>
Investment income		
Net appreciation in fair value of investments	1,745,647	-
Dividends	411,704	-
Investment income	540,473	354
Investment expense	(169,201)	-
TOTAL INVESTMENT INCOME	<u>2,528,623</u>	<u>354</u>
TOTAL ADDITIONS	<u>3,726,958</u>	<u>45,354</u>
DEDUCTIONS		
Benefits	914,952	22,200
Actuary fees	11,700	-
TOTAL DEDUCTIONS	<u>926,652</u>	<u>22,200</u>
CHANGE IN NET POSITION	2,800,306	23,154
NET POSITION HELD IN TRUST AT BEGINNING OF YEAR	<u>21,086,847</u>	<u>351,042</u>
NET POSITION HELD IN TRUST AT END OF YEAR	<u>\$ 23,887,153</u>	<u>\$ 374,196</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

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 position 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, 2013

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.

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

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.

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3. No later than December 31, the budget is legally adopted through the passage of a resolution.
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 and Debt Service Fund all have legally adopted budgets for the year ended December 31, 2013.

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.

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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, 2013, 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.

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Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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

Bond premiums and discounts, 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.

Net Position Flow Assumption

Sometimes the Township will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and Proprietary Fund financial statements, a flow assumption should be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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 Position - 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.

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- **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, 2013, 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.

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 Township 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.

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.

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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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, 2013, \$500,000 of the total bank balance of \$18,446,353 was insured by the Federal Depository Insurance Corporation. Of the remaining bank balance of \$17,946,353, \$17,888,423 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, and \$57,930 was invested in state investment pools, which is uninsured and uncollateralized.

Investments

As of December 31, 2013, the Township had the following investments:

<u>Investment Type</u>	<u>Investment Maturities</u>	
	<u>Fair Value</u>	<u>Less Than One Year</u>
GOVERNMENTAL ACTIVITIES		
Externally pooled investments	\$ <u>844,988</u>	\$ <u>844,988</u>
PROPRIETARY ACTIVITIES		
Externally pooled investments	\$ <u>281,281</u>	\$ <u>281,281</u>
PENSION ACTIVITIES		
Mutual funds	\$ 1,892,535	\$ 1,892,535
Mortgage-backed securities	2,449,304	2,449,304
U.S. Government notes	1,764,164	1,764,164
Corporate bonds	1,872,498	1,872,498
Equity stocks and options	14,272,667	14,272,667
Money market funds	<u>525,706</u>	<u>525,706</u>
TOTAL PENSION ACTIVITIES	\$ <u>22,776,874</u>	\$ <u>22,776,874</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.

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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, 2013, \$1,421,385 represents the balance of these monies held in escrow.

NOTE C CAPITAL ASSETS

Changes in capital asset activity for the year ended December 31, 2013, were as follows:

	Balance January 1, 2013	Increases	Decreases	Balance December 31, 2013
GOVERNMENTAL ACTIVITIES				
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	-	(29,229)	115,029
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	17,304,730	-	(29,229)	17,275,501
Capital assets being depreciated				
Land improvements	2,075,278	-	-	2,075,278
Buildings and improvements	5,215,142	154,863	-	5,370,005
Machinery and equipment	4,510,136	1,782,623	(119,730)	6,173,029
Infrastructure	57,308,690	321,437	-	57,630,127
TOTAL CAPITAL ASSETS BEING DEPRECIATED	69,109,246	2,258,923	(119,730)	71,248,439
Accumulated depreciation				
Land improvements	(755,221)	(47,034)	-	(802,255)
Buildings and improvements	(2,236,812)	(113,198)	-	(2,350,010)
Machinery and equipment	(2,889,309)	(391,407)	119,730	(3,160,986)
Infrastructure	(33,795,664)	(1,775,959)	-	(35,571,623)
TOTAL ACCUMULATED DEPRECIATION	(39,677,006)	(2,327,598)	119,730	(41,884,874)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	29,432,240	(68,675)	-	29,363,565
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	\$ 46,736,970	\$ (68,675)	\$ (29,229)	\$ 46,639,066

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Depreciation expense was charged to governmental functions as follows:

GOVERNMENTAL ACTIVITIES	
Administrative	\$ 80,150
Codes	2,956
Police and emergency services	226,132
Public works, highways and streets	1,919,407
Parks	<u>98,953</u>
	<u>\$ 2,327,598</u>

	Balance January 1, 2013	Increases	Decreases	Balance December 31, 2013
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated				
Buildings and improvements	\$ 180,684	\$ -	\$ -	\$ 180,684
Machinery and equipment	1,505,067	81,049	-	1,586,116
Infrastructure	<u>12,334,406</u>	<u>-</u>	<u>-</u>	<u>12,334,406</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>14,020,157</u>	<u>81,049</u>	<u>-</u>	<u>14,101,206</u>
Accumulated depreciation				
Buildings and improvements	(180,684)	-	-	(180,684)
Machinery and equipment	(868,472)	(104,919)	-	(973,391)
Infrastructure	<u>(10,353,525)</u>	<u>(225,398)</u>	<u>-</u>	<u>(10,578,923)</u>
TOTAL ACCUMULATED DEPRECIATION	<u>(11,402,681)</u>	<u>(330,317)</u>	<u>-</u>	<u>(11,732,998)</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net	<u>\$ 2,617,476</u>	<u>\$ (249,268)</u>	<u>\$ -</u>	<u>\$ 2,368,208</u>

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE D INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at December 31, 2013, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
GOVERNMENTAL FUNDS		
General Fund	\$ 672,086	\$ 206,148
Fire Tax Fund	197,557	37,216
Capital Projects Fund	6,561	262,163
Open Space Fund	-	7,681
Highway Aid Fund	-	14,796
Manor House Fund	-	23,974
BUSINESS-TYPE ACTIVITIES		
Sewer Capital Fund	-	20,927
Sewer Fund	<u>2,030</u>	<u>305,329</u>
	<u>\$ 878,234</u>	<u>\$ 878,234</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, 2013, are as follows:

	<u>Transfer Out</u>	<u>Transfer In</u>
General Fund	\$ 2,500,000	\$ -
Capital Projects Fund	-	2,500,000
Sewer Fund	323,250	81,048
Sewer Capital Fund	<u>81,048</u>	<u>323,250</u>
	<u>\$ 2,904,298</u>	<u>\$ 2,904,298</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.

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NOTE E RECEIVABLES

Receivables as of December 31, 2013, are as follows:

	<u>General Fund</u>	<u>Fire Tax Fund</u>
RECEIVABLES		
Taxes	\$ 451,332	\$ 2,235
Accounts	94,545	-
Special assessments	-	-
	<u>545,877</u>	<u>2,235</u>
	\$ <u>545,877</u>	\$ <u>2,235</u>

NOTE F LONG-TERM DEBT

Long-term liability for the year ended December 31, 2013, is as follows:

	<u>Balance January 1, 2013</u>
GOVERNMENTAL ACTIVITIES	
General Obligation Notes	
Series A of 1999	\$ 4,253,000
Series B of 1999	1,832,000
Series of 2002	1,583,000
General Obligation Bonds	
Series of 2012	3,920,000
TOTAL GENERAL OBLIGATION BONDS AND NOTES	<u>11,588,000</u>
Bond premium	46,804
Net OPEB obligation	788,797
Compensated absences	73,833
TOTAL GOVERNMENTAL ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 12,497,434</u>
BUSINESS-TYPE ACTIVITIES	
Net OPEB obligation	\$ 16,779
Compensated absences	7,295
TOTAL BUSINESS-TYPE ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 24,074</u>

<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Sewer Fund</u>	<u>Totals</u>
\$ 4,391	\$ 245	\$ -	\$ 458,203
-	-	-	94,545
-	-	119,438	119,438
<u>\$ 4,391</u>	<u>\$ 245</u>	<u>\$ 119,438</u>	<u>\$ 672,186</u>

<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2013</u>	<u>Due Within One Year</u>
\$ -	\$ (191,000)	\$ 4,062,000	\$ 201,000
-	(342,000)	1,490,000	354,000
-	(296,000)	1,287,000	306,000
-	(55,000)	3,865,000	80,000
-	(884,000)	10,704,000	941,000
-	(2,400)	44,404	-
154,227	-	943,024	-
<u>451,839</u>	<u>(476,052)</u>	<u>49,620</u>	<u>4,962</u>
<u>\$ 606,066</u>	<u>\$ (1,362,452)</u>	<u>\$ 11,741,048</u>	<u>\$ 945,962</u>
\$ 2,980	\$ -	\$ 19,759	\$ -
<u>40,359</u>	<u>(41,626)</u>	<u>6,028</u>	<u>602</u>
<u>\$ 43,339</u>	<u>\$ (41,626)</u>	<u>\$ 25,787</u>	<u>\$ 602</u>

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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

General Obligation Notes - 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 governmental activities only. The original amount of notes issued was \$14,000,000. 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.

General Obligation Bonds, Series of 2012 - General Obligation Bonds, Series of 2012, were issued on May 1, 2012, in the amount of \$3,925,000 for the purpose of currently refunding the General Obligation Notes, Series of 2006, to finance the capital program and to pay the costs of issuing the bonds.

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>
2014	\$ 941,000	\$ 404,889
2015	1,150,000	369,113
2016	1,191,000	328,430
2017	1,223,000	286,148
2018	524,000	242,512
2019	537,000	223,499
2020	556,000	203,780
2021	581,000	183,202
2022	602,000	161,609
2023	629,000	139,048
2024	651,000	114,450
2025	675,000	88,814
2026	704,000	61,007
2027	465,000	31,908
2028	65,000	8,250
2029	70,000	6,300
2030	70,000	4,200
2031	70,000	2,100
	<u>\$ 10,704,000</u>	<u>\$ 2,859,259</u>

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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, 2013, DeVal would have received a payment of nearly \$116 million if all 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, 2013, contributions of \$51,541 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, 2013

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, 2013, 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>
PARTICIPANTS		
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits not yet receiving them	28	14
Active employees	<u>52</u>	<u>29</u>
TOTAL MEMBERSHIP	<u><u>80</u></u>	<u><u>43</u></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
December 31, 2013

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 2013, the MMO obligation for the Non-Uniformed Employees' Pension Plan was \$480,794 for the year 2013. Contributions of \$276,476 and \$217,524 were made by the Township and the Commonwealth, respectively.

In 2013, the MMO obligation for the Police Pension Plan was \$423,699 for the year 2013. Contributions of \$232,476 and \$217,524 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, 2013

Financial Requirement and Minimum Municipal Obligation Budget for 2013

	<u>Non-Uniformed Employees' Pension Plan</u>	<u>Police Pension Plan</u>
Annual required contribution	\$ 480,794	\$ 423,699
Interest on net pension asset	277	7
Adjustment to annual required contribution	(473)	(24)
ANNUAL PENSION COST	<u>480,598</u>	<u>423,682</u>
Contributions made	<u>(494,000)</u>	<u>(450,000)</u>
INCREASE IN NET PENSION ASSET	<u>(13,402)</u>	<u>(26,318)</u>
Net pension asset at beginning of year	<u>(3,698)</u>	<u>(97)</u>
NET PENSION ASSET AT END OF YEAR	<u>\$ (17,100)</u>	<u>\$ (26,415)</u>
ACTUAL FUNDS DEPOSITED INTO PLAN	<u>\$ 494,000</u>	<u>\$ 450,000</u>
STATE AID PORTION OF FUNDS DEPOSITED	<u>\$ 217,524</u>	<u>\$ 217,524</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>
2011	\$ 668,924	100.03%	\$ (3,473)
2012	506,079	100.04%	(3,698)
2013	480,598	102.79%	(17,100)

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>
2011	\$ 531,606	100.01%	\$ (82)
2012	437,115	100.01%	(97)
2013	423,682	106.21%	(26,415)

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

Funded Status and Funding Progress

Non-Uniformed Employees' Pension Plan - As of January 1, 2013, the most recent actuarial valuation date, the plan was 85.5% funded. The actuarial accrued liability for benefits was \$10.9 million and the actuarial value of assets was \$9.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.6 million. The covered payroll (annual payroll of active employees covered in the plan) was \$3.2 million, and the ratio of the UAAL to the covered payroll was 48.9%.

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, 2013
Actuarial cost method	Entry age normal
Amortization method.....	Level dollar, closed
Remaining amortization period	8 years
Asset valuation method.....	Market value
Actuarial assumptions	
Investment rate of return	7.5%
Projected salary increases	4.5%
Inflation rate	Long-term historical average rate

Police Pension Plan - As of January 1, 2013, the most recent actuarial valuation date, the plan was 88.0% funded. The actuarial accrued liability for benefits was \$13.6 million and the actuarial value of assets was \$12.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.6 million. The covered payroll (annual payroll of active employees covered in the plan) was \$2.7 million, and the ratio of the UAAL to the covered payroll was 59.6%.

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, 2013
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	5.0%
Inflation rate	Long-term historical average rate

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

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.

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.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

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	4,442	31,809
Adjustments to annual required contribution	<u>(6,060)</u>	<u>(43,395)</u>
ANNUAL OPEB EXPENSE	29,531	172,676
Contributions made	<u>(12,000)</u>	<u>(33,000)</u>
INCREASE IN NET OPEB OBLIGATION	17,531	139,676
Net OPEB obligation at beginning of year	<u>98,702</u>	<u>706,874</u>
NET OPEB OBLIGATION AT END OF YEAR	<u>\$ 116,233</u>	<u>\$ 846,550</u>

Three-Year Trend

Non-Uniformed OPEB Plan

Fiscal Year Ending December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net Pension OPEB Obligation
2011	\$ 30,120	40%	\$ 80,879
2012	29,823	40%	98,702
2013	29,531	41%	116,233

Police OPEB Plan

Fiscal Year Ending December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net Pension OPEB Obligation
2011	\$ 177,369	19%	\$ 564,871
2012	175,003	19%	706,874
2013	172,676	19%	846,550

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

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.

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.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

NOTE J COMBINING SCHEDULES OF FIDUCIARY FUNDS

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

	<u>Pension Trust Funds</u>		
	<u>Non-Uniformed Pension Fund</u>	<u>Police Pension Fund</u>	<u>Total Pension Trust Funds</u>
ASSETS			
Cash and cash equivalents	\$ 474,829	\$ 622,889	\$ 1,097,718
Investments			
Mutual funds	830,300	1,062,235	1,892,535
Mortgage-backed securities	1,061,715	1,387,589	2,449,304
Money market funds	234,284	291,422	525,706
U.S. Government notes	772,001	992,163	1,764,164
Corporate bonds	812,743	1,059,755	1,872,498
Equity stocks and options	6,342,829	7,929,838	14,272,667
Prepaid expenses	11,435	1,126	12,561
	<u>\$ 10,540,136</u>	<u>\$ 13,347,017</u>	<u>\$ 23,887,153</u>
NET POSITION			
Held in trust for			
Pension benefits	\$ 10,540,136	\$ 13,347,017	\$ 23,887,153
Post-retirement medical insurance	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,540,136</u>	<u>\$ 13,347,017</u>	<u>\$ 23,887,153</u>

Medical Benefits Funds

Non-Uniformed Post-Retirement Medical Benefits Fund	Police Post-Retirement Medical Benefits Fund	Total Medical Benefits Funds
\$ 21,737	\$ 352,459	\$ 374,196
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>21,737</u>	<u>352,459</u>	<u>374,196</u>
\$ <u>21,737</u>	\$ <u>352,459</u>	\$ <u>374,196</u>
\$ -	\$ -	\$ -
<u>21,737</u>	<u>352,459</u>	<u>374,196</u>
<u>\$ 21,737</u>	<u>\$ 352,459</u>	<u>\$ 374,196</u>

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

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

	Pension Trust Funds		
	Non-Uniformed Pension Fund	Police Pension Fund	Total Pension Trust Funds
ADDITIONS			
Contributions			
Member contributions	\$ 111,313	\$ 143,023	\$ 254,336
Employer contributions	276,476	232,475	508,951
State contributions	217,524	217,524	435,048
TOTAL CONTRIBUTIONS	<u>605,313</u>	<u>593,022</u>	<u>1,198,335</u>
Investment income			
Net appreciation in fair value of investments	785,866	959,781	1,745,647
Dividends	180,306	231,398	411,704
Investment income	232,031	308,442	540,473
Investment expense	(73,985)	(95,216)	(169,201)
TOTAL INVESTMENT INCOME	<u>1,124,218</u>	<u>1,404,405</u>	<u>2,528,623</u>
TOTAL ADDITIONS	<u>1,729,531</u>	<u>1,997,427</u>	<u>3,726,958</u>
DEDUCTIONS			
Benefits	412,895	502,057	914,952
Actuary fees	6,991	4,709	11,700
TOTAL DEDUCTIONS	<u>419,886</u>	<u>506,766</u>	<u>926,652</u>
CHANGE IN NET POSITION	1,309,645	1,490,661	2,800,306
NET POSITION HELD IN TRUST AT BEGINNING OF YEAR			
	<u>9,230,491</u>	<u>11,856,356</u>	<u>21,086,847</u>
NET POSITION HELD IN TRUST AT END OF YEAR	<u>\$ 10,540,136</u>	<u>\$ 13,347,017</u>	<u>\$ 23,887,153</u>

Medical Benefits Funds

Non-Uniformed Post-Retirement Medical Benefits Fund	Police Post-Retirement Medical Benefits Fund	Total Medical Benefits Funds
\$ -	\$ -	\$ -
12,000	33,000	45,000
<u>-</u>	<u>-</u>	<u>-</u>
<u>12,000</u>	<u>33,000</u>	<u>45,000</u>
-	-	-
-	-	-
24	330	354
<u>-</u>	<u>-</u>	<u>-</u>
<u>24</u>	<u>330</u>	<u>354</u>
<u>12,024</u>	<u>33,330</u>	<u>45,354</u>
19,200	3,000	22,200
<u>-</u>	<u>-</u>	<u>-</u>
<u>19,200</u>	<u>3,000</u>	<u>22,200</u>
(7,176)	30,330	23,154
<u>28,913</u>	<u>322,129</u>	<u>351,042</u>
<u>\$ 21,737</u>	<u>\$ 352,459</u>	<u>\$ 374,196</u>

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

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 Townships 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 \$912,107 during 2013. Also during 2013, the Township paid \$364,297 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 \$235,945 in 2013. Also during 2013, the Township paid \$195,823 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.

REQUIRED SUPPLEMENTARY INFORMATION

WHITPAIN TOWNSHIP
SCHEDULE OF REVENUES
GENERAL FUND
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes				
Real estate taxes	\$ 3,878,500	\$ 3,878,500	\$ 3,882,007	\$ 3,507
Transfer taxes	450,000	450,000	808,555	358,555
Earned income taxes	5,000,000	5,000,000	6,125,411	1,125,411
Local services taxes	725,000	725,000	785,833	60,833
TOTAL TAXES	10,053,500	10,053,500	11,601,806	1,548,306
Fees, licenses and permits				
Building	155,000	155,000	119,720	(35,280)
Zoning	8,500	8,500	5,356	(3,144)
Electrical	60,000	60,000	67,359	7,359
Engineering	42,200	42,200	32,585	(9,615)
Plumbing	32,000	32,000	36,164	4,164
Street	15,000	15,000	17,725	2,725
Energy	27,000	27,000	26,837	(163)
Use and occupancy	4,600	4,600	6,190	1,590
Flood plain	2,200	2,200	2,765	565
Heat, vent and air conditioning	37,000	37,000	34,382	(2,618)
Fire prevention	20,000	20,000	1,020	(18,980)
Hearing	30,000	30,000	24,346	(5,654)
Alcoholic beverage licensees	6,650	6,650	5,900	(750)
Cable television franchise fees	220,000	220,000	301,927	81,927
TOTAL FEES, LICENSES AND PERMITS	660,150	660,150	682,276	22,126
Intergovernmental revenues				
Public utility realty tax	15,000	15,000	18,130	3,130
State pension aid	278,250	278,250	407,858	129,608
Other state grants	57,000	57,000	59,564	2,564
TOTAL INTERGOVERNMENTAL REVENUES	350,250	350,250	485,552	135,302
Fines and forfeitures				
Police	90,000	90,000	128,118	38,118
Code	3,500	3,500	2,359	(1,141)
TOTAL FINES AND FORFEITURES	93,500	93,500	130,477	36,977
Charges for services				
Administrative	-	-	1,066	1,066
Police services	6,500	6,500	14,474	7,974
Culture and recreation	465,550	465,550	367,087	(98,463)
TOTAL CHARGES FOR SERVICES	472,050	472,050	382,627	(89,423)
Other				
Investment income and rent	127,000	127,000	101,310	(25,690)
Refunds of prior year expenditures	142,000	142,000	265,221	123,221
TOTAL OTHER	269,000	269,000	366,531	97,531
TOTAL REVENUES	\$ 11,898,450	\$ 11,898,450	\$ 13,649,269	\$ 1,750,819

WHITPAIN TOWNSHIP
SCHEDULE OF FUNCTIONAL EXPENDITURES BY
ACTIVITY AND OTHER FINANCING USES
GENERAL FUND
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
EXPENDITURES				
General government				
Supervisors	\$ 96,885	\$ 96,885	\$ 94,475	\$ (2,410)
Administration	1,059,453	1,059,453	1,051,466	(7,987)
Finance	373,103	373,103	334,495	(38,608)
Tax collection	104,148	104,148	116,384	12,236
Solicitor	270,000	270,000	286,852	16,852
Computer and information technology	127,073	127,073	130,476	3,403
Planning and engineering	305,709	305,709	319,105	13,396
Municipal buildings	340,902	340,902	343,426	2,524
TOTAL GENERAL GOVERNMENT	2,677,273	2,677,273	2,676,679	(594)
Public safety				
Police	5,347,617	5,347,617	5,080,531	(267,086)
Fire protection	228,061	228,061	202,921	(25,140)
Code enforcement	449,687	449,687	483,455	33,768
Planning and zoning	71,310	71,310	33,344	(37,966)
TOTAL PUBLIC SAFETY	6,096,675	6,096,675	5,800,251	(296,424)
Highways and streets				
Administration	600,261	600,261	602,791	2,530
Cleaning and trash removal	6,680	6,680	1,233	(5,447)
Snow removal	79,916	79,916	35,856	(44,060)
Traffic signals	83,200	83,200	90,782	7,582
Streets	898,681	898,681	813,897	(84,784)
Storm sewer maintenance	37,494	37,494	24,990	(12,504)
Equipment maintenance	378,234	378,234	377,613	(621)
Road and curb inspections	61,232	61,232	31,444	(29,788)
TOTAL HIGHWAYS AND STREETS	2,145,698	2,145,698	1,978,606	(167,092)
Culture and recreation	923,861	923,861	903,662	(20,199)
TOTAL EXPENDITURES	11,843,507	11,843,507	11,359,198	(484,309)
OTHER FINANCING USES				
Interfund transfers out, Capital Projects Fund	500,000	500,000	2,500,000	2,000,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 12,343,507	\$ 12,343,507	\$ 13,859,198	\$ 1,515,691

WHITPAIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
FIRE TAX FUND
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
REVENUES				
Real estate taxes	\$ 777,700	\$ 777,700	\$ 765,656	\$ (12,044)
Interest income	2,000	2,000	1,152	(848)
Intergovernmental revenues	<u>197,000</u>	<u>197,000</u>	<u>220,681</u>	<u>23,681</u>
TOTAL REVENUES	<u>976,700</u>	<u>976,700</u>	<u>987,489</u>	<u>10,789</u>
EXPENDITURES				
Public safety				
Fire company				
Operating	583,809	583,809	729,367	145,558
Capital expenditures	108,000	108,000	26,627	(81,373)
Workers' compensation	10,660	10,660	10,710	50
Fireman's Relief Fund	<u>197,000</u>	<u>197,000</u>	<u>220,681</u>	<u>23,681</u>
TOTAL EXPENDITURES	<u>899,469</u>	<u>899,469</u>	<u>987,385</u>	<u>87,916</u>
EXCESS OF REVENUES OVER EXPENDITURES	77,231	77,231	104	(77,127)
OTHER FINANCING SOURCES				
Interfund transfers out, Fire Capital Fund	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
NET CHANGE IN FUND BALANCE	227,231	227,231	104	(227,127)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,123,069</u>	<u>1,123,069</u>	<u>1,123,069</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,350,300</u>	<u>\$ 1,350,300</u>	<u>\$ 1,123,173</u>	<u>\$ (227,127)</u>

WHITPAIN TOWNSHIP
PENSION PLAN FUNDING PROGRESS
Year Ended December 31, 2013

NON-UNIFORMED EMPLOYEES' 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)
2011	\$ 7,847,709	\$ 9,721,509	\$ 1,873,800	81%	\$ 3,613,491	52%
2012	8,263,767	10,208,739	1,944,972	81%	3,325,811	58%
2013	9,313,174	10,893,327	1,580,153	85%	3,230,394	49%

Source: Whitpain Township annual financial statements.

Analysis of Employer Contributions

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2008	\$ 455,723	100%
2009	463,939	100%
2010	480,450	100%
2011	669,152	100%
2012	506,304	100%
2013	480,794	103%

WHITPAIN TOWNSHIP
PENSION PLAN FUNDING PROGRESS
Year Ended December 31, 2013

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)
2011	\$ 10,706,024	\$ 11,626,578	\$ 920,554	92%	\$ 2,589,632	36%
2012	10,820,377	12,534,676	1,714,299	86%	2,531,420	68%
2013	11,959,679	13,585,312	1,625,633	88%	2,727,786	60%

Source: Whitpain Township annual financial statements.

Analysis of Employer Contributions

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2008	\$ 238,174	100%
2009	271,853	100%
2010	287,303	100%
2011	531,609	100%
2012	437,130	100%
2013	423,699	106%

WHITPAIN TOWNSHIP
POSTEMPLOYMENT BENEFITS OTHER THAN
PENSION FUNDING PROGRESS
Year Ended December 31, 2013

SCHEDULE OF FUNDING PROGRESS

Non-Uniformed OPEB Plan

Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability (AAL)	(c) Unfunded AAL (UAAL) (b)-(a)	(d) Funded Ratio (a)/(b)	(e) Covered Payroll	(f) UAAL as a Percentage of Covered Payroll (c)/(e)
January 1, 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

Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability (AAL)	(c) Unfunded AAL (UAAL) (b)-(a)	(d) Funded Ratio (a)/(b)	(e) Covered Payroll	(f) UAAL as a Percentage of Covered Payroll (c)/(e)
January 1, 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, 2013

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 *Manor House Fund* is used to account for rental revenues and maintenance and improvements of the Manor House property.
- The *Traffic Improvement Fund* is used to account for traffic and intersection improvements.

WHITPAIN TOWNSHIP
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
December 31, 2013

	<u>Fire Hydrant Fund</u>	<u>Fee in Lieu of Stormwater Management Fund</u>
ASSETS		
Cash and cash equivalents	\$ 150,968	\$ 49,501
Receivables	<u>245</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 151,213</u>	<u>\$ 49,501</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Due to other funds	\$ <u>-</u>	\$ <u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue, property taxes	<u>1,041</u>	<u>-</u>
FUND BALANCES		
Restricted		
Fire hydrants	150,172	-
Highway and street projects	-	-
Stormwater detention facilities	-	49,501
Outfall water drainage	-	-
Committed		
Highway and street projects	-	-
Manor House	-	-
TOTAL FUND BALANCES	<u>150,172</u>	<u>49,501</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 151,213</u>	<u>\$ 49,501</u>

Special Revenue Funds

Reserve for Outfall Stormwater Fund	Highway Aid Fund	Manor House Fund	Traffic Improvement Fund	Total Other Governmental Funds
\$ 34,567	\$ 70,713	\$ 342,352	\$ 569,448	\$ 1,217,549
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245</u>
<u>\$ 34,567</u>	<u>\$ 70,713</u>	<u>\$ 342,352</u>	<u>\$ 569,448</u>	<u>\$ 1,217,794</u>
<u>\$ -</u>	<u>\$ 14,796</u>	<u>\$ 23,974</u>	<u>\$ -</u>	<u>\$ 38,770</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,041</u>
-	-	-	-	150,172
-	55,917	-	-	55,917
-	-	-	-	49,501
34,567	-	-	-	34,567
-	-	-	569,448	569,448
-	-	318,378	-	318,378
<u>34,567</u>	<u>55,917</u>	<u>318,378</u>	<u>569,448</u>	<u>1,177,983</u>
<u>\$ 34,567</u>	<u>\$ 70,713</u>	<u>\$ 342,352</u>	<u>\$ 569,448</u>	<u>\$ 1,217,794</u>

WHITPAIN TOWNSHIP**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND****CHANGES IN FUND BALANCES****OTHER GOVERNMENTAL FUNDS***Year Ended December 31, 2013*

	<u>Fire Hydrant Fund</u>	<u>Fee in Lieu of Stormwater Management Fund</u>
REVENUES		
Real estate taxes	\$ 76,642	\$ -
Investment income and rent	148	46
Intergovernmental revenues	-	-
Contributions	-	14,595
	<u>76,790</u>	<u>14,641</u>
TOTAL REVENUES		
EXPENDITURES		
General government	-	4,301
Public safety	52,531	-
Highways and streets	-	-
TOTAL EXPENDITURES	<u>52,531</u>	<u>4,301</u>
NET CHANGE IN FUND BALANCES	24,259	10,340
FUND BALANCES AT BEGINNING OF YEAR	<u>125,913</u>	<u>39,161</u>
FUND BALANCES AT END OF YEAR	<u>\$ 150,172</u>	<u>\$ 49,501</u>

Special Revenue Funds

<u>Reserve for Outfall Stormwater Fund</u>	<u>Highway Aid Fund</u>	<u>Manor House Fund</u>	<u>Traffic Improvement Fund</u>	<u>Total Other Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 76,642
20	204	307,860	562	308,840
-	387,109	-	-	387,109
<u>17,995</u>	<u>-</u>	<u>-</u>	<u>12,965</u>	<u>45,555</u>
<u>18,015</u>	<u>387,313</u>	<u>307,860</u>	<u>13,527</u>	<u>818,146</u>
-	-	133,161	-	137,462
-	-	-	-	52,531
-	398,028	-	-	398,028
<u>-</u>	<u>398,028</u>	<u>133,161</u>	<u>-</u>	<u>588,021</u>
18,015	(10,715)	174,699	13,527	230,125
<u>16,552</u>	<u>66,632</u>	<u>143,679</u>	<u>555,921</u>	<u>947,858</u>
<u>\$ 34,567</u>	<u>\$ 55,917</u>	<u>\$ 318,378</u>	<u>\$ 569,448</u>	<u>\$ 1,177,983</u>

WHITPAIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
REVENUES				
Interest income	\$ 4,400	\$ 4,400	\$ 4,233	\$ (167)
Intergovernmental revenues	<u>198,100</u>	<u>198,100</u>	<u>-</u>	<u>(198,100)</u>
TOTAL REVENUES	<u>202,500</u>	<u>202,500</u>	<u>4,233</u>	<u>(198,267)</u>
EXPENDITURES				
General government				
Building and improvements	237,000	237,000	100,755	(136,245)
Furniture and office equipment	35,000	35,000	65,973	30,973
Automobiles, trucks and equipment	<u>24,000</u>	<u>24,000</u>	<u>23,650</u>	<u>(350)</u>
TOTAL GENERAL GOVERNMENT	<u>296,000</u>	<u>296,000</u>	<u>190,378</u>	<u>(105,622)</u>
Public safety				
Land and buildings	-	-	180,847	180,847
Furniture and office equipment	24,000	24,000	22,828	(1,172)
Automobiles, trucks and equipment	<u>-</u>	<u>-</u>	<u>23,650</u>	<u>23,650</u>
TOTAL PUBLIC SAFETY	<u>24,000</u>	<u>24,000</u>	<u>227,325</u>	<u>203,325</u>
Highways and streets				
Land and buildings	297,000	297,000	29,591	(267,409)
Automobiles, trucks and equipment	<u>1,120,400</u>	<u>1,120,400</u>	<u>724,345</u>	<u>(396,055)</u>
TOTAL HIGHWAYS AND STREETS	<u>1,417,400</u>	<u>1,417,400</u>	<u>753,936</u>	<u>(663,464)</u>
Culture and recreation				
Automobiles, trucks and equipment	<u>-</u>	<u>-</u>	<u>37,277</u>	<u>37,277</u>
TOTAL EXPENDITURES	<u>1,737,400</u>	<u>1,737,400</u>	<u>1,208,916</u>	<u>(528,484)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(1,534,900)</u>	<u>(1,534,900)</u>	<u>(1,204,683)</u>	<u>330,217</u>
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	17,000	17,000	22,560	5,560
Interfund transfers in, General Fund	<u>500,000</u>	<u>500,000</u>	<u>2,500,000</u>	<u>2,000,000</u>
TOTAL OTHER FINANCING SOURCES	<u>517,000</u>	<u>517,000</u>	<u>2,522,560</u>	<u>2,005,560</u>
NET CHANGE IN FUND BALANCE	<u>(1,017,900)</u>	<u>(1,017,900)</u>	<u>1,317,877</u>	<u>2,335,777</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>4,430,232</u>	<u>4,430,232</u>	<u>4,430,232</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 3,412,332</u>	<u>\$ 3,412,332</u>	<u>\$ 5,748,109</u>	<u>\$ 2,335,777</u>

WHITPAIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
REVENUES				
Real estate taxes	\$ 1,411,000	\$ 1,411,000	\$ 1,402,263	\$ (8,737)
Interest income	<u>2,000</u>	<u>2,000</u>	<u>604</u>	<u>(1,396)</u>
TOTAL REVENUES	<u>1,413,000</u>	<u>1,413,000</u>	<u>1,402,867</u>	<u>(10,133)</u>
EXPENDITURES				
Debt service				
Principal	884,000	884,000	884,000	-
Interest	<u>524,209</u>	<u>524,209</u>	<u>449,387</u>	<u>(74,822)</u>
TOTAL EXPENDITURES	<u>1,408,209</u>	<u>1,408,209</u>	<u>1,333,387</u>	<u>(74,822)</u>
EXCESS OF REVENUES OVER EXPENDITURES	4,791	4,791	69,480	64,689
OTHER FINANCING SOURCES				
Interfund transfers	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
NET CHANGE IN FUND BALANCE	154,791	154,791	69,480	(85,311)
FUND BALANCE AT BEGINNING OF YEAR	<u>11,613</u>	<u>11,613</u>	<u>11,613</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 166,404</u>	<u>\$ 166,404</u>	<u>\$ 81,093</u>	<u>\$ (85,311)</u>

WHITPAIN TOWNSHIP**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES--BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended December 31, 2013**

	Fire Hydrant Fund	
	<u>Budget</u>	<u>Actual</u>
REVENUES		
Real estate taxes	\$ 75,600	\$ 76,642
Interest income	300	148
Intergovernmental revenues	-	-
State grant	-	-
Contributions	-	-
	<u>75,900</u>	<u>76,790</u>
TOTAL REVENUES		
EXPENDITURES		
General government		
Engineering services	-	-
Construction services	-	-
TOTAL GENERAL GOVERNMENT	<u>-</u>	<u>-</u>
Public safety		
Fire hydrant rental	62,400	52,531
Highways and streets		
Traffic signals	-	-
Storm sewer materials	-	-
TOTAL HIGHWAYS AND STREETS	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>62,400</u>	<u>52,531</u>
NET CHANGE IN FUND BALANCES	13,500	24,259
FUND BALANCES AT BEGINNING OF YEAR	<u>125,913</u>	<u>125,913</u>
FUND BALANCES AT END OF YEAR	<u>\$ 139,413</u>	<u>\$ 150,172</u>

Fee in Lieu of Stormwater Management Fund		Reserve for Outfall Stormwater Fund		Traffic Improvement Fund	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100	46	100	20	2,000	562
80,000	-	-	-	-	-
-	-	-	-	200,000	-
20,000	14,595	5,000	17,995	20,000	12,965
<u>100,100</u>	<u>14,641</u>	<u>5,100</u>	<u>18,015</u>	<u>222,000</u>	<u>13,527</u>
20,000	250	500	-	-	-
80,000	4,051	-	-	-	-
<u>100,000</u>	<u>4,301</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	250,000	-
-	-	10,000	-	-	-
-	-	10,000	-	250,000	-
<u>100,000</u>	<u>4,301</u>	<u>10,500</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
100	10,340	(5,400)	18,015	(28,000)	13,527
<u>39,161</u>	<u>39,161</u>	<u>16,552</u>	<u>16,552</u>	<u>555,921</u>	<u>555,921</u>
<u>\$ 39,261</u>	<u>\$ 49,501</u>	<u>\$ 11,152</u>	<u>\$ 34,567</u>	<u>\$ 527,921</u>	<u>\$ 569,448</u>

WHITPAIN TOWNSHIP

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended December 31, 2013

	Escrow Fund			
	<u>Balance January 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2013</u>
ASSETS				
Cash	\$ <u>561,169</u>	\$ <u>1,121,174</u>	\$ <u>(260,958)</u>	\$ <u>1,421,385</u>
LIABILITIES				
Escrow and other deposits	\$ <u>561,169</u>	\$ <u>1,121,174</u>	\$ <u>(260,958)</u>	\$ <u>1,421,385</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.

WHITPAIN TOWNSHIP

Net Assets by Component
Last Nine Fiscal Years (unaudited)
(accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities									
Invested in capital assets, net of related debt	\$ 35,890,662	\$ 35,102,166	\$ 37,304,102	\$ 37,515,929	\$ 37,746,606	\$ 38,244,530	\$ 35,273,104	\$ 33,313,508	\$ 36,623,259
Restricted	2,932,886	2,756,114	2,408,151	3,852,545	2,696,658	2,960,903	5,599,057	5,941,867	1,765,298
Unrestricted	13,640,167	11,850,824	10,475,089	6,975,781	6,267,266	7,194,705	7,718,922	7,392,817	6,884,632
Total governmental activities net assets	52,463,715	49,709,104	50,187,342	48,344,255	46,710,530	48,400,138	48,591,083	46,648,192	45,273,189
Business-type activities									
Invested in capital assets, net of related debt	2,368,208	2,617,476	2,678,775	2,967,220	2,718,274	2,915,366	2,942,052	2,671,843	2,905,542
Restricted	378,901	698,547	500,638	500,638	578,113	427,304	259,554	418,301	1,122,228
Unrestricted	694,101	689,845	1,193,857	1,280,382	1,608,574	1,814,869	2,085,980	1,243,622	791,253
Total business-type activities net assets	3,441,210	4,005,868	4,373,270	4,748,240	4,904,961	5,157,539	5,287,586	4,333,766	4,819,023
Primary government									
Invested in capital assets, net of related debt	38,258,870	37,719,642	39,982,877	40,483,149	40,464,880	41,159,896	38,215,156	35,985,351	39,528,801
Restricted	3,311,787	3,454,661	3,203,054	4,353,183	3,274,771	3,388,207	5,858,611	6,360,168	2,887,526
Unrestricted	14,334,268	12,540,669	11,371,319	8,256,163	7,875,840	9,009,574	9,804,902	8,636,439	7,675,885
Total primary government net assets	\$ 55,904,925	\$ 53,714,972	\$ 54,557,250	\$ 53,092,495	\$ 51,615,491	\$ 53,557,677	\$ 53,878,669	\$ 50,981,958	\$ 50,092,212

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 Nine Fiscal Years (unaudited)
(modified accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses									
GOVERNMENTAL ACTIVITIES									
General Government	5,311,095	5,277,387	5,196,584	4,915,185	4,824,638	4,565,718	4,140,664	4,035,607	4,093,980
Police	153,808	1,988,166	1,172,467	1,172,467	1,146,854	1,148,919	1,071,589	1,176,502	507,463
Fire	489,983	489,983	484,018	458,027	480,379	472,193	441,079	447,698	427,472
Code Enforcement	33,344	51,719	48,403	65,613	93,200	90,516	81,436	81,436	351,723
Zoning	4,306,726	4,324,700	3,459,781	3,983,612	3,678,750	3,694,453	3,782,349	2,865,210	3,068,225
Public Works	1,152,522	1,188,356	1,061,263	968,643	1,277,552	962,273	857,421	826,001	930,725
Parks and Recreation	446,335	583,177	551,996	511,973	638,322	641,540	744,884	680,445	512,089
Debt Service	14,873,544	16,507,090	14,983,299	14,581,316	14,578,237	14,453,992	13,497,166	12,928,954	12,109,216
TOTAL GOVERNMENTAL ACTIVITIES	22,979,731	25,900,875	25,564,470	25,065,606	24,660,381	24,905,796	23,388,564	24,165,065	22,114,549
BUSINESS-TYPE ACTIVITIES									
Sewer	3,989,727	3,839,592	3,950,853	3,803,783	3,855,598	3,869,214	3,598,224	3,619,137	3,289,934
TOTAL TOWNSHIP ACTIVITIES	18,863,271	20,346,682	18,534,152	18,384,899	18,433,835	18,323,206	17,995,390	16,148,091	15,398,050
Program Revenues									
Governmental Activities									
Charges for Services	142,592	129,601	15,152	20,161	19,670	15,414	31,380	30,518	64,932
General Government	-	-	121,517	321,483	106,484	100,570	119,736	137,173	120,229
Police	-	-	-	-	-	-	-	-	-
Fire	294,031	357,653	311,570	313,352	293,214	235,922	374,970	375,218	316,171
Code Enforcement	81,078	64,724	95,161	76,962	65,995	70,305	64,800	63,363	35,139
Zoning	-	-	-	-	-	-	-	-	-
Public Works	367,087	344,301	315,216	322,053	315,292	313,480	294,439	264,926	284,879
Parks and Recreation	-	-	-	-	-	-	-	-	-
Debt Service	1,202,145	1,121,517	1,512,004	1,342,150	955,872	1,095,665	783,184	972,132	931,557
Operating Grants and Contributions	-	-	261,845	749,496	215,725	270,241	1,707,242	1,273,728	351,289
Capital Grants and Contributions	-	-	2,633,265	2,945,657	1,972,202	2,109,597	3,372,751	3,117,053	2,104,196
Total governmental activities program revenues	2,086,933	2,017,796	2,633,265	2,945,657	1,972,202	2,109,597	3,372,751	3,117,053	2,104,196
Business Type Activities									
Charges for Services	3,323,797	3,354,370	3,505,089	3,526,620	3,523,747	3,589,544	3,599,067	2,736,902	2,690,462
Sewer	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	32,481	35,215	45,313	82,226	48,877	93,213	137,096	225,570	314,398
Capital Grants and Contributions	3,856,278	3,400,585	3,550,402	3,608,846	3,372,624	3,680,757	3,736,163	2,962,472	3,004,860
Total business type activities program revenues	3,856,278	3,400,585	3,550,402	3,608,846	3,372,624	3,680,757	3,736,163	2,962,472	3,004,860
Total primary government program revenues	5,443,211	5,418,381	6,183,667	6,554,503	5,346,326	5,790,354	7,108,914	6,079,525	5,109,056
Net (expense)/revenue	(12,786,611)	(14,489,294)	(11,950,094)	(11,635,459)	(12,606,035)	(12,344,395)	(10,124,415)	(9,411,896)	(10,004,020)
Governmental activities	(639,449)	(439,007)	(400,451)	(394,937)	(282,974)	(188,457)	(137,939)	(656,665)	(284,974)
Business Type Activities	(13,420,060)	(14,928,301)	(12,350,485)	(11,830,396)	(12,889,009)	(12,532,652)	(9,986,476)	(10,068,561)	(10,288,994)
Total Primary government net expense	(14,059,509)	(15,367,308)	(13,750,536)	(13,225,345)	(13,491,083)	(13,123,049)	(10,124,415)	(9,685,457)	(10,293,018)
General Revenues and other Changes in Net Assets									
Government Activities	6,243,018	5,957,187	6,213,830	6,492,867	4,570,009	4,497,511	3,924,634	2,877,563	2,864,442
Real Estate Taxes	8,285,388	7,078,505	6,786,978	6,051,638	5,835,778	6,938,946	7,071,417	7,103,114	6,785,408
Other Local Taxes	139,129	79,790	149,191	36,114	47,019	9,644	596,402	438,604	213,381
Investment Income	(6,659)	17,515	57,384	28,793	11,381	525,763	342,246	10,543	-
Gain (loss) on sale of fixed assets	880,356	890,059	583,738	659,792	502,240	272,425	432,607	357,075	320,720
Miscellaneous	-	(12,000)	-	-	-	-	-	-	-
Transfers	15,541,222	14,011,056	13,793,121	13,269,184	10,916,427	12,243,787	12,367,306	10,786,899	10,183,951
Total Government Activities	22,488,424	20,978,607	21,370,862	20,957,862	21,865,463	24,267,467	24,267,306	22,166,091	21,298,116
Business-Type Activities	1,663	6,445	6,295	8,315	11,404	1,800	136,735	124,888	79,350
Investment Income	67,128	42,832	15,824	29,901	18,992	60,467	41,535	46,520	73,459
Gain (loss) on sale of fixed assets	-	-	-	-	-	-	-	-	-
Miscellaneous	68,791	74,967	22,119	36,216	30,398	62,767	178,270	171,408	152,809
Transfers	15,610,011	14,086,023	13,815,240	13,307,400	10,946,623	12,306,051	11,545,516	10,958,302	10,336,760
Total Business-Type Activities	15,754,783	14,239,287	13,853,514	13,373,816	11,997,417	12,366,651	11,771,556	11,182,326	10,663,379
Total primary government	7,743,641	6,739,320	7,517,348	7,584,046	9,868,046	11,900,816	12,495,862	11,003,767	10,634,737
Total Change in Net Assets	2,754,611	(478,218)	1,843,087	1,683,725	(1,689,608)	(100,608)	2,242,891	1,375,063	179,931
Government Activities	(564,658)	(364,040)	(378,332)	(356,721)	(252,978)	(126,190)	(316,269)	(485,257)	(132,165)
Business-Type Activities	2,189,269	(842,278)	1,464,725	1,477,004	(1,942,186)	(226,798)	2,559,160	889,746	47,766
Total primary government	1,624,611	(1,206,318)	1,086,393	1,120,283	(1,681,780)	(352,994)	2,242,891	404,489	15,571

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

WHITPAIN TOWNSHIP

Fund Balances Of Governmental Funds

Last Ten Fiscal Years (unaudited)
(modified accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved	\$ 3,685,674	\$ 3,745,406	\$ 4,014,335	\$ 4,026,195	\$ 581,500	\$ 580,925	\$ 525,963	\$ 504,471	\$ 450,290	\$ 1,747,052
Unreserved	1,792,953	1,943,150	3,031,071	1,388,363	3,645,654	4,084,499	5,127,582	5,966,907	5,439,133	2,231,546
Total General Fund	<u>\$ 5,478,627</u>	<u>\$ 5,688,556</u>	<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>
All other governmental funds										
Reserved	\$ 2,805,303	\$ 2,756,114	\$ 2,408,151	\$ 2,337,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252,826
Unreserved, reported in :										
Special revenue funds	971,894	755,313	574,342	507,178	2,929,268	3,333,629	4,268,222	1,627,854	924,569	722,387
Capital projects funds	5,748,109	4,430,232	1,390,562	1,011,268	608,549	463,068	804,872	3,809,618	391,491	783,038
Total all other governmental funds	<u>\$ 9,525,306</u>	<u>\$ 7,941,659</u>	<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>
Total all Governmental funds	<u>\$ 15,003,933</u>	<u>\$ 13,630,215</u>	<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>

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	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Taxes	\$ 13,846,367	\$ 13,319,613	\$ 12,930,511	\$ 12,115,401	\$ 10,687,974	\$ 11,122,935	\$ 10,828,543	\$ 9,942,328	\$ 9,475,337	\$ 8,942,764
Fees, licenses and permits	682,276	740,613	626,633	718,046	176,564	169,203	138,320	115,866	92,578	89,398
Interest income and rent	417,569	387,456	243,498	142,572	154,062	410,800	706,967	492,211	302,970	172,577
Intergovernmental revenues	1,095,342	1,055,266	1,705,999	1,890,521	978,022	1,095,665	1,914,161	1,690,462	940,727	958,211
Fines and Forfeitures	130,477	115,737	108,503	111,980	96,300	105,625	110,378	124,197	117,959	117,640
Charges for Services	382,627	363,388	350,739	356,383	704,305	638,066	771,947	747,001	703,391	658,860
Contributions	100,138	58,649	-	-	-	-	-	-	-	-
Other	299,989	266,536	330,822	422,081	410,208	521,505	767,725	701,781	465,557	362,269
Total Revenues	16,952,785	16,307,258	16,296,705	15,756,964	13,209,435	14,063,799	15,238,041	13,813,846	12,098,519	11,301,719
Expenditures										
Current										
General Government	3,004,519	2,638,449	2,571,252	2,420,010	2,332,460	2,643,576	2,279,161	2,337,527	2,108,817	2,023,855
Public Safety	7,067,492	7,613,577	6,749,563	6,361,423	6,157,687	6,512,640	5,570,879	5,498,504	5,253,607	4,855,709
Highways and Streets	3,130,570	2,404,303	2,398,105	2,132,695	2,138,283	2,821,919	1,958,732	1,736,284	1,656,144	1,666,525
Parks and Recreation	1,065,659	1,108,167	1,027,935	1,905,872	1,281,604	852,029	1,919,089	864,497	945,645	604,605
Debt Service	884,000	3,753,000	908,000	874,000	841,000	809,000	555,000	444,000	424,000	406,000
Principal	449,387	558,828	550,926	586,575	632,192	651,246	739,697	579,931	512,089	421,283
Interest and other charges	-	-	-	-	594,790	1,964,082	3,447,694	1,207,513	543,409	585,388
Capital Outlay	15,601,627	18,076,324	14,205,781	14,280,575	13,917,966	16,254,492	16,470,252	12,668,156	11,443,711	10,363,365
Total Expenditures	1,351,158	(1,769,066)	2,090,924	1,476,389	(708,531)	(2,190,693)	(1,232,211)	1,145,690	654,808	938,354
Excess (deficiency) of revenues over expenditures										
Other Financing Sources (Uses)										
Proceeds from debt	-	-	-	-	-	-	-	3,528,589	-	14,276
Proceeds from sale of fixed assets	22,560	19,816	57,384	28,793	11,381	16,512	350,000	29,088	15,115	63,369
Refund of prior years' expenditures	-	-	-	-	-	-	-	-	-	-
Interfund transfers in	2,500,000	3,344,945	500,000	1,360,026	500,000	1,550,000	1,980,906	250,000	5,500	-
Interfund Transfers out	(2,500,000)	(3,556,945)	(500,000)	(1,360,026)	(500,000)	(1,550,000)	(2,280,906)	(250,000)	(5,500)	-
Issuance of refunding bonds	-	3,925,000	-	-	-	-	-	-	-	-
Premiums on debt issuances	-	48,004	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	22,560	3,980,820	57,384	28,793	11,381	16,512	50,000	3,557,677	15,115	77,645
Net change in fund balance	1,373,718	2,211,754	2,148,308	1,505,182	(697,150)	(2,174,181)	(1,182,211)	4,703,367	669,923	1,015,999
Fund balance at beginning of year	13,630,215	11,418,461	9,270,153	7,764,971	8,462,121	10,636,302	11,908,850	7,205,483	6,535,560	4,720,850
Fund balance at end of year	\$ 15,003,933	\$ 13,630,215	\$ 11,418,461	\$ 9,270,153	\$ 7,764,971	\$ 8,462,121	\$ 10,726,639	\$ 11,908,850	\$ 7,205,483	\$ 5,736,849
Debt Service as a percentage of non-capital expenditures	8.55%	23.85%	10.27%	11.13%	11.00%	10.21%	9.94%	8.93%	8.58%	8.46%

Source: Whippain 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
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
2012	6,241,108	557,877	5,815,873	704,755	13,319,613
2013	6,126,568	808,555	6,125,411	785,833	13,846,367

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 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
2013	1,982,441,566	3,197,486,397		.620	3.20
2014	1,988,742,818	3,136,818,325		.634	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	General Purpose Millage(1)	Whitpain Township			Debt Service Millage	Total Township Millage	Overlapping Rates			Total Millage
		Fire Protection Millage	Fire Hydrant Millage	Fire Millage			Montgomery County Millage	School District Millage	Wissahickon Millage	
2004	0.90	0.15	0.05	0.05	0.40	1.50	2.840	16.566	20.906	
2005	0.90	0.15	0.05	0.05	0.40	1.50	2.890	17.416	21.806	
2006	0.64	0.15	0.05	0.05	0.66	1.50	2.890	17.416	21.806	
2007	1.14	0.15	0.05	0.05	0.66	2.00	2.840	17.416	22.256	
2008	1.35	0.17	0.05	0.05	0.73	2.30	2.695	17.731	22.726	
2009	1.35	0.30	0.05	0.05	0.60	2.30	2.695	17.731	22.726	
2010	2.12	0.30	0.05	0.05	0.73	3.20	2.695	17.925	23.820	
2011	2.02	0.40	0.05	0.05	0.73	3.20	2.695	17.925	23.820	
2012	2.02	0.40	0.05	0.05	0.73	3.20	3.150	17.925	24.275	
2013	2.02	0.40	0.05	0.05	0.73	3.20	3.152	17.925	24.277	

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	2013			2004 (2)		
		Assessed Value (1)	Rank	% of Total Assessment	Assessed Value	Rank	% of Total Assessment
Normandy Farm Estates		\$ 31,142,900	1	1.57%			
Whitpain Associates 1350 Jolly Road	Office Complex	19,642,080	2	0.99%			
Townline Associates	Apartment Complex	18,335,580	3	0.92%			
Sentry Park West LLC (1787 Sentry Pkwy West)	Office Complex	17,960,260	4	0.90%			
Blue Bell Investment Co. LP (801 Lakeview Dr)	Office Building	16,025,150	5	0.81%			
Aetna Life Insurance (1425 Union Meeting Rd)	Office Buildings	14,634,450	6	0.74%			
Sentry KPG III LP (1777 Sentry Pkwy West)	Office Complex	14,443,770	7	0.73%			
Plymouth Rock Associates (470 Norristown Rd)	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%			
TOTAL		\$ 173,132,190		8.71%			\$0

Source: Montgomery County Board of Assessments

Note: (1) 2012 Total Taxable Assessed Value

(2) 2004 Information not available.

1,988,742,818

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

Fiscal Year Ended	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
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%	
2012	6,327,343	6,258,557	98.91%	68,786	6,327,343	100.00%	
2013	6,342,460	6,261,756	98.73%	63,768	6,325,524	99.73%	

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	2013	2012	2011	2010	2009
RATES:					
Residential	\$85/quarter	\$85/quarter	\$85/quarter	\$85/quarter	\$85/quarter
Commercial	\$150 + \$7.30/1000gal				
ACCOUNTS (in units):					
Residential	7,071	7,056	7,025	6,994	6,976
Commercial	285	283	282	283	282
BILLING (annual amount in \$)					
Residential	\$ 2,402,015	\$ 2,396,830	\$ 2,383,570	\$ 2,375,580	\$ 2,369,120
Commercial	\$ 915,085	\$ 953,860	\$ 1,067,262	\$ 1,100,003	\$ 1,119,228
TOTAL	\$ 3,317,100	\$ 3,350,690	\$ 3,450,832	\$ 3,475,583	\$ 3,488,348

Source: Whipain Township Records

WHITPAIN TOWNSHIP
Computation of Legal Debt Margin
December 31, 2013 (unaudited)

Borrowing base revenues (1):	
2011	19,998,907
2012	19,504,404
2013	21,053,224
Total Revenues	\$ 60,556,535
Debt limit for General Obligation Debt:	
Average borrowing base revenues	\$ 20,185,512
Debt limit percent	250%
Debt limit	50,463,779
Total amount of debt applicable to debt limit	10,704,000
Legal debt margin	\$ 39,759,779
Debt limit for General Obligation bonds and lease rental debt:	
Average borrowing base revenues	\$ 20,185,512
Debt limit percent	350%
Debt limit	\$ 70,649,291
Total amount of debt applicable to debt limit	10,704,000
Legal debt margin	\$ 59,945,291
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
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%
2012	48,753,916	11,588,000	37,165,916	31.18%
2013	50,463,779	10,704,000	39,759,779	26.92%

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)				
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
2012	-	11,588,000	-	-	11,588,000	1.08%	614
2013	-	10,704,000	-	-	10,704,000	1.00%	567

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		Debt Service Fund Balance	Net General Obligation Debt		Percentage of Net General Obligation Debt to Assessed Value	Net General Obligation Debt per Capita
			General Obligation Debt	Debt		General Obligation Debt	Debt		
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	
2012	18,875	1,984,002,781	11,588,000	11,613	11,576,387		0.58%	\$613	
2013	18,875	1,983,429,818	10,704,000	81,093	10,622,907		0.54%	\$563	

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 - Whipain Township Annual Financial Reports

WHITPAIN TOWNSHIP
Computation of Direct and Overlapping Debt
December 31, 2013 (unaudited)

<u>Jurisdiction</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to Whitpain</u>	<u>Amount Applicable to Whitpain</u>
Direct			
Whitpain Township (1)	\$ 10,704,000	100.00%	\$ 10,704,000
Overlapping			
County of Montgomery	433,796,676	3.44%	14,940,859
Wissahickon School District	1,787,574	54.95%	982,261
Total Overlapping Debt	<u>435,584,250</u>		<u>15,923,120</u>
Total Direct and Overlapping Debt	<u>\$ 446,288,250</u>		<u>\$ 26,627,120</u>

Notes:

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Township. This schedule is an estimate of 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, 2012 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)

Year Ended	Principal	Interest	Debt Service	Total General	Ratio of
31-Dec				Governmental	Debt Service
				Expenditures	to Total
				Expenditures	General
					Governmental
					Expenditures
2004	406,000	421,283	827,283	10,363,365	7.98%
2005	424,000	512,089	936,089	11,443,711	8.18%
2006	444,000	579,831	1,023,831	12,668,156	8.08%
2007	555,000	739,697	1,294,697	16,470,252	7.86%
2008	809,000	651,246	1,460,246	16,254,492	8.98%
2009	841,000	632,182	1,473,182	13,917,966	10.58%
2010	874,000	586,575	1,460,575	14,269,407	10.24%
2011	908,000	550,926	1,458,926	14,424,172	10.11%
2012	3,753,000	558,828	4,311,828	16,507,090	26.12%
2013	884,000	449,387	1,333,387	15,962,573	8.35%

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		
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
2012	56,928	18,875	1,074,516,000		6.7
2013	56,928	18,875	1,074,516,000		5.7

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, 2013 (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> (persons/sq. mile)	Township		State		US	
	2010	2000	2010	2000	2010	2000
	1473.5	1449.0	283.4	274.0	87.3	79.6

<u>Average Household Size (persons):</u>	2010	2000
Whitpain Township	2.51	2.64
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%	78.4%
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	\$ 88,933
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	\$ 41,739
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 Twelve Years Ago (unaudited)

Employer	Description	2013			2001		
		Employees	Rank	% of Total Township Employment	Employees	Rank	% of Total Township Employment
AETNA	Insurance	1,733	1	11.95%	2,746	1	19.63%
M C C C	Community College	1,339	2	9.23%	838	4	5.99%
The Carney Group	Job Placement	458	3	3.16%			
Unisys Corporation	IT Consulting	366	4	2.52%	2,214	2	15.83%
Pennsylvania Manufacturers	Manufacturing	351	5	2.42%			
McGrath Technical Staffing Inc	Staffing and Recruiting	315	6	2.17%			
Wissahickon School District	K-12 schools	284	7	1.96%	283	8	2.02%
Henkels & McCoy Inc	Engineering/Construction	280	8	1.93%			
ACTS, Inc.	Assisted Living	234	9	1.61%	241	10	1.72%
Hansen Properties	Property Management	231	10	1.59%	323	6	2.31%
Walsh Construction Company	Construction	215	11	1.48%			
Subtotals		5,806		40.04%	6,645		47.50%
TOTAL number employed in the Township		14,502			13,990		

Source: Berkeimer Tax Administrator

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
General Government	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	13.0	13.0	15.5
Admin., Finance, Engineering											
Police											
Officers	30.0	30.0	30.0	30.0	32.0	32.0	30.0	29.0	30.0	29.0	
Civilians	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.5	
Fire											
Officers	3.0	3.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	
Fire Marshal's Office	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0	1.5	
Code Enforcement & Zoning	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	
Public Works											
Highway, Facilities and Parks	16.5	16.5	17.5	17.5	17.5	17.5	16.5	17.5	17.5	18.0	
Culture and Recreation	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
Sewer	9.0	9.0	9.5	9.5	9.5	9.5	9.5	8.0	8.0	8.0	
Totals:	<u>85.50</u>	<u>86.00</u>	<u>89.50</u>	<u>89.50</u>	<u>91.50</u>	<u>91.50</u>	<u>88.50</u>	<u>87.50</u>	<u>88.50</u>	<u>90.50</u>	

Source: Whitpain Township, Montgomery County, Pennsylvania Records

WHITPAIN TOWNSHIP

Operating Indicators by Function
Last Ten Fiscal Years (unaudited)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Planning & Engineering										
Land Developments	10	10	6	7	3	3	5	1	2	4
Subdivisions	6	6	3	2	3	7	2	4	2	3
Police										
Part I Crimes	41	42	37	61	48	44	56	51	86	51
Part II Crimes	287	341	343	209	228	242	275	273	291	308
Total Calls for Service	21,370	21,633	23,043	22,686	21,473	20,884	21,980	21,589	23,340	22,875
Fire										
Alarm	257	235	274	257	253	236	223	223	221	195
Structure	51	54	52	60	43	56	42	54	51	33
Vehicle	34	29	22	28	17	14	22	20	21	25
Other	287	293	380	321	328	311	343	368	327	265
Total Incidents	629	611	728	666	641	617	630	665	620	518
Code Enforcement & Zoning										
Building Permits	444	629	651	681	451	394	438	404	466	372
Electrical Permits (1)	45	248	441	414	277	261	268	265	261	261
Fire Protection Permits	60	71	40	44	32	28	38	31	31	24
Mechanical Permits	176	192	170	202	151	156	171	157	194	204
Occupancy Permits	199	241	409	288	197	178	172	158	152	158
Plumbing Permits	272	260	414	340	219	167	322	261	186	176
Conditional Use Applications	1	2	-	1	1	1	2	1	-	-
Zoning Hearing Board Applications	77	72	64	46	40	30	43	47	39	35
Zoning Permits	-	-	-	-	-	-	-	-	449	294
Highway and Streets										
Streets Resurfaced (miles)	4.97	6.10	5.64	4.50	3.68	7.20	6.40	5.29	6.18	9.95
Culture and Recreation										
Program Registration	202	268	200	190	338	298	354	500	500	625
Concert Series Attendance	3,000	2,250	2,000	2,000	2,700	3,500	2,850	2,500	2,500	2,800

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	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
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	23	23	23	23	22	21	22	21	22
Fire (1)										
Stations	2	2	2	2	2	2	2	1	1	1
Apparatus	12	12	12	12	12	12	12	12	9	8
Highway and Streets										
Street Miles	65.26	67.40	67.78	67.78	67.78	67.78	67.78	67.78	67.78	67.28
Traffic Signals	27	27	27	27	27	27	28	28	28	27
Stormwater Detention Basins	8	8	8	8	8	8	8	8	8	8
Parks and Recreation										
Parks	9	9	9	10	10	10	10	10	10	10
Acres	314	314	314	350	350	350	350	350	350	350
Playgrounds	3	3	4	4	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	1	1	1	1	1	1
Tennis Courts	4	4	4	4	4	4	4	4	4	4

Source: Whitpain Township, Montgomery County, Pennsylvania Records

SCHEDULE OF INSURANCE COVERAGES 12/31/2013
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	\$2,500,000	Each Occurrence
	j. Unscheduled Animals (not to exceed \$50,000 per Animal)	\$50,000,000	Each Occurrence
	k. Expediting Expense	\$25,000,000	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
cc. Accidental Contamination of Land When Resulting from a Named Peril	\$500,000	Each Participant 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		Each Occurrence
	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

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
2	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

LIABILITY COVERAGE

1	Limits of Liability			
	a. Primary General Liability including Police Professional Liability arising out of Law Enforcement Activities	\$2,000,000		Each Occurrence
	Fire Damage Liability	\$250,000		Each Occurrence
	Limited Pollution Liability - Covered Volunteer Fire Companies	\$1,000,000		Each Occurrence
	Limited Pollution Liability - Covered Volunteer Fire Companies	\$1,000,000		Annual Aggregate
	Terrorism	\$2,000,000		Annual Aggregate for All Participants Combined
	Fungi and Bacteria	\$1,000,000		Annual Aggregate for All Participants Combined
	b. Primary Business Auto Liability	\$2,000,000		Each Accident
	c. Uninsured Motorists	\$15,000		Each Person
	d. Uninsured Motorists	\$30,000		Each Accident
	e. Basic First Party Benefits:			
	Medical Expense	\$10,000		Each Accident
	Work Loss Expense	\$5,000		Each Accident
	Work Loss Expense	\$1,000		Each Month
	Funeral Expense	\$1,500		Each Accident
	f. Garagekeepers Legal Liability	\$250,000		Each Loss
	g. Auto Physical Damage:			
	Fire, Rescue and Ambulance Autos Valued on a Replacement Cost Basis		Limit Per Unit As Reported to Trust	
	All Other Autos		Actual Cash Value	
	h. Primary Public Officials and Employees Liability	\$2,000,000		Each Claim
	i. Primary Public Officials and Employees Liability	\$2,000,000		Annual Aggregate
	j. Excess General Liability including Police Professionals Liability arising out of Law Enforcement Activities	\$8,000,000		Each Occurrence
	k. Excess Business Auto Liability	\$8,000,000		Each Accident
	1 Excess Public Officials and Employees Liability	\$8,000,000		Each Claim
	m. Excess Public Officials and Employees Liability	\$8,000,000		Annual Aggregate
	n. Employee Benefit Plan Fiduciary Liability	\$1,000,000		Annual Aggregate

2	o. Heart and Lung Act Liability	\$100,000	Annual Aggregate
	p. Privacy Liability (effective May 1, 2009)	\$100,000	Annual Aggregate
	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 2010

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	-
Net Contribution	\$182,394.00

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	-
Net Contribution	\$166,896.00

Source: Whitpain Township Records

WHITPAIN TOWNSHIP
Police Pension Plan
Last Ten Years (unaudited)

Year Ended 31-Dec	Number of Active Members	Members		Contributions		State	Total	Number of Retirees & Beneficiaries (1)
				Township				
2004	29	\$	97,787	\$	168	\$	163,647	9
2005	29	\$	111,997	\$	192,088	\$	163,900	10
2006	26	\$	95,368	\$	101,975	\$	179,134	16
2007	28	\$	101,439	\$	84,891	\$	173,145	16
2008	29	\$	116,934	\$	72,549	\$	165,625	17
2009	29	\$	121,164	\$	90,428	\$	181,425	19
2010	29	\$	125,980	\$	93,212	\$	194,091	19
2011	29	\$	148,833	\$	208,814	\$	322,795	19
2012	28	\$	122,317	\$	250,031	\$	187,098	21
2013	29	\$	143,023	\$	232,475	\$	217,524	14

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						
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
2012	53	\$	139,319	\$	289,302	\$	217,002	\$	645,623	29
2013	52	\$	111,313	\$	276,476	\$	217,524	\$	605,313	28

Source: Whitpain Township Records

WHITPAIN TOWNSHIP
Miscellaneous Statistics
December 31, 2013 (unaudited)

Date Founded	Incorporated 1701	
Form of Government	Township of the Second Class Governed by a five member Board of Supervisors elected at large	
Area (sq. miles)	12.81	
Miles of Road	67.78	
Fire Protection	Combination department with four career and thirty volunteer firefighters one (1) stations with nine (8) apparatus	
Police Protection	Twenty-nine officers including chief of police. Eight civilian support/dispatch staff.	
Recreation	10 Parks with 350 acres	
Libraries	Wissahickon Valley Public Library	
Transportation:		
Bus	SEPTA Bus Service on Routes 94, 96, and 98	
Railway	SEPTA Regional Rail Line R-5 with access at the North Wales, Gwynedd Valley, Penlyn, and Ambler Rail Stations	
Highway	Township is located at the crossroads of U. S. Rt. 202 and U.S. Rt. 73.	
Education:		
Number of Schools (Fall 2010)	Public	Nonpublic
Elementary	3	1
Middle	0	0
Secondary	0	0
College	1	0
Township Employees:	2013	
Full Time	86	
Part Time	21	
Seasonal	45	
Population:	2010	2000
	18,875	18,562