

**COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT**



**WHITPAIN TOWNSHIP  
MONTGOMERY COUNTY  
PENNSYLVANIA**

For the year ended December 31, 2014

# **INTRODUCTORY SECTION**

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**YEAR ENDED DECEMBER 31, 2014**

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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 20, 2015

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, 2014. 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, 2014, 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, 2014, are fairly presented in conformity with GAAP. The independent auditors' 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.

## **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. Levying taxes and authorizing appropriations are the responsibility of the Board of Supervisors. During the months of October, 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. Whitpain Township relies heavily on its partnerships with Centre Square Fire Company and Second Alarmers Squad for providing emergency services. The countless hours spent by the volunteers from the Centre Square Fire Company in protecting the community are greatly appreciated. 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 Community 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 425 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. The Township also owns Prophecy Creek Park and the associated Manor House. The Manor House is a historical facility which is being operated as a highly regarded catering facility as part of a public-private partnership.

## Major Initiatives

Following are some of the major initiatives undertaken by the Township in 2014:

- **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 2014, the Township received annual license fees totaling \$336,042 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. In 2014, significant improvements were made to the parking lot at the Manor House and an architect began designing major facility improvements that would make the facility a year-round event destination.
- **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 2014, 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. Whitpain Township is currently working on a basin retrofit project in the Village Circle neighborhood. It is anticipated that the basin will be retrofitted in the summer of 2015.
- **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.
- **Comprehensive Plan** - In 2014, Whitpain started the process of creating a new comprehensive plan. The plan, titled "Whitpain 2035: 4 Villages within a Community," will be thoroughly researched and carefully crafted with an adoption date in 2016. The name comes from the four remaining village areas within Whitpain: Blue Bell, Broad Axe, Centre Square and West Ambler. These areas are the foundation of our community character and vital to the smart growth of the Township over the next generation.

Whitpain 2035 will be a multi-year consensus-building effort to create a new and genuinely sustainable comprehensive plan. A committee will guide the process. The committee will solicit input from the public through a variety of approaches, including four town hall meetings at various venues. After input is received, a draft comprehensive plan will be crafted and analyzed. Following public hearings and other refinements, the Board of Supervisors will adopt the new comprehensive plan that will serve as a guide for future planning and development.

- **Communications** - Whitpain continued its initiative to provide enhanced communications to its residents. The Township offers 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 electronic newsletter, which is sent on a weekly basis to 1,600 recipients, won first place in the Pennsylvania State Association of Township Supervisors' 47<sup>th</sup> Annual Citizen Communication Contest.
- **GFOA Award** - For the third consecutive year, Whitpain was awarded the Certificate for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for the Township's 2013 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, walking trails and a state-of-the-art stormwater management and irrigation system. The new park, known as Centre Square Park, will be a vital resource for the community. The park's walking trails open in 2014 and the fields will be ready for play by September of 2015. The entire project includes \$4.5 million of improvements, all of which were 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 remediation 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 2014, the Township rebalanced its fund balances in the General Fund and Capital Projects Fund, by transferring \$2.5 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 and commercial and development, but new residential construction increased in 2014 as well. Although there are major employers in the Township, notably Aetna, Montgomery County Community College and Henkels & McCoy, Inc., 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 33% of the workforce in 2014. 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. In 2014, Whitpain saw the total employment increase by 8.33%.

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 2014, land development and subdivision activity remained consistent with the levels experienced in the previous three years. Land development projects that were initiated in 2014 include an addition to the existing gymnasium at the Montgomery County Community College of approximately 84,000 square feet and construction of a new community pool facility for a large Homeowners Association. Four new subdivisions projects were also initiated in 2014. Permit activity remained consistent in 2014 for most permits; however, land development waivers went up substantially and Township Road Occupancy Permits decreased. In 2014, the Township reached substantial completion on the Centre Square Park project. The park project was a public-private partnership that involved the construction of new athletic fields and walking trails at the new park.

A more detailed analysis of the Township's overall financial condition during the fiscal year ended 2014 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



Christine M. Bauman  
Assistant Finance Director



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

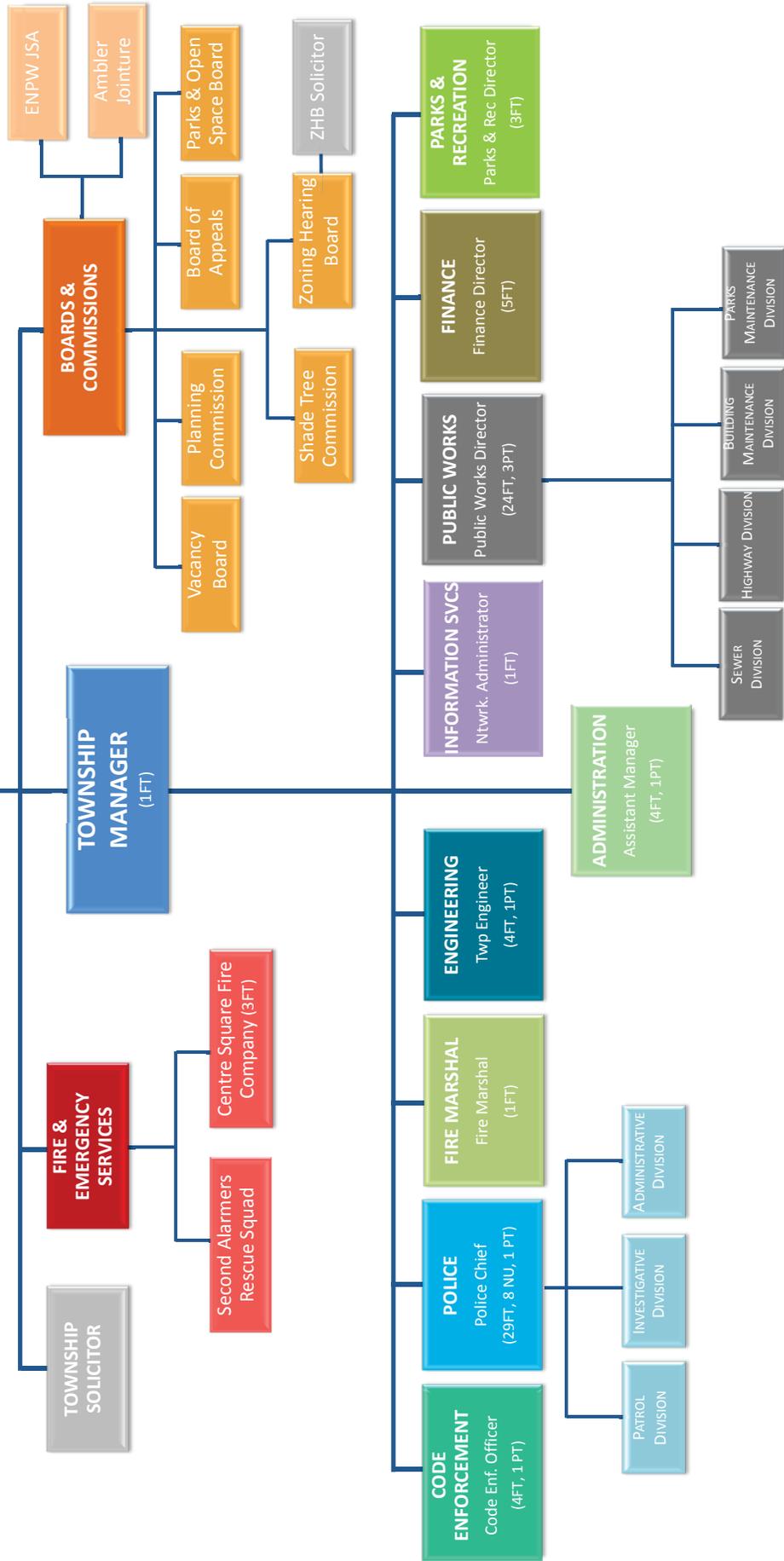
**December 31, 2013**

Executive Director/CEO



CITIZENS

**WHITPAIN TOWNSHIP BOARD OF SUPERVISORS**



Employee Count - 87 Full Time; 7 Part Time

Last Edited 4/3/15 - NML

**WHITPAIN TOWNSHIP  
LIST OF OFFICIALS  
AS OF DECEMBER 31, 2014**

**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



## **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, 2014, 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, 2014, 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

***Emphasis of Matter***

For the year ended December 31, 2014, Whitpain Township adopted new accounting guidance, implementing Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25*. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 18 through 27, budgetary comparison information on pages 72 through 74, pension plan information on pages 75 through 82 and postemployment benefits other than pension funding progress on page 83 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 20, 2015

# WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2014

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## 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, 2014

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## 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.

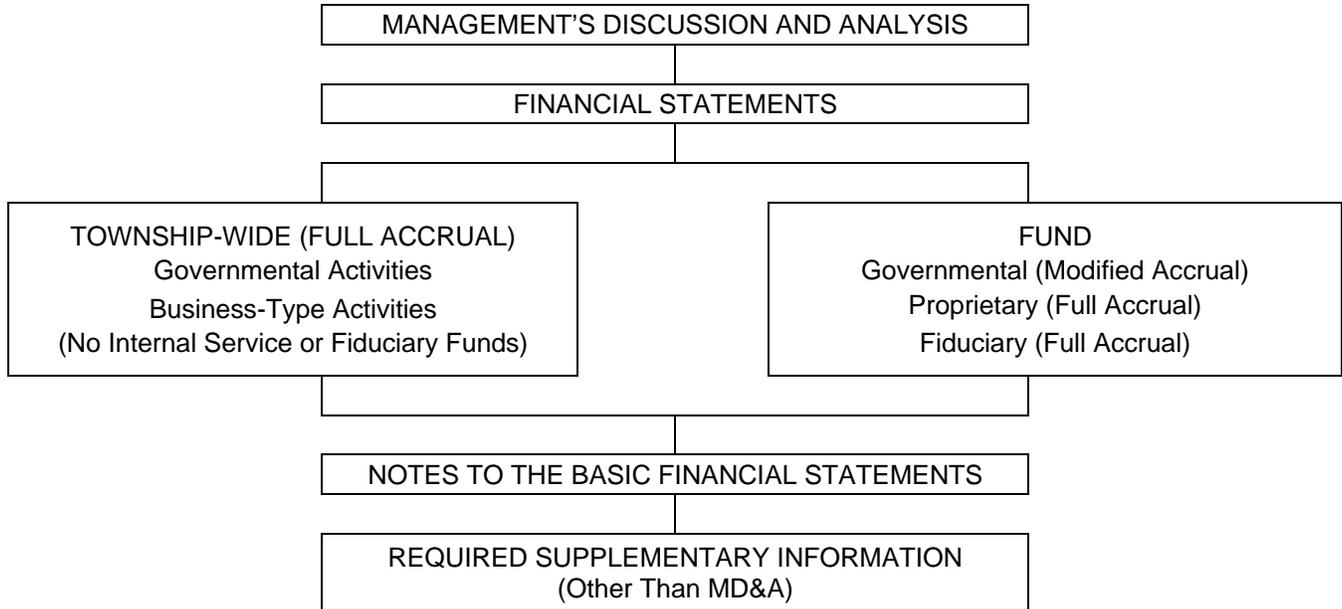
- Some funds are required by state law or bond covenants.
- The Township establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

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, 2014**

**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, 2014. 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	
	2013	2014	2013	2014	2013	2014
<b>ASSETS</b>						
Current and other assets	\$ 17,357	\$ 18,167	\$ 1,518	\$ 1,770	\$ 18,875	\$ 19,937
Capital assets, net	46,639	45,027	2,368	2,113	49,007	47,140
<b>TOTAL ASSETS</b>	<b>63,996</b>	<b>63,194</b>	<b>3,886</b>	<b>3,883</b>	<b>67,882</b>	<b>67,077</b>
<b>LIABILITIES</b>						
Long-term debt	10,795	9,798	25	27	10,820	9,825
Other liabilities	737	890	420	511	1,157	1,401
<b>TOTAL LIABILITIES</b>	<b>11,532</b>	<b>10,688</b>	<b>445</b>	<b>538</b>	<b>11,977</b>	<b>11,226</b>
<b>NET POSITION</b>						
Net investment in capital assets	35,891	35,222	2,368	2,113	38,259	37,335
Restricted	2,933	3,112	379	-	3,312	3,112
Unrestricted	13,640	14,172	694	1,232	14,334	15,404
<b>TOTAL NET POSITION</b>	<b>\$ 52,464</b>	<b>\$ 52,506</b>	<b>\$ 3,441</b>	<b>\$ 3,345</b>	<b>\$ 55,905</b>	<b>\$ 55,851</b>

**WHITPAIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED DECEMBER 31, 2014**

***Condensed Statements of Activities (In Thousands of Dollars)***

***Figure I-3***

	Governmental Activities		Business-Type Activities		Totals	
	2013	2014	2013	2014	2013	2014
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 885	\$ 986	\$ 3,324	\$ 3,322	\$ 4,209	\$ 4,308
Operating grants and contributions	1,202	1,306	-	-	1,202	1,306
Capital grants and contributions	-	20	32	73	32	93
General revenues						
Real estate taxes	6,243	6,284	-	-	6,243	6,284
Other taxes	8,286	7,538	-	-	8,286	7,538
Investment earnings	139	153	2	2	141	155
Gain (loss) on sale of assets	(7)	16	-	-	(7)	16
Miscellaneous	880	719	67	79	947	798
<b>TOTAL REVENUES</b>	<b>17,628</b>	<b>17,022</b>	<b>3,425</b>	<b>3,476</b>	<b>21,053</b>	<b>20,498</b>
<b>EXPENSES</b>						
General government	2,979	3,549	-	-	2,979	3,549
Public safety						
Police	5,311	5,709	-	-	5,311	5,709
Fire	154	1,054	-	-	154	1,054
Code enforcement	490	514	-	-	490	514
Zoning	33	40	-	-	33	40
Public works	4,307	4,534	-	-	4,307	4,534
Culture and recreation	1,153	1,169	-	-	1,153	1,169
Interest on long-term debt	446	411	-	-	446	411
Sewer	-	-	3,990	3,572	3,990	3,572
<b>TOTAL EXPENSES</b>	<b>14,873</b>	<b>16,980</b>	<b>3,990</b>	<b>3,572</b>	<b>18,863</b>	<b>20,552</b>
<b>CHANGE IN NET POSITION</b>	<b>2,755</b>	<b>42</b>	<b>(565)</b>	<b>(96)</b>	<b>2,190</b>	<b>(54)</b>
<b>BEGINNING NET POSITION</b>	<b>49,709</b>	<b>52,464</b>	<b>4,006</b>	<b>3,441</b>	<b>53,715</b>	<b>55,905</b>
<b>ENDING NET POSITION</b>	<b>\$ 52,464</b>	<b>\$ 52,506</b>	<b>\$ 3,441</b>	<b>\$ 3,345</b>	<b>\$ 55,905</b>	<b>\$ 55,851</b>

# WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2014

## General Revenues and Other Changes in Net Position

### Figure I-4

	<u>2013</u>	<u>2014</u>	<u>Percent Change</u>
<b>REVENUES</b>			
Real estate taxes	\$ 6,243,018	\$ 6,284,353	1%
Transfer taxes	808,555	688,087	-15%
Earned income taxes	6,691,000	6,055,065	-10%
Local services taxes	785,833	795,529	1%
Investment income	139,129	152,739	10%
Gain (loss) on sale of assets	(6,669)	16,072	-341%
Miscellaneous	880,356	718,615	-18%
Charges for services	884,788	986,025	11%
Operating grants and contributions	1,202,145	1,305,752	9%
Capital grants and contributions	-	19,794	0%
	<u>17,628,155</u>	<u>17,022,031</u>	-3%
<b>EXPENSES</b>			
General government	2,979,731	3,549,349	19%
Police	5,311,095	5,709,171	7%
Fire	153,808	1,053,936	585%
Code enforcement	489,983	513,548	5%
Zoning	33,344	39,694	19%
Public works	4,306,726	4,534,001	5%
Parks and recreation	1,152,522	1,169,045	1%
Debt service	446,335	411,298	-8%
	<u>14,873,544</u>	<u>16,980,042</u>	14%
CHANGE IN NET POSITION	<u>\$ 2,754,611</u>	<u>\$ 41,989</u>	-98%

## **FINANCIAL HIGHLIGHTS**

- The Township's assets exceeded its liabilities by \$55,851,049 (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 \$37,335,045, 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, 2014

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2. Net Position of \$3,111,790, which is restricted as a result of debt covenants, grantor constraints or laws and regulations.
  3. Unrestricted Net Position of \$15,404,214, which is available to fund the continued operations of the Township.
- The Township's Governmental Funds fund balance at the end of 2014 was \$15,994,429. This compares to the fund balance at the end of 2013 of \$15,003,933. The increase of \$990,496 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) collections decreased by \$635,935 from 2013 (or 10%) primarily due to advanced collections resulting from Pennsylvania Act 34 in the prior year, causing a one-year increase in revenue. Starting in January 2012, Pennsylvania 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 decreased by \$120,468 (or 15%) below 2013. The primary reason for the decrease is that several large commercial properties transferred ownership in 2013. Even with the decrease in Transfer Taxes, Whitpain continues to exceed its budgeted amounts.
  - A Fire Capital Fund was set up to allocate and organize fire expenses more accurately. In prior years, Fire Capital was part of the Fire Tax Fund. The Fire Capital Fund will be funded by an annual transfer of \$81,996 from the Fire Tax Fund, representing 2012 Debt Service on a fire aerial truck and a fire police vehicle.
  - Fire Tax Expenses increased by \$900,128 from 2013 primarily due to the transfer of \$833,423 to fund the new Fire Capital Fund.
  - General Government Expenses increased by \$569,618 (or 19.1%). This was primarily due to the parking lot improvements at the Manor House.
  - Police Expenses increased in 2014 by \$398,076 (or 7.5%) due to the arbitration award in the new Collective Bargaining Agreement, which involved retroactive pay increases.
  - Government Fund Expenditures for Highways and Streets decreased by \$328,460 (or 10.5%) in 2014, primarily due to less capital projects being planned. However, in 2014 General Fund expenditures for Highways and Streets increased by \$129,901 (or 6.57%) due to the heavy snow fall experienced in the beginning of 2014.
  - For the Sewer Fund, Cash and Cash Equivalents increased by \$76,428 primarily due to lien collections and revenue from a user charge that was implemented in July of 2014. Any customer who uses 20,000 gallons or more per quarter is charged an additional \$21.25. Other Capital Assets decreased by \$72,960 due to a decrease in Depreciation of \$328,196, while being offset by purchases of a new Compact Utility Tractor.

## **WHITPAIN TOWNSHIP**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

**YEAR ENDED DECEMBER 31, 2014**

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- The Sewer Fund Net Position at the end of 2014, compared with 2013, declined by \$183,536, primarily due a transfer to the Sewer Capital Fund of \$250,000 to fund capital projects. Sewer Service revenue and Operating Expenses remained constant.
- The Sewer Capital Fund Net Position at the end of 2014, compared with 2013, increased by \$87,671. This increase was a result a \$250,000 transfer to Sewer Capital.
- Total General Obligation Bonds and Notes Outstanding decreased by \$941,000 from 2013. 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: 2015 through 2018 (43.49%), 2019 through 2023 (31.24%), 2024 through 2028 (23.45%) and 2029 through 2032 (1.82%).

#### **Governmental Revenue - 2014**

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 1% in 2014. Conversely, Earned Income Taxes (EIT) exceeded 2013 collections by \$72,601 (or 1.2%) primarily due to advanced collections resulting from PA Act 34.

#### **Governmental Expenses - 2014**

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 7% in 2014, primarily due to the collective bargaining agreement (CBA) which expired in December 2012. Other Expenses such as General Government and Public Works increased due to reallocating expenses from the Proprietary Funds to Government Funds.

#### **Governmental Net Position - 2014**

As a result of 2014 Governmental Activities, Whitpain recognized a \$41,989 increase in Net Position.

#### **Business-Type Activities**

The Township's only business-type activity is its sewer operation. Charges for services in fiscal year 2014 were \$3,322,377 or \$1,420 less than charges for services in fiscal year 2013. The sewer operation reported a decrease in net position of \$183,536.

**WHITPAIN TOWNSHIP**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2014

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**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 \$15,955,554. Of this year-end total, \$1,982,701 is committed to tax rate stabilization, \$2,200,000 is assigned to an Operating Reserve Fund and \$8,088,327 is assigned for capital acquisition, construction and improvement; \$556,791 is committed for highway and street projects; and \$29,485 is committed for a public-private partnership (The Manor House). Restricted fund balances include: \$1,331,352 for fire protection, \$1,254,489 for open space acquisition and improvement, \$159,497 for debt service, \$164,636 for fire hydrants, \$78,967 for storm water detention facilities and \$50,909 for highway and street projects; \$71,940 outfall water drainage.

**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 \$4,708,036. The General Fund balance decreased by \$770,591 over 2013.

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 \$7,588,327. This is an increase of \$1,840,218 over the ending fund balance for 2013. 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 2015 through 2019 totaling \$14,829,919. 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 \$887,797. The Earned Income Taxes were over budget by \$748,012, primarily due to advanced collections resulting from PA Act 34. Other significant revenues over budget were Real Estate Transfer Taxes which exceed budget by \$208,087 and Real Estate Taxes which exceed budget by \$79,117.
- General Fund functional services' actual expenses were lower than budgeted expenses by \$69,330. The services that had significant favorable variances were as follows:

Solicitor .....	\$80,816
Planning and Engineering .....	\$30,666
Streets.....	\$118,616
Road and Curb Inspections.....	\$39,403
Panning and Zoning.....	\$37,829

**WHITPAIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED DECEMBER 31, 2014**

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**CAPITAL ASSETS - NET OF DEPRECIATION**

Capital Assets, net of depreciation, decreased in 2014 by \$1,867,225 to \$47,140,049, primarily due to depreciation of capital assets over 2014. For information about Capital Assets please see Note C in the report.

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	
	2013	2014	2013	2014	2013	2014
Land	\$ 16,108	\$ 16,108	\$ -	\$ -	\$ 16,108	\$ 16,108
Conservation easements	1,052	1,052	-	-	1,052	1,052
Construction in progress	115	158	-	-	115	158
Land improvements	1,273	1,337	-	-	1,273	1,337
Buildings and improvements	3,020	2,951	-	-	3,020	2,951
Machinery and equipment	3,012	3,128	613	576	3,625	3,704
Infrastructure	22,059	20,293	1,755	1,537	23,814	21,830
	<u>\$ 46,639</u>	<u>\$ 45,027</u>	<u>\$ 2,368</u>	<u>\$ 2,113</u>	<u>\$ 49,007</u>	<u>\$ 47,140</u>

**LONG-TERM DEBT**

Long-term debt consists of debt incurred for the purchase and development of open space for active and passive recreation, a curb restoration project and a purchase of two fire vehicles; and for the recording of compensated absences payable to employees and Other Post-Employment Benefits (OPEB). In 2014, long-term debt decreased in 2014 by \$787,384. For more information on long-term debt please see Note F in the report.

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

**Figure I-6**

	Governmental Activities		Business-Type Activities		Totals	
	2013	2014	2013	2014	2013	2014
General obligation notes	\$ 6,839	\$ 5,978	\$ -	\$ -	\$ 6,839	\$ 5,978
General obligation bonds	3,865	3,785	-	-	3,865	3,785
Bond premium	44	42	-	-	44	42
Net OPEB obligation	943	1,090	20	23	963	1,113
Compensated absences	50	59	6	5	56	64
	<u>\$ 11,741</u>	<u>\$ 10,954</u>	<u>\$ 26</u>	<u>\$ 28</u>	<u>\$ 11,767</u>	<u>\$ 10,982</u>

## **WHITPAIN TOWNSHIP**

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2014

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### **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 2015 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 2015. 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 and benefits over the next five years. Whitpain will continue to be challenged to negotiate cost sharing practices with our excellent workforce.

Increases in sewer treatment costs and capital costs to the four sewer treatment plants that service Whitpain Township will continue to impact sewer fund finances. 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." In spring 2015, the Township plans to go to market for a general obligation bond to finance Open Space initiatives. The Township expects to retain its AAA rating on this borrowing.

### **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, 2014**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 15,522,494	\$ 1,363,344	\$ 16,885,838
Investments	173,850	281,344	455,194
Receivables	2,407,001	121,227	2,528,228
Deposits	-	350	350
Prepaid items	25,335	4,103	29,438
Net pension asset	37,945	-	37,945
Capital assets			
Land	16,108,463	-	16,108,463
Conservation easements	1,052,009	-	1,052,009
Construction in progress	157,573	-	157,573
Other capital assets	71,520,879	14,174,166	85,695,045
Accumulated depreciation	<u>(43,811,847)</u>	<u>(12,061,194)</u>	<u>(55,873,041)</u>
<b>TOTAL ASSETS</b>	<b><u>63,193,702</u></b>	<b><u>3,883,340</u></b>	<b><u>67,077,042</u></b>
<b>LIABILITIES</b>			
Accounts payable	26,346	443	26,789
Interest payable	12,077	-	12,077
Internal balances	(406,844)	406,844	-
Other current liabilities	102,755	102,855	205,610
Long-term liabilities			
Portion due or payable within one year			
Bonds payable	255,000	-	255,000
Notes payable	895,000	-	895,000
Compensated absences	5,925	488	6,413
Portion due or payable after one year			
Bonds payable	3,530,000	-	3,530,000
Notes payable	5,083,000	-	5,083,000
Bond premium, net	42,004	-	42,004
Net OPEB obligation	1,089,404	22,971	1,112,375
Compensated absences	<u>53,331</u>	<u>4,394</u>	<u>57,725</u>
<b>TOTAL LIABILITIES</b>	<b><u>10,687,998</u></b>	<b><u>537,995</u></b>	<b><u>11,225,993</u></b>
<b>NET POSITION</b>			
Net investment in capital assets	35,222,073	2,112,972	37,335,045
Restricted			
Fire protection	1,331,352	-	1,331,352
Open space acquisition and improvement	1,254,489	-	1,254,489
Debt service	159,497	-	159,497
Fire hydrants	164,636	-	164,636
Highway and street projects	50,909	-	50,909
Stormwater detention facilities	78,967	-	78,967
Outfall water drainage	71,940	-	71,940
Unrestricted	<u>14,171,841</u>	<u>1,232,373</u>	<u>15,404,214</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 52,505,704</u></b>	<b><u>\$ 3,345,345</u></b>	<b><u>\$ 55,851,049</u></b>

*See accompanying notes to the basic financial statements.*

**WHITPAIN TOWNSHIP**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 3,549,349	\$ -	\$ 485,836	\$ -
Police	5,709,171	110,174	-	-
Fire	1,053,936	-	207,284	-
Code enforcement	513,548	377,503	-	-
Zoning	39,694	84,111	-	-
Public works	4,534,001	-	546,273	-
Culture and recreation	1,169,045	414,237	66,359	19,794
Debt service	411,298	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>16,980,042</b>	<b>986,025</b>	<b>1,305,752</b>	<b>19,794</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Sewer	3,571,415	3,322,377	-	72,703
<b>TOTAL TOWNSHIP ACTIVITIES</b>	<b>\$ 20,551,457</b>	<b>\$ 4,308,402</b>	<b>\$ 1,305,752</b>	<b>\$ 92,497</b>

**GENERAL REVENUES**

Taxes

Real estate taxes

Transfer taxes

Earned income taxes

Local services taxes

Investment earnings

Gain 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.*

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental</u>	<u>Business-Type</u>	
<u>Activities</u>	<u>Activities</u>	<u>Totals</u>
\$ (3,063,513)	\$ -	\$ (3,063,513)
(5,598,997)	-	(5,598,997)
(846,652)	-	(846,652)
(136,045)	-	(136,045)
44,417	-	44,417
(3,987,728)	-	(3,987,728)
(668,655)	-	(668,655)
<u>(411,298)</u>	<u>-</u>	<u>(411,298)</u>
<u>(14,668,471)</u>	<u>-</u>	<u>(14,668,471)</u>
<u>-</u>	<u>(176,335)</u>	<u>(176,335)</u>
<u>(14,668,471)</u>	<u>(176,335)</u>	<u>(14,844,806)</u>
6,284,353	-	6,284,353
688,087	-	688,087
6,055,065	-	6,055,065
795,529	-	795,529
152,739	1,720	154,459
16,072	-	16,072
718,615	78,750	797,365
<u>14,710,460</u>	<u>80,470</u>	<u>14,790,930</u>
41,989	(95,865)	(53,876)
<u>52,463,715</u>	<u>3,441,210</u>	<u>55,904,925</u>
<u>\$ 52,505,704</u>	<u>\$ 3,345,345</u>	<u>\$ 55,851,049</u>

**WHITPAIN TOWNSHIP**

## BALANCE SHEET

## GOVERNMENTAL FUNDS

DECEMBER 31, 2014

	<u>General Fund</u>	<u>Fire Tax Fund</u>	<u>Fire Capital Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,130,100	\$ 452,922	\$ 744,660
Investments	168,566	5,284	-
Receivables	418,885	7,298	-
Prepaid items	25,335	-	-
Due from other funds	<u>589,378</u>	<u>196,830</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,332,264</u></b>	<b><u>\$ 662,334</u></b>	<b><u>\$ 744,660</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 26,346	\$ -	\$ -
Accrued salaries and benefits	102,755	-	-
Due to other funds	<u>203,391</u>	<u>23,266</u>	<u>2,479</u>
<b>TOTAL LIABILITIES</b>	<b><u>332,492</u></b>	<b><u>23,266</u></b>	<b><u>2,479</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue, property taxes	<u>291,736</u>	<u>49,897</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable, prepaid expenses	25,335	-	-
Restricted			
Fire protection	-	589,171	742,181
Open space acquisition and improvement	-	-	-
Debt service	-	-	-
Fire hydrants	-	-	-
Highway and street projects	-	-	-
Stormwater detention facilities	-	-	-
Outfall water drainage	-	-	-
Committed			
Tax rate stabilization	1,982,701	-	-
Highway and street projects	-	-	-
Manor House	-	-	-
Assigned			
Operating Reserve Fund	2,200,000	-	-
Capital acquisition, construction and improvement	<u>500,000</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCES</b>	<b><u>4,708,036</u></b>	<b><u>589,171</u></b>	<b><u>742,181</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 5,332,264</u></b>	<b><u>\$ 662,334</u></b>	<b><u>\$ 744,660</u></b>

*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>
\$ 7,603,617	\$ 1,274,131	\$ 248,570	\$ 1,068,494	\$ 15,522,494
-	-	-	-	173,850
-	-	13,979	944	441,106
-	-	-	-	25,335
<u>6,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>792,769</u>
<u>\$ 7,610,178</u>	<u>\$ 1,274,131</u>	<u>\$ 262,549</u>	<u>\$ 1,069,438</u>	<u>\$ 16,955,554</u>
\$ -	\$ -	\$ -	\$ -	\$ 26,346
-	-	-	-	102,755
<u>21,851</u>	<u>19,642</u>	<u>-</u>	<u>115,296</u>	<u>385,925</u>
<u>21,851</u>	<u>19,642</u>	<u>-</u>	<u>115,296</u>	<u>515,026</u>
<u>-</u>	<u>-</u>	<u>103,052</u>	<u>1,414</u>	<u>446,099</u>
-	-	-	-	25,335
-	-	-	-	1,331,352
-	1,254,489	-	-	1,254,489
-	-	159,497	-	159,497
-	-	-	164,636	164,636
-	-	-	50,909	50,909
-	-	-	78,967	78,967
-	-	-	71,940	71,940
-	-	-	-	1,982,701
-	-	-	556,791	556,791
-	-	-	29,485	29,485
-	-	-	-	2,200,000
<u>7,588,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,088,327</u>
<u>7,588,327</u>	<u>1,254,489</u>	<u>159,497</u>	<u>952,728</u>	<u>15,994,429</u>
<u>\$ 7,610,178</u>	<u>\$ 1,274,131</u>	<u>\$ 262,549</u>	<u>\$ 1,069,438</u>	<u>\$ 16,955,554</u>

# WHITPAIN TOWNSHIP

## RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2014

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TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 15,994,429
<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	88,838,924
Accumulated depreciation	(43,811,847)
<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	(12,077)
Bonds payable	(3,785,000)
Notes payable	(5,978,000)
Net OPEB obligation	(1,089,404)
Net pension asset	37,945
Compensated absences	(59,256)
<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>	
	(42,004)
<p>Receivables in the statement of net position that do not provide current financial resources are not reported in the Governmental Funds.</p>	
	1,965,895
<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>446,099</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 52,505,704</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, 2014**

	<u>General Fund</u>	<u>Fire Tax Fund</u>	<u>Fire Capital Fund</u>
<b>REVENUES</b>			
Taxes			
Real estate taxes	\$ 3,967,617	\$ 782,164	\$ -
Transfer taxes	688,087	-	-
Earned income taxes	6,198,012	-	-
Local services taxes	795,529	-	-
Fees, licenses and permits	790,614	-	-
Investment income and rent	104,033	660	598
Intergovernmental revenues	474,796	207,284	-
Fines and forfeitures	97,888	-	-
Charges for services	428,779	-	-
Contributions	-	-	-
Other	124,272	-	-
	<u>13,669,627</u>	<u>990,108</u>	<u>598</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
General government	2,690,400	-	-
Public safety	6,142,472	690,687	91,840
Highways and streets	2,108,507	-	-
Culture and recreation	998,839	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
	<u>11,940,218</u>	<u>690,687</u>	<u>91,840</u>
<b>TOTAL EXPENDITURES</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<u>1,729,409</u>	<u>299,421</u>	<u>(91,242)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	833,423
Transfers out	(2,500,000)	(833,423)	-
Proceeds from sale of capital assets	-	-	-
	<u>(2,500,000)</u>	<u>(833,423)</u>	<u>833,423</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			
<b>NET CHANGE IN FUND BALANCES</b>			
	(770,591)	(534,002)	742,181
<b>FUND BALANCES AT BEGINNING OF YEAR</b>			
	<u>5,478,627</u>	<u>1,123,173</u>	<u>-</u>
<b>FUND BALANCES AT END OF YEAR</b>			
	<u>\$ 4,708,036</u>	<u>\$ 589,171</u>	<u>\$ 742,181</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>
\$ -	\$ -	\$ 1,433,108	\$ 77,561	\$ 6,260,450
-	-	-	-	688,087
-	-	-	-	6,198,012
-	-	-	-	795,529
-	-	-	-	790,614
5,820	1,357	706	337,524	450,698
-	19,794	-	417,614	1,119,488
-	-	-	-	97,888
-	-	-	-	428,779
-	66,359	-	128,659	195,018
-	-	-	-	124,272
<u>5,820</u>	<u>87,510</u>	<u>1,433,814</u>	<u>961,358</u>	<u>17,148,835</u>
280,204	-	-	700,056	3,670,660
94,757	-	-	63,266	7,083,022
270,312	-	-	423,291	2,802,110
51,876	227,969	-	-	1,278,684
-	-	941,000	-	941,000
-	-	414,410	-	414,410
<u>697,149</u>	<u>227,969</u>	<u>1,355,410</u>	<u>1,186,613</u>	<u>16,189,886</u>
<u>(691,329)</u>	<u>(140,459)</u>	<u>78,404</u>	<u>(225,255)</u>	<u>958,949</u>
2,500,000	-	-	-	3,333,423
-	-	-	-	(3,333,423)
<u>31,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,547</u>
<u>2,531,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,547</u>
1,840,218	(140,459)	78,404	(225,255)	990,496
<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>\$ 7,588,327</u>	<u>\$ 1,254,489</u>	<u>\$ 159,497</u>	<u>\$ 952,728</u>	<u>\$ 15,994,429</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, 2014

---

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 990,496
<p>Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$2,356,781) exceeds capital outlays (\$784,099) in the current period.</p>	(1,572,682)
<p>Because some property taxes will not be collected for several months after the Township's fiscal year ends, they are not considered as "available" revenues in the Governmental Funds. Deferred tax revenues increased by this amount this year.</p>	23,903
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.</p>	(39,307)
<p>Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	941,000
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the Governmental Funds.</p>	(148,517)
<p>Bond premiums provide current financial resources to Governmental Funds. In the statement of net position, bond premiums are deferred and amortized.</p>	2,400
<p>In the statement of activities, compensated absences (vacations and sick leave) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid).</p>	(9,636)
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the Governmental Funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>	712
<p>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.</p>	<u>(146,380)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 41,989</u>

*See accompanying notes to the basic financial statements.*

**WHITPAIN TOWNSHIP**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2014**

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 704,663	\$ 658,681	\$ 1,363,344
Investments	281,344	-	281,344
Receivables	121,227	-	121,227
Deposits	350	-	350
Prepaid items	4,103	-	4,103
	<u>1,111,687</u>	<u>658,681</u>	<u>1,770,368</u>
<b>TOTAL CURRENT ASSETS</b>			
<b>CAPITAL ASSETS</b>			
Sewer system and improvements	12,334,406	-	12,334,406
Other capital assets	1,839,760	-	1,839,760
Accumulated depreciation	(12,061,194)	-	(12,061,194)
	<u>2,112,972</u>	<u>-</u>	<u>2,112,972</u>
<b>TOTAL CAPITAL ASSETS</b>			
	<u>3,224,659</u>	<u>658,681</u>	<u>3,883,340</u>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	443	-	443
Accrued salaries and benefits	13,482	-	13,482
Compensated absences	488	-	488
Due to other governments	-	89,373	89,373
Due to other funds	304,108	102,736	406,844
	<u>318,521</u>	<u>192,109</u>	<u>510,630</u>
<b>TOTAL CURRENT LIABILITIES</b>			
<b>NONCURRENT LIABILITIES</b>			
Net OPEB obligation	22,971	-	22,971
Compensated absences	4,394	-	4,394
	<u>27,365</u>	<u>-</u>	<u>27,365</u>
<b>TOTAL NONCURRENT LIABILITIES</b>			
	<u>345,886</u>	<u>192,109</u>	<u>537,995</u>
<b>TOTAL LIABILITIES</b>			
<b>NET POSITION</b>			
Investment in capital assets	2,112,972	-	2,112,972
Restricted for capital improvements	-	466,572	466,572
Unrestricted	765,801	-	765,801
	<u>2,878,773</u>	<u>466,572</u>	<u>3,345,345</u>
<b>TOTAL NET POSITION</b>			

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, 2014**

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
<b>OPERATING REVENUES</b>			
Sewer service	\$ 3,315,127	\$ -	\$ 3,315,127
Connection fees	7,250	-	7,250
Other revenues	65,189	13,561	78,750
	<u>3,387,566</u>	<u>13,561</u>	<u>3,401,127</u>
<b>OPERATING EXPENSES</b>			
Salaries, wages and benefits	1,382,123	-	1,382,123
Contracted services	1,266,141	-	1,266,141
Maintenance	266,121	-	266,121
Other	152,679	4,077	156,756
Depreciation	328,196	-	328,196
	<u>3,395,260</u>	<u>4,077</u>	<u>3,399,337</u>
	<u>(7,694)</u>	<u>9,484</u>	<u>1,790</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest and investment revenue	1,198	522	1,720
Contributions to others	-	(172,078)	(172,078)
	<u>1,198</u>	<u>(171,556)</u>	<u>(170,358)</u>
	<u>(6,496)</u>	<u>(162,072)</u>	<u>(168,568)</u>
<b>CAPITAL CONTRIBUTIONS FROM DEVELOPERS</b>			
	-	72,703	72,703
<b>TRANSFERS IN</b>			
	72,960	250,000	322,960
<b>TRANSFERS OUT</b>			
	<u>(250,000)</u>	<u>(72,960)</u>	<u>(322,960)</u>
	<u>(183,536)</u>	<u>87,671</u>	<u>(95,865)</u>
<b>NET POSITION AT BEGINNING OF YEAR</b>			
	<u>3,062,309</u>	<u>378,901</u>	<u>3,441,210</u>
<b>NET POSITION AT END OF YEAR</b>			
	<u>\$ 2,878,773</u>	<u>\$ 466,572</u>	<u>\$ 3,345,345</u>

*See accompanying notes to the basic financial statements.*

**WHITPAIN TOWNSHIP**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 3,385,777	\$ -	\$ 3,385,777
Cash paid to employees	(884,277)	-	(884,277)
Cash paid to suppliers	(1,684,473)	-	(1,684,473)
Cash paid for employee benefits	(491,734)	-	(491,734)
Refunds	-	91,293	91,293
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>325,293</u>	<u>91,293</u>	<u>416,586</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of property, plant and equipment	(72,960)	-	(72,960)
Capital contributions from developers	-	72,703	72,703
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(72,960)</u>	<u>72,703</u>	<u>(257)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments	(63)	-	(63)
Earnings on investments	1,198	522	1,720
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,135</u>	<u>522</u>	<u>1,657</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	(250,000)	(72,960)	(322,960)
Transfers from other funds	72,960	250,000	322,960
Capital contributions to others	-	(167,404)	(167,404)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(177,040)</u>	<u>9,636</u>	<u>(167,404)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	76,428	174,154	250,582
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>628,235</u>	<u>484,527</u>	<u>1,112,762</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 704,663</u>	<u>\$ 658,681</u>	<u>\$ 1,363,344</u>

**WHITPAIN TOWNSHIP**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (7,694)	\$ 9,484	\$ 1,790
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	328,196	-	328,196
(Increase) decrease in			
Receivables	(1,789)	-	(1,789)
Due from other funds	2,030	-	2,030
Increase (decrease) in			
Payables	(341)	-	(341)
Accrued salaries and benefits	6,112	-	6,112
Due to other funds	(1,221)	81,809	80,588
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 325,293</u>	 <u>\$ 91,293</u>	 <u>\$ 416,586</u>

*See accompanying notes to the basic financial statements.*

**WHITPAIN TOWNSHIP**

## STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

DECEMBER 31, 2014

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	<u>Pension Trust Funds</u>	<u>Medical Benefits Funds</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 918,729	\$ 402,948	\$ 1,599,098
Investments			
Mutual funds	2,322,988	-	-
Mortgage-backed securities	1,882,093	-	-
Money market funds	775,999	-	-
U.S. Government notes	2,178,011	-	-
Corporate bonds	1,786,221	-	-
Equity stocks and options	15,353,959	-	-
Prepaid expenses	179,970	-	-
	<u>25,397,970</u>	<u>402,948</u>	<u>1,599,098</u>
TOTAL ASSETS	\$ <u>25,397,970</u>	\$ <u>402,948</u>	\$ <u>1,599,098</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES</b>			
Escrow deposits	\$ -	\$ -	\$ <u>1,599,098</u>
<b>NET POSITION</b>			
Held in trust for			
Pension benefits	25,397,970	-	
Post-retirement medical insurance	-	402,948	
TOTAL NET POSITION	<u>25,397,970</u>	<u>402,948</u>	
TOTAL LIABILITIES AND NET POSITION	\$ <u>25,397,970</u>	\$ <u>402,948</u>	

*See accompanying notes to the basic financial statements.*

**WHITPAIN TOWNSHIP**

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2014

	<u>Pension Trust Funds</u>	<u>Medical Benefits Funds</u>
ADDITIONS		
Contributions		
Member contributions	\$ 218,314	\$ -
Employer contributions	469,722	46,200
State contributions	426,024	-
TOTAL CONTRIBUTIONS	<u>1,114,060</u>	<u>46,200</u>
Investment income		
Net appreciation in fair value of investments	632,001	-
Dividends	506,195	-
Investment income	241,415	377
TOTAL INVESTMENT EARNINGS	<u>1,379,611</u>	<u>377</u>
Investment expense	(210,081)	-
INVESTMENT INCOME, net	<u>1,169,530</u>	<u>377</u>
TOTAL ADDITIONS	<u>2,283,590</u>	<u>46,577</u>
DEDUCTIONS		
Benefits	747,524	17,825
Actuary fees	25,249	-
TOTAL DEDUCTIONS	<u>772,773</u>	<u>17,825</u>
CHANGE IN NET POSITION	1,510,817	28,752
NET POSITION HELD IN TRUST AT BEGINNING OF YEAR	<u>23,887,153</u>	<u>374,196</u>
NET POSITION HELD IN TRUST AT END OF YEAR	<u>\$ 25,397,970</u>	<u>\$ 402,948</u>

See accompanying notes to the basic financial statements.

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**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, 2014

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 *Fire Capital Fund* accounts for capital purchases related to 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.

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- 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.

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, Fire Capital 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, 2014.

**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.

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.

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Investments for the Township 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, 2014, 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.

**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.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, which 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

**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.

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- **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, 2014, 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, which is the most binding action management can take. 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.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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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, 2014, \$500,000 of the total bank balance of \$20,247,983 was insured by the Federal Depository Insurance Corporation. Of the remaining bank balance of \$19,747,983, \$19,724,878 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 \$23,105 was invested in state investment pools, which is uninsured and uncollateralized.

**Investments**

As of December 31, 2014, the Township had the following investments:

Investment Type	Fair Value	Investment Maturities		
		Less Than One Year	One Year to Five Years	More Than Five Years
<b>GOVERNMENTAL ACTIVITIES</b>				
Externally pooled investments	\$ 173,850	\$ 173,850	\$ -	\$ -
<b>PROPRIETARY ACTIVITIES</b>				
Externally pooled investments	\$ 281,344	\$ 281,344	\$ -	\$ -
<b>PENSION ACTIVITIES</b>				
Mutual funds	\$ 2,322,988	\$ 2,322,988	\$ -	\$ -
Mortgage-backed securities	1,882,093	120,220	883,625	878,248
U.S. Government notes	2,178,011	470,410	1,080,947	626,654
Corporate bonds	1,786,221	-	1,478,375	307,846
Equity stocks and options	15,353,959	15,353,959	-	-
Money market funds	775,999	775,999	-	-
<b>TOTAL PENSION ACTIVITIES</b>	<b>\$ 24,299,271</b>	<b>\$ 19,043,576</b>	<b>\$ 3,442,947</b>	<b>\$ 1,812,748</b>

**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.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE B - DEPOSITS AND INVESTMENTS (Continued)**

**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, 2014, \$1,599,098 represents the balance of these monies held in escrow.

**NOTE C - CAPITAL ASSETS**

Changes in capital asset activity for the year ended December 31, 2014, were as follows:

	Balance January 1, 2014	Increases	Decreases	Balance December 31, 2014
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 16,108,463	\$ -	\$ -	\$ 16,108,463
Conservation easements	1,052,009	-	-	1,052,009
Construction in progress	115,029	42,544	-	157,573
<b>TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED</b>	<b>17,275,501</b>	<b>42,544</b>	<b>-</b>	<b>17,318,045</b>
Capital assets being depreciated				
Land improvements	2,075,278	111,422	-	2,186,700
Buildings and improvements	5,370,005	58,239	(10,000)	5,418,244
Machinery and equipment	6,173,029	554,687	(459,115)	6,268,601
Infrastructure	57,630,127	17,207	-	57,647,334
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED</b>	<b>71,248,439</b>	<b>741,555</b>	<b>(469,115)</b>	<b>71,520,879</b>
Accumulated depreciation				
Land improvements	(802,255)	(48,176)	-	(850,431)
Buildings and improvements	(2,350,010)	(118,422)	1,554	(2,466,878)
Machinery and equipment	(3,160,986)	(407,420)	428,254	(3,140,152)
Infrastructure	(35,571,623)	(1,782,763)	-	(37,354,386)
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<b>(41,884,874)</b>	<b>(2,356,781)</b>	<b>429,808</b>	<b>(43,811,847)</b>
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED, net</b>	<b>29,363,565</b>	<b>(1,615,226)</b>	<b>(39,307)</b>	<b>27,709,032</b>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net</b>	<b>\$ 46,639,066</b>	<b>\$ (1,572,682)</b>	<b>\$ (39,307)</b>	<b>\$ 45,027,077</b>

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**NOTE C - CAPITAL ASSETS (Continued)**

Depreciation expense was charged to governmental functions as follows:

**GOVERNMENTAL ACTIVITIES**

Administrative	\$ 70,069
Codes	6,370
Police and emergency services	231,310
Public works, highways and streets	1,949,403
Parks	<u>99,629</u>
	<u>\$ 2,356,781</u>

	Balance January 1, 2014	Increases	Decreases	Balance December 31, 2014
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets being depreciated				
Buildings and improvements	\$ 180,684	\$ -	\$ -	\$ 180,684
Machinery and equipment	1,586,116	72,960	-	1,659,076
Infrastructure	<u>12,334,406</u>	<u>-</u>	<u>-</u>	<u>12,334,406</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>14,101,206</u>	<u>72,960</u>	<u>-</u>	<u>14,174,166</u>
Accumulated depreciation				
Buildings and improvements	(180,684)	-	-	(180,684)
Machinery and equipment	(973,391)	(109,620)	-	(1,083,011)
Infrastructure	<u>(10,578,923)</u>	<u>(218,576)</u>	<u>-</u>	<u>(10,797,499)</u>
TOTAL ACCUMULATED DEPRECIATION	<u>(11,732,998)</u>	<u>(328,196)</u>	<u>-</u>	<u>(12,061,194)</u>
<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net</b>	<u>\$ 2,368,208</u>	<u>\$ (255,236)</u>	<u>\$ -</u>	<u>\$ 2,112,972</u>

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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

Interfund receivables and payables at December 31, 2014, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<b>GOVERNMENTAL FUNDS</b>		
General Fund	\$ 589,378	\$ 203,391
Fire Tax Fund	196,830	23,266
Capital Projects Fund	6,561	21,851
Fire Capital Fund	-	2,479
Fire Hydrant Fund	-	3,076
Open Space Fund	-	19,642
Highway Aid Fund	-	31,396
Manor House Fund	-	80,824
<b>BUSINESS-TYPE ACTIVITIES</b>		
Sewer Capital Fund	-	102,736
Sewer Fund	-	304,108
	<u>\$ 792,769</u>	<u>\$ 792,769</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, 2014, are as follows:

	<u>Transfer Out</u>	<u>Transfer In</u>
General Fund	\$ 2,500,000	\$ -
Capital Projects Fund	-	2,500,000
Fire Tax Fund	833,423	-
Fire Capital Fund	-	833,423
Sewer Fund	250,000	72,960
Sewer Capital Fund	72,960	250,000
	<u>\$ 3,656,383</u>	<u>\$ 3,656,383</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) use unrestricted revenues collected in the General Fund and/or the Sewer Fund to account for saving for future capital projects.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**NOTE E - RECEIVABLES**

Receivables as of December 31, 2014, are as follows:

	<u>General Fund</u>	<u>Fire Tax Fund</u>
RECEIVABLES		
Taxes	\$ 299,635	\$ 7,298
Accounts	119,250	-
Special assessments	-	-
	<u>\$ 418,885</u>	<u>\$ 7,298</u>

**NOTE F - LONG-TERM DEBT**

Long-term liability for the year ended December 31, 2014, is as follows:

	<u>Balance January 1, 2014</u>
GOVERNMENTAL ACTIVITIES	
General Obligation Notes	
Series A of 1999	\$ 4,062,000
Series B of 1999	1,490,000
Series of 2002	1,287,000
General Obligation Bonds	
Series of 2012	<u>3,865,000</u>
TOTAL GENERAL OBLIGATION NOTES AND BONDS	10,704,000
Bond premium	44,404
Net OPEB obligation	943,024
Compensated absences	<u>49,620</u>
TOTAL GOVERNMENTAL ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 11,741,048</u>
BUSINESS-TYPE ACTIVITIES	
Net OPEB obligation	\$ 19,759
Compensated absences	<u>6,028</u>
TOTAL BUSINESS-TYPE ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 25,787</u>

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<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Sewer Fund</u>	<u>Totals</u>
\$ 13,979	\$ 944	\$ -	\$ 321,856
-	-	-	119,250
-	-	121,227	121,227
<u>\$ 13,979</u>	<u>\$ 944</u>	<u>\$ 121,227</u>	<u>\$ 562,333</u>

<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2014</u>	<u>Due Within One Year</u>
\$ -	\$ (201,000)	\$ 3,861,000	\$ 212,000
-	(354,000)	1,136,000	366,000
-	(306,000)	981,000	317,000
-	(80,000)	3,785,000	255,000
-	(941,000)	9,763,000	1,150,000
-	(2,400)	42,004	-
146,380	-	1,089,404	-
<u>457,378</u>	<u>(447,742)</u>	<u>59,256</u>	<u>5,925</u>
<u>\$ 603,758</u>	<u>\$ (1,391,142)</u>	<u>\$ 10,953,664</u>	<u>\$ 1,155,925</u>
\$ 3,212	\$ -	\$ 22,971	\$ -
<u>39,773</u>	<u>(40,919)</u>	<u>4,882</u>	<u>488</u>
<u>\$ 42,985</u>	<u>\$ (40,919)</u>	<u>\$ 27,853</u>	<u>\$ 488</u>

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**NOTE F - LONG-TERM DEBT (Continued)**

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 December 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
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>\$ 9,763,000</u>	<u>\$ 2,454,370</u>

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**NOTE F - LONG-TERM DEBT (Continued)**

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, 2014, DeVal would have received a payment of nearly \$159 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, 2014, contributions of \$67,632 were made to this plan.

**NOTE H - DEFINED BENEFIT PENSION PLAN**

**Police Pension Plan**

**Summary of Significant Accounting Policies** - Police Pension Plan investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value. Financial information of the Township's Police Pension Plan is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due as required by the Act. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**NOTE H - DEFINED BENEFIT PENSION PLAN (Continued)**

***Plan Description***

**Plan Administration** - The Township administers the Police Pension Plan--a single-employer defined benefit pension plan that provides pensions for all regular, full-time sworn police officers. The plan is part of the Township's financial reporting entity and is included in the Township's financial statements as a Pension Trust Fund. The plan does not issue separate, stand-alone financial statements.

Management of the Police Pension Plan is vested in the Pension Committee, which consists of up to seven members - two Board members, the Township Manager, the Assistant Township Manager, the Finance Director and two sworn police officers. The Pension Committee is responsible for advising, reviewing, monitoring and making recommendations to the Board of Supervisors of Whitpain Township as to the administrative, operation and investment of the Police Pension Plan.

**Plan Membership** - At December 31, 2014, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	18
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>27</u>
	<u><u>48</u></u>

**Benefits Provided** - 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 benefit provisions of the Township's Police Pension Plan are established by Township ordinances.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**NOTE H - DEFINED BENEFIT PENSION PLAN (Continued)**

**Contributions** - 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 Commonwealth 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.

As a condition of participation, participants are required to make contributions to the plan. The amount of the contribution is equal to 5% of the participant’s pay.

In 2014, the MMO obligation for the Police Pension Plan was \$410,503 for the year 2014. Contributions of \$209,110 and \$201,393 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.

***Investments***

**Investment Policy** - The plan’s policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee based on consensus, with no minimum quorum required. It is the policy of the Pension Committee to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Committee’s adopted asset allocation policy as of December 31, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	30%
International equity	28%
Fixed income	29%
Real estate	4%
Cash	9%
	<u>100%</u>

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**NOTE H - DEFINED BENEFIT PENSION PLAN (Continued)**

**Concentrations** - More than 5% of the Township's investments are in mutual funds, mortgage backed securities, U.S. Government notes, corporate bonds and equity stocks and options. These investments are 9%, 8%, 9%, 7% and 61%, respectively, of the plan's total investments.

**Rate of Return** - For the year ended December 31, 2014, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 4.1731%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability of the Township** - The components of the net pension liability of the Township at December 31, 2014, were as follows:

Total pension liability	\$ 15,549,938
Plan fiduciary net position	<u>(14,107,412)</u>
NET PENSION LIABILITY	<u>\$ 1,442,526</u>

Plan fiduciary net position as a percentage of the total pension liability	90.72%
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**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	5% annual increase
Investment rate of return	7.5%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table.

Due to the size of the plan, there have been no experience studies used to determine plan assumptions.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**NOTE H - DEFINED BENEFIT PENSION PLAN (Continued)**

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2014 (see the plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	7.0%
International equity	6.0%
Fixed income	2.5%
Real estate	7.0%
Cash	0.0%

**Discount Rate** - The discount rate is based on the long-term expected rate of return on plan investments that expected to be used to finance the payments of benefits. The plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the plan assets are expected to be invested using a strategy to achieve that return. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability to ultimately achieve a 100% funded status.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the Township, calculated using the discount rate of 7%, as well as what the Township's net pension would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage-point higher (8%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Net pension liability	\$ <u>3,255,136</u>	\$ <u>1,442,526</u>	\$ <u>(78,230)</u>

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**NOTE H - DEFINED BENEFIT PENSION PLAN (Continued)**

***Financial Requirement and Minimum Municipal Obligation Budget for 2014***

Annual required contribution	\$ 410,503
Interest on net pension asset	(1,981)
Adjustment to annual required contribution	6,604
ANNUAL PENSION COST	<u>415,126</u>
Contributions made	<u>(410,503)</u>
INCREASE IN NET PENSION ASSET	4,623
Net pension asset at beginning of year	<u>(26,415)</u>
NET PENSION ASSET AT END OF YEAR	<u>\$ (21,792)</u>
 ACTUAL FUNDS DEPOSITED INTO PLAN	 <u>\$ 410,503</u>
 STATE AID PORTION OF FUNDS DEPOSITED	 <u>\$ 201,393</u>

***Three-Year Trend***

<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>
2012	\$ 437,115	100.01%	\$ (97)
2013	423,682	106.21%	(26,415)
2014	415,126	98.89%	(21,792)

***Funded Status and Funding Progress*** - 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.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**NOTE H - DEFINED BENEFIT PENSION PLAN (Continued)**

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	3.0%

**Non-Uniformed Employees' Pension Plan**

**Summary of Significant Accounting Policies** - Non-Uniformed Employees' Pension Plan investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value. Financial information of the Township's Non-Uniformed Employees' Pension Plan is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due as required by the Act. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

***Plan Description***

**Plan Administration** - The Township administers the Non-Uniformed Employees' Pension Plan--a single-employer defined benefit pension plan that provides pensions for all regular, full-time non-uniformed employees. The plan is part of the Township's financial reporting entity and is included in the Township's financial statements as a Pension Trust Fund. The plan does not issue separate, stand-alone financial statements.

Management of the Non-Uniformed Employees' Pension Plan is vested in the Pension Committee, which consists of up to seven members - two Board members, the Township Manager, the Assistant Township Manager, the Finance Director and two sworn police officers. The Pension Committee is responsible for advising, reviewing, monitoring and making recommendations to the Board of Supervisors of Whitpain Township as to the administrative, operation and investment of the Non-Uniformed Employees' Pension Plan.

**Plan Membership** - At December 31, 2014, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	16
Inactive plan members entitled to but not yet receiving benefits	14
Active plan members	49
	79
	79

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**NOTE H - DEFINED BENEFIT PENSION PLAN (Continued)**

**Benefits Provided** - 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.

The benefit provisions of the Township's Non-Uniformed Employees' Pension Plan are established by Township ordinances.

**Contributions** - 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 Commonwealth 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.

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.

In 2014, the MMO obligation for the Non-Uniformed Employees' Pension Plan was \$485,243 for the year 2014. Contributions of \$260,612 and \$224,631 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.

***Investments***

**Investment Policy** - The plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee based on consensus, with no minimum quorum required. It is the policy of the Pension Committee to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE H - DEFINED BENEFIT PENSION PLAN (Continued)**

The following was the Committee's adopted asset allocation policy as of December 31, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	30%
International equity	28%
Fixed income	29%
Real estate	4%
Cash	9%
	<u>100%</u>

**Concentrations** - More than 5% of the Township's investments are in mutual funds, mortgage backed securities, U.S. Government notes, corporate bonds and equity stocks and options. These investments are 9%, 7%, 9%, 7% and 61%, respectively, of the plan's total investments.

**Rate of Return** - For the year ended December 31, 2014, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 4.2425%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability of the Township** - The components of the net pension liability of the Township at December 31, 2014, were as follows:

Total pension liability	\$ 12,484,501
Plan fiduciary net position	<u>(11,290,558)</u>
<b>NET PENSION LIABILITY</b>	<b><u>\$ 1,193,943</u></b>

Plan fiduciary net position as a percentage of the total pension liability	90.44%
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**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	4.5% annual increase
Investment rate of return	7.5%

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE H - DEFINED BENEFIT PENSION PLAN (Continued)**

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table.

Due to the size of the plan, there have been no experience studies used to determine plan assumptions.

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2014 (see the plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	7.0%
International equity	6.0%
Fixed income	2.5%
Real estate	7.0%
Cash	0.0%

**Discount Rate** - The discount rate is based on the long-term expected rate of return on plan investments that expected to be used to finance the payments of benefits. The plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the plan assets are expected to be invested using a strategy to achieve that return. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability to ultimately achieve a 100% funded status.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the Township, calculated using the discount rate of 7.5%, as well as what the Township's net pension would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Net pension liability	\$ <u>2,568,989</u>	\$ <u>1,193,943</u>	\$ <u>9,939</u>

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**NOTE H - DEFINED BENEFIT PENSION PLAN (Continued)**

***Financial Requirement and Minimum Municipal Obligation Budget for 2014***

Annual required contribution	\$ 485,243
Interest on net pension asset	(1,283)
Adjustment to annual required contribution	2,230
ANNUAL PENSION COST	<u>486,190</u>
Contributions made	<u>(485,243)</u>
INCREASE IN NET PENSION ASSET	947
Net pension asset at beginning of year	<u>(17,100)</u>
NET PENSION ASSET AT END OF YEAR	<u>\$ (16,153)</u>
 ACTUAL FUNDS DEPOSITED INTO PLAN	 <u>\$ 485,243</u>
 STATE AID PORTION OF FUNDS DEPOSITED	 <u>\$ 224,631</u>

***Three-Year Trend***

<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>
2012	\$ 506,079	100.04%	\$ (3,698)
2013	480,598	102.79%	(17,100)
2014	486,190	99.80%	(16,153)

***Funded Status and Funding Progress*** - 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.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE H - DEFINED BENEFIT PENSION PLAN (Continued)**

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	3.0%

**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.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE I - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

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.

**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	\$ 33,997	\$ 177,577
Interest on net OPEB obligation	5,230	38,095
Adjustments to annual required contribution	<u>(7,136)</u>	<u>(51,971)</u>
ANNUAL OPEB EXPENSE	32,091	163,701
Contributions made	<u>(13,200)</u>	<u>(33,000)</u>
INCREASE IN NET OPEB OBLIGATION	18,891	130,701
Net OPEB obligation at beginning of year	<u>116,233</u>	<u>846,550</u>
NET OPEB OBLIGATION AT END OF YEAR	<u><u>\$ 135,124</u></u>	<u><u>\$ 977,251</u></u>

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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

**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
2012	\$ 29,823	40%	\$ 98,879
2013	29,531	41%	116,233
2014	32,091	41%	135,124

***Police OPEB Plan***

Fiscal Year Ending December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net Pension OPEB Obligation
2012	\$ 175,003	19%	\$ 706,874
2013	172,676	19%	846,550
2014	163,701	20%	977,251

**Funded Status and Funding Progress**

As of January 1, 2014, 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	\$ -	\$ 339,933	\$ 339,933	0%	\$ 3,614,282	9%
Police	-	1,539,029	1,539,029	0%	2,503,388	61%

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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

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, 2014 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 6.5% in 2014, 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 open period over future years as part of the annual contribution requirement.

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**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:

	Pension Trust Funds		
	Non-Uniformed Pension Fund	Police Pension Fund	Total Pension Trust Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 418,507	\$ 500,222	\$ 918,729
Investments			
Mutual funds	1,052,661	1,270,327	2,322,988
Mortgage-backed securities	819,460	1,062,633	1,882,093
Money market funds	355,445	420,554	775,999
U.S. Government notes	953,470	1,224,541	2,178,011
Corporate bonds	775,378	1,010,843	1,786,221
Equity stocks and options	6,838,199	8,515,760	15,353,959
Prepaid expenses	77,438	102,532	179,970
TOTAL ASSETS	\$ 11,290,558	\$ 14,107,412	\$ 25,397,970
<b>NET POSITION</b>			
Held in trust for			
Pension benefits	\$ 11,290,558	\$ 14,107,412	\$ 25,397,970
Post-retirement medical insurance	-	-	-
TOTAL LIABILITIES AND NET POSITION	\$ 11,290,558	\$ 14,107,412	\$ 25,397,970

Medical Benefits Funds		
<u>Non-Uniformed Post-Retirement Medical Benefits Fund</u>	<u>Police Post-Retirement Medical Benefits Fund</u>	<u>Total Medical Benefits Funds</u>
\$ 17,753	\$ 385,195	\$ 402,948
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>17,753</u>	<u>385,195</u>	<u>402,948</u>
\$ -	\$ -	\$ -
<u>17,753</u>	<u>385,195</u>	<u>402,948</u>
<u>17,753</u>	<u>385,195</u>	<u>402,948</u>

**WHITPAIN TOWNSHIP**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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**NOTE J - COMBINING SCHEDULES OF FIDUCIARY FUNDS (Continued)**

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
<b>ADDITIONS</b>			
Contributions			
Member contributions	\$ 88,558	\$ 129,756	\$ 218,314
Employer contributions	260,612	209,110	469,722
State contributions	224,631	201,393	426,024
<b>TOTAL CONTRIBUTIONS</b>	<u>573,801</u>	<u>540,259</u>	<u>1,114,060</u>
Investment income			
Net appreciation in fair value of investments	236,982	395,019	632,001
Dividends	222,981	283,214	506,195
Investment income	150,538	90,877	241,415
Investment expense	(92,895)	(117,186)	(210,081)
<b>TOTAL INVESTMENT         INCOME</b>	<u>517,606</u>	<u>651,924</u>	<u>1,169,530</u>
<b>TOTAL ADDITIONS</b>	<u>1,091,407</u>	<u>1,192,183</u>	<u>2,283,590</u>
<b>DEDUCTIONS</b>			
Benefits	326,618	420,906	747,524
Actuary fees	14,367	10,882	25,249
<b>TOTAL DEDUCTIONS</b>	<u>340,985</u>	<u>431,788</u>	<u>772,773</u>
<b>CHANGE IN NET POSITION</b>	750,422	760,395	1,510,817
<b>NET POSITION HELD IN TRUST AT BEGINNING OF YEAR</b>			
	<u>10,540,136</u>	<u>13,347,017</u>	<u>23,887,153</u>
<b>NET POSITION HELD IN         TRUST AT END OF YEAR</b>	<u>\$ 11,290,558</u>	<u>\$ 14,107,412</u>	<u>\$ 25,397,970</u>

Medical Benefits Funds		
Non-Uniformed Post-Retirement Medical Benefits Fund	Police Post-Retirement Medical Benefits Fund	Total Medical Benefits Funds
\$ -	\$ -	\$ -
13,200	33,000	46,200
-	-	-
<u>13,200</u>	<u>33,000</u>	<u>46,200</u>
-	-	-
-	-	-
16	361	377
-	-	-
<u>16</u>	<u>361</u>	<u>377</u>
<u>13,216</u>	<u>33,361</u>	<u>46,577</u>
17,200	625	17,825
-	-	-
<u>17,200</u>	<u>625</u>	<u>17,825</u>
(3,984)	32,736	28,752
<u>21,737</u>	<u>352,459</u>	<u>374,196</u>
<u>\$ 17,753</u>	<u>\$ 385,195</u>	<u>\$ 402,948</u>

**WHITPAIN TOWNSHIP**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**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 \$840,402 during 2014. Also during 2014, the Township paid \$117,333 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 \$227,221 in 2014. Also during 2014, the Township paid \$54,745 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, 2014**

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
<b>REVENUES</b>				
Taxes				
Real estate taxes	\$ 3,888,500	\$ 3,888,500	\$ 3,967,617	\$ 79,117
Transfer taxes	480,000	480,000	688,087	208,087
Earned income taxes	5,450,000	5,450,000	6,198,012	748,012
Local services taxes	750,000	750,000	795,529	45,529
<b>TOTAL TAXES</b>	<b>10,568,500</b>	<b>10,568,500</b>	<b>11,649,245</b>	<b>1,080,745</b>
Fees, licenses and permits				
Building	145,000	145,000	143,789	(1,211)
Zoning	9,000	9,000	6,842	(2,158)
Electrical	65,000	65,000	92,282	27,282
Engineering	41,400	41,400	37,816	(3,584)
Plumbing	35,000	35,000	52,043	17,043
Street	25,000	25,000	15,405	(9,595)
Energy	30,000	30,000	35,745	5,745
Use and occupancy	7,000	7,000	6,850	(150)
Flood plain	2,200	2,200	4,690	2,490
Heat, vent and air conditioning	40,000	40,000	44,345	4,345
Fire prevention	1,000	1,000	755	(245)
Hearing	23,000	23,000	23,486	486
Alcoholic beverage licensees	6,650	6,650	6,350	(300)
Cable television franchise fees	350,000	350,000	320,216	(29,784)
<b>TOTAL FEES, LICENSES AND PERMITS</b>	<b>780,250</b>	<b>780,250</b>	<b>790,614</b>	<b>10,364</b>
Intergovernmental revenues				
Public utility realty tax	15,000	15,000	16,950	1,950
State pension aid	427,280	427,280	391,138	(36,142)
Other state grants	63,000	63,000	66,708	3,708
<b>TOTAL INTER- GOVERNMENTAL REVENUES</b>	<b>505,280</b>	<b>505,280</b>	<b>474,796</b>	<b>(30,484)</b>
Fines and forfeitures				
Police	120,000	120,000	96,194	(23,806)
Code	4,000	4,000	1,694	(2,306)
<b>TOTAL FINES AND FORFEITURES</b>	<b>124,000</b>	<b>124,000</b>	<b>97,888</b>	<b>(26,112)</b>
Charges for services				
Administrative	-	-	562	562
Police services	4,500	4,500	13,980	9,480
Culture and recreation	410,700	410,700	414,237	3,537
<b>TOTAL CHARGES FOR SERVICES</b>	<b>415,200</b>	<b>415,200</b>	<b>428,779</b>	<b>13,579</b>
Other				
Investment income and rent	101,600	101,600	104,033	2,433
Refunds of prior year expenditures	287,000	287,000	124,272	(162,728)
<b>TOTAL OTHER</b>	<b>388,600</b>	<b>388,600</b>	<b>228,305</b>	<b>(160,295)</b>
<b>TOTAL REVENUES</b>	<b>\$ 12,781,830</b>	<b>\$ 12,781,830</b>	<b>\$ 13,669,627</b>	<b>\$ 887,797</b>

**WHITPAIN TOWNSHIP**  
**SCHEDULE OF FUNCTIONAL EXPENDITURES BY**  
**ACTIVITY AND OTHER FINANCING USES**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
<b>EXPENDITURES</b>				
General government				
Supervisors	\$ 95,091	\$ 95,091	\$ 95,203	\$ 112
Administration	1,067,927	1,067,927	1,094,852	26,925
Finance	384,356	384,356	387,265	2,909
Tax collection	121,693	121,693	132,582	10,889
Solicitor	306,000	306,000	225,184	(80,816)
Computer and information technology	141,652	141,652	141,638	(14)
Planning and engineering	325,162	325,162	294,496	(30,666)
Municipal buildings	334,581	334,581	319,180	(15,401)
TOTAL GENERAL GOVERNMENT	<u>2,776,462</u>	<u>2,776,462</u>	<u>2,690,400</u>	<u>(86,062)</u>
Public safety				
Police	5,357,036	5,357,036	5,387,457	30,421
Fire protection	208,427	208,427	208,143	(284)
Code enforcement	450,898	450,898	507,178	56,280
Planning and zoning	77,523	77,523	39,694	(37,829)
TOTAL PUBLIC SAFETY	<u>6,093,884</u>	<u>6,093,884</u>	<u>6,142,472</u>	<u>48,588</u>
Highways and streets				
Administration	618,176	618,176	701,439	83,263
Cleaning and trash removal	9,089	9,089	10,767	1,678
Snow removal	79,550	79,550	81,991	2,441
Traffic signals	81,000	81,000	74,807	(6,193)
Streets	911,618	911,618	793,002	(118,616)
Storm sewer maintenance	38,556	38,556	23,003	(15,553)
Equipment maintenance	397,257	397,257	401,683	4,426
Road and curb inspections	61,218	61,218	21,815	(39,403)
TOTAL HIGHWAYS AND STREETS	<u>2,196,464</u>	<u>2,196,464</u>	<u>2,108,507</u>	<u>(87,957)</u>
Culture and recreation	<u>942,738</u>	<u>942,738</u>	<u>998,839</u>	<u>56,101</u>
TOTAL EXPENDITURES	<u>12,009,548</u>	<u>12,009,548</u>	<u>11,940,218</u>	<u>(69,330)</u>
<b>OTHER FINANCING USES</b>				
Interfund transfers out, Capital Projects Fund	<u>1,000,000</u>	<u>1,000,000</u>	<u>2,500,000</u>	<u>1,500,000</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 13,009,548</u>	<u>\$ 13,009,548</u>	<u>\$ 14,440,218</u>	<u>\$ 1,430,670</u>

**WHITPAIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**FIRE TAX FUND**  
**YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
<b>REVENUES</b>				
Real estate taxes	\$ 777,700	\$ 777,700	\$ 782,164	\$ 4,464
Interest income	1,000	1,000	660	(340)
Intergovernmental revenues	197,000	197,000	207,284	10,284
<b>TOTAL REVENUES</b>	<b>975,700</b>	<b>975,700</b>	<b>990,108</b>	<b>14,408</b>
<b>EXPENDITURES</b>				
Public safety				
Fire company				
Operating	586,325	586,325	475,347	(110,978)
Workers' compensation	10,710	10,710	8,056	(2,654)
Fireman's Relief Fund	197,000	197,000	207,284	10,284
<b>TOTAL EXPENDITURES</b>	<b>794,035</b>	<b>794,035</b>	<b>690,687</b>	<b>(103,348)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>181,665</b>	<b>181,665</b>	<b>299,421</b>	<b>117,756</b>
<b>OTHER FINANCING USES</b>				
Interfund transfers out	(150,000)	(150,000)	(833,423)	(683,423)
<b>NET CHANGE IN FUND BALANCE</b>	<b>31,665</b>	<b>31,665</b>	<b>(534,002)</b>	<b>(565,667)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>1,123,173</b>	<b>1,123,173</b>	<b>1,123,173</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 1,154,838</b>	<b>\$ 1,154,838</b>	<b>\$ 589,171</b>	<b>\$ (565,667)</b>

**WHITPAIN TOWNSHIP**  
**SCHEDULE OF CHANGES IN THE NET POLICE**  
**PENSION PLAN LIABILITY AND RELATED RATIOS**  
**YEAR ENDED DECEMBER 31, 2014**

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TOTAL PENSION LIABILITY	
Service cost	\$ 360,026
Interest	1,091,052
Benefit payments	<u>(420,906)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	1,030,172
TOTAL PENSION LIABILITY, BEGINNING	<u>14,519,766</u>
TOTAL PENSION LIABILITY, ENDING (a)	<u><u>\$ 15,549,938</u></u>
PLAN FIDUCIARY NET POSITION	
Contributions	
Employer	\$ 410,503
Member	129,756
Net investment income	651,924
Benefit payments, including refunds of member contributions	(420,906)
Administrative expense	<u>(10,882)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	760,395
Plan fiduciary net position, beginning	<u>13,347,017</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u><u>\$ 14,107,412</u></u>
NET PENSION LIABILITY, ENDING (a)-(b)	<u><u>\$ 1,442,526</u></u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u><u>90.72%</u></u>
COVERED-EMPLOYEE PAYROLL	<u><u>\$ 2,849,146</u></u>
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u><u>50.63%</u></u>

**WHITPAIN TOWNSHIP**  
**SCHEDULE OF POLICE PENSION**  
**PLAN CONTRIBUTIONS**  
**YEAR ENDED DECEMBER 31, 2014**

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ACTUARIALLY DETERMINED CONTRIBUTION	\$ 410,503
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>410,503</u>
CONTRIBUTION (EXCESS) DEFICIENCY	<u>\$ -</u>
COVERED-EMPLOYEE PAYROLL	<u>\$ 2,849,146</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>14.41%</u>

**NOTES TO SCHEDULE**

Valuation date: January 1, 2013

Actuarially determined contribution rates are calculated by September 30 of each year for the upcoming calendar year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	12 years
Asset valuation method	Market value
Inflation	3%
Salary increases	5% annual increase
Investment rate of return	7.5%
Retirement age	Normal retirement age
Mortality	RP-2000 Healthy Annuitant Mortality Table

**WHITPAIN TOWNSHIP**  
SCHEDULE OF POLICE PENSION  
PLAN INVESTMENT RETURNS  
YEAR ENDED DECEMBER 31, 2014

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ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF  
INVESTMENT EXPENSE

4.17%

**WHITPAIN TOWNSHIP**  
**POLICE PENSION PLAN FUNDING PROGRESS**  
**YEAR ENDED DECEMBER 31, 2014**

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**SCHEDULE OF FINDING 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%

**ANALYSIS OF EMPLOYER CONTRIBUTIONS**

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2009	\$ 271,853	100%
2010	287,303	100%
2011	531,609	100%
2012	437,130	100%
2013	423,699	100%
2014	410,503	100%

**WHITPAIN TOWNSHIP**

**SCHEDULE OF CHANGES IN THE NET NON-  
UNIFORMED EMPLOYEES' POLICE PENSION  
PLAN LIABILITY AND RELATED RATIOS  
YEAR ENDED DECEMBER 31, 2014**

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TOTAL PENSION LIABILITY	
Service cost	\$ 318,807
Interest	882,405
Benefit payments	<u>(326,618)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	874,594
TOTAL PENSION LIABILITY, BEGINNING	<u>11,609,907</u>
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 12,484,501</u>
PLAN FIDUCIARY NET POSITION	
Contributions	
Employer	\$ 485,243
Member	88,558
Net investment income	517,606
Benefit payments, including refunds of member contributions	(326,618)
Administrative expense	<u>(14,367)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	750,422
Plan fiduciary net position, beginning	<u>10,540,136</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 11,290,558</u>
NET PENSION LIABILITY, ENDING (a)-(b)	<u>\$ 1,193,943</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>90.44%</u>
COVERED-EMPLOYEE PAYROLL	<u>\$ 3,342,885</u>
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>35.72%</u>

**WHITPAIN TOWNSHIP**  
**SCHEDULE NON-UNIFORMED EMPLOYEES'**  
**PENSION PLAN CONTRIBUTIONS**  
**YEAR ENDED DECEMBER 31, 2014**

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ACTUARIALLY DETERMINED CONTRIBUTION	\$ 485,243
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>485,243</u>
CONTRIBUTION (EXCESS) DEFICIENCY	<u>\$ -</u>
COVERED-EMPLOYEE PAYROLL	<u>\$ 3,342,885</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>14.52%</u>

**NOTES TO SCHEDULE**

Valuation date: January 1, 2013

Actuarially determined contribution rates are calculated by September 30 of each year for the upcoming calendar year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	8 years
Asset valuation method	Market value
Inflation	3%
Salary increases	4.5% annual increase
Investment rate of return	7.5%
Retirement age	Normal retirement age
Mortality	RP-2000 Healthy Annuitant Mortality Table

**WHITPAIN TOWNSHIP**  
SCHEDULE OF NON-UNIFORMED EMPLOYEES'  
PENSION PLAN INVESTMENT RETURNS  
YEAR ENDED DECEMBER 31, 2014

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ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF  
INVESTMENT EXPENSE

4.24%

**WHITPAIN TOWNSHIP**  
**NON-UNIFORMED EMPLOYEES' PENSION**  
**PLAN FUNDING PROGRESS**  
**YEAR ENDED DECEMBER 31, 2014**

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**SCHEDULE OF FINDING 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%

**ANALYSIS OF EMPLOYER CONTRIBUTIONS**

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2009	\$ 463,939	100%
2010	480,450	100%
2011	669,152	100%
2012	506,304	100%
2013	480,794	103%
2014	485,243	100%

**WHITPAIN TOWNSHIP**  
**POSTEMPLOYEMENT BENEFITS OTHER THAN**  
**PENSION FUNDING PROGRESS**  
**YEAR ENDED DECEMBER 31, 2014**

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**SCHEDULE OF FUNDING PROGRESS**

**Non-Uniformed OPEB Plan**

Valuation Date January 1,	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued 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)
2006	\$ -	\$ 255,009	\$ 255,009	0%	\$ 2,762,949	9.23%
2011	-	321,347	321,347	0%	3,733,487	8.61%
2014	-	339,933	339,933	0%	3,614,282	9.41%

**Police OPEB Plan**

Valuation Date January 1,	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued 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)
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%
2014	-	1,539,029	1,539,029	0%	2,503,388	61.48%

## **SUPPLEMENTARY INFORMATION SECTION**

## WHITPAIN TOWNSHIP

### DESCRIPTION OF NONMAJOR SPECIAL REVENUE FUNDS

#### OTHER GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2014

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*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, 2014**

	Fire Hydrant Fund	Fee in Lieu of Stormwater Management Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 168,182	\$ 78,967
Receivables	944	-
TOTAL ASSETS	\$ 169,126	\$ 78,967
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Due to other funds	\$ 3,076	\$ -
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue, property taxes	1,414	-
 <b>FUND BALANCES</b>		
Nonspendable		
Prepaid expenses		
Restricted		
Fire hydrants	164,636	-
Highway and street projects	-	-
Stormwater detention facilities	-	78,967
Outfall water drainage	-	-
Committed		
Highway and street projects	-	-
Manor House	-	-
TOTAL FUND BALANCES	164,636	78,967
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 169,126	\$ 78,967

Special Revenue Funds

Reserve for Outfall Stormwater Fund	Highway Aid Fund	Manor House Fund	Traffic Improvement Fund	Total Other Governmental Funds
\$ 71,940	\$ 82,305	\$ 110,309	\$ 556,791	\$ 1,068,494
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>944</u>
<u>\$ 71,940</u>	<u>\$ 82,305</u>	<u>\$ 110,309</u>	<u>\$ 556,791</u>	<u>\$ 1,069,438</u>
\$ <u>-</u>	\$ 31,396	\$ 80,824	\$ <u>-</u>	\$ 115,296
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,414</u>
-	-	-	-	164,636
-	50,909	-	-	50,909
-	-	-	-	78,967
71,940	-	-	-	71,940
-	-	-	556,791	556,791
<u>-</u>	<u>-</u>	<u>29,485</u>	<u>-</u>	<u>29,485</u>
<u>71,940</u>	<u>50,909</u>	<u>29,485</u>	<u>556,791</u>	<u>952,728</u>
<u>\$ 71,940</u>	<u>\$ 82,305</u>	<u>\$ 110,309</u>	<u>\$ 556,791</u>	<u>\$ 1,069,438</u>

# WHITPAIN TOWNSHIP

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OTHER GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2014

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	<u>Fire Hydrant Fund</u>	<u>Fee in Lieu of Stormwater Management Fund</u>
REVENUES		
Real estate taxes	\$ 77,561	\$ -
Investment income and rent	169	61
Intergovernmental revenues	-	-
Contributions	-	44,112
	<u>77,730</u>	<u>44,173</u>
TOTAL REVENUES		
EXPENDITURES		
General government	-	14,707
Public safety	63,266	-
Highways and streets	-	-
	<u>63,266</u>	<u>14,707</u>
TOTAL EXPENDITURES		
NET CHANGE IN FUND BALANCES	14,464	29,466
FUND BALANCES AT BEGINNING OF YEAR	<u>150,172</u>	<u>49,501</u>
FUND BALANCES AT END OF YEAR	<u>\$ 164,636</u>	<u>\$ 78,967</u>

<u>Special Revenue Funds</u>				
<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>
\$ -	\$ -	\$ -	\$ -	\$ 77,561
37	239	336,444	574	337,524
-	417,614	-	-	417,614
<u>37,766</u>	<u>-</u>	<u>-</u>	<u>46,781</u>	<u>128,659</u>
<u>37,803</u>	<u>417,853</u>	<u>336,444</u>	<u>47,355</u>	<u>961,358</u>
-	-	625,337	60,012	700,056
-	-	-	-	63,266
430	422,861	-	-	423,291
<u>430</u>	<u>422,861</u>	<u>625,337</u>	<u>60,012</u>	<u>1,186,613</u>
37,373	(5,008)	(288,893)	(12,657)	(225,255)
<u>34,567</u>	<u>55,917</u>	<u>318,378</u>	<u>569,448</u>	<u>1,177,983</u>
<u>\$ 71,940</u>	<u>\$ 50,909</u>	<u>\$ 29,485</u>	<u>\$ 556,791</u>	<u>\$ 952,728</u>

**WHITPAIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL PROJECTS FUND**  
**YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
<b>REVENUES</b>				
Interest income	\$ 4,000	\$ 4,000	\$ 5,820	\$ 1,820
Intergovernmental revenues	637,500	637,500	-	(637,500)
<b>TOTAL REVENUES</b>	<b>641,500</b>	<b>641,500</b>	<b>5,820</b>	<b>(635,680)</b>
<b>EXPENDITURES</b>				
General government				
Building and improvements	1,000,000	1,000,000	233,104	(766,896)
Furniture and office equipment	87,000	87,000	32,815	(54,185)
Automobiles, trucks and equipment	-	-	14,285	14,285
<b>TOTAL GENERAL GOVERNMENT</b>	<b>1,087,000</b>	<b>1,087,000</b>	<b>280,204</b>	<b>(806,796)</b>
Code enforcement				
Land and buildings	-	-	(238)	(238)
Furniture and office equipment	75,000	75,000	70,020	(4,980)
Automobiles, trucks and equipment	24,000	24,000	24,975	975
<b>TOTAL PUBLIC SAFETY</b>	<b>99,000</b>	<b>99,000</b>	<b>94,757</b>	<b>(4,243)</b>
Highways and streets				
Land and buildings	-	-	17,851	17,851
Automobiles, trucks and equipment	1,035,000	1,035,000	252,461	(782,539)
<b>TOTAL HIGHWAYS AND STREETS</b>	<b>1,035,000</b>	<b>1,035,000</b>	<b>270,312</b>	<b>(764,688)</b>
Culture and recreation				
Automobiles, trucks and equipment	52,100	52,100	51,876	(224)
<b>TOTAL EXPENDITURES</b>	<b>2,273,100</b>	<b>2,273,100</b>	<b>697,149</b>	<b>(1,575,951)</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(1,631,600)</b>	<b>(1,631,600)</b>	<b>(691,329)</b>	<b>940,271</b>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	20,000	20,000	31,547	11,547
Interfund transfers in, General Fund	1,000,000	1,000,000	2,500,000	1,500,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>2,531,547</b>	<b>1,511,547</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(611,600)</b>	<b>(611,600)</b>	<b>1,840,218</b>	<b>2,451,818</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>5,748,109</b>	<b>5,748,109</b>	<b>5,748,109</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 5,136,509</b>	<b>\$ 5,136,509</b>	<b>\$ 7,588,327</b>	<b>\$ 2,451,818</b>

**WHITPAIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**FIRE CAPITAL FUND**  
**YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
REVENUES				
Interest income	\$ 700	\$ 700	\$ 598	\$ (102)
EXPENDITURES				
Public safety				
Fire company				
Capital expenditures	119,000	119,000	91,840	(27,160)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(118,300)	(118,300)	(91,242)	27,058
OTHER FINANCING SOURCES				
Transfers in	81,996	81,996	833,423	751,427
NET CHANGE IN FUND BALANCE	(36,304)	(36,304)	742,181	778,485
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ (36,304)	\$ (36,304)	\$ 742,181	\$ 778,485

**WHITPAIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
**YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
REVENUES				
Real estate taxes	\$ 1,411,000	\$ 1,411,000	\$ 1,433,108	\$ 22,108
Interest income	500	500	706	206
TOTAL REVENUES	<u>1,411,500</u>	<u>1,411,500</u>	<u>1,433,814</u>	<u>22,314</u>
EXPENDITURES				
Debt service				
Principal	941,000	941,000	941,000	-
Interest	414,267	414,267	414,410	143
TOTAL EXPENDITURES	<u>1,355,267</u>	<u>1,355,267</u>	<u>1,355,410</u>	<u>143</u>
EXCESS OF REVENUES OVER EXPENDITURES	56,233	56,233	78,404	22,171
OTHER FINANCING SOURCES				
Interfund transfers	<u>68,004</u>	<u>68,004</u>	<u>-</u>	<u>(68,004)</u>
NET CHANGE IN FUND BALANCE	124,237	124,237	78,404	(45,833)
FUND BALANCE AT BEGINNING OF YEAR	<u>81,093</u>	<u>81,093</u>	<u>81,093</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 205,330</u>	<u>\$ 205,330</u>	<u>\$ 159,497</u>	<u>\$ (45,833)</u>

# WHITPAIN TOWNSHIP

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS YEAR ENDED DECEMBER 31, 2014

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	Fire Hydrant Fund	
	<u>Budget</u>	<u>Actual</u>
REVENUES		
Real estate taxes	\$ 75,600	\$ 77,561
Interest income	120	169
Intergovernmental revenues	-	-
Contributions	-	-
	<u>75,720</u>	<u>77,730</u>
TOTAL REVENUES		
EXPENDITURES		
General government		
Engineering services	-	-
Construction services	-	-
TOTAL GENERAL GOVERNMENT	<u>-</u>	<u>-</u>
Public safety		
Fire hydrant rental	<u>62,400</u>	<u>63,266</u>
Highways and streets		
Traffic signals	-	-
Storm sewer materials	-	-
TOTAL HIGHWAYS AND STREETS	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>62,400</u>	<u>63,266</u>
NET CHANGE IN FUND BALANCES	13,320	14,464
FUND BALANCES AT BEGINNING OF YEAR	<u>150,172</u>	<u>150,172</u>
FUND BALANCES AT END OF YEAR	<u>\$ 163,492</u>	<u>\$ 164,636</u>

Fee in Lieu of Stormwater Management Fund		Reserve for Outfall Stormwater Fund		Traffic Improvement Fund	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	61	20	37	600	574
50,000	-	-	-	200,000	-
<u>15,000</u>	<u>44,112</u>	<u>20,000</u>	<u>37,766</u>	<u>50,000</u>	<u>46,781</u>
<u>65,040</u>	<u>44,173</u>	<u>20,020</u>	<u>37,803</u>	<u>250,600</u>	<u>47,355</u>
20,000	13,204	500	-	50,000	60,012
80,000	1,503	-	-	-	-
<u>100,000</u>	<u>14,707</u>	<u>500</u>	<u>-</u>	<u>50,000</u>	<u>60,012</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	360,000	-
<u>-</u>	<u>-</u>	<u>10,000</u>	<u>430</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>10,000</u>	<u>430</u>	<u>360,000</u>	<u>-</u>
<u>100,000</u>	<u>14,707</u>	<u>10,500</u>	<u>430</u>	<u>410,000</u>	<u>60,012</u>
(34,960)	29,466	9,520	37,373	(159,400)	(12,657)
<u>49,501</u>	<u>49,501</u>	<u>34,567</u>	<u>34,567</u>	<u>569,448</u>	<u>569,448</u>
<u>\$ 14,541</u>	<u>\$ 78,967</u>	<u>\$ 44,087</u>	<u>\$ 71,940</u>	<u>\$ 410,048</u>	<u>\$ 556,791</u>

**WHITPAIN TOWNSHIP**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

YEAR ENDED DECEMBER 31, 2014

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	Escrow Fund			
	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
ASSETS				
Cash	\$ <u>1,421,385</u>	\$ <u>705,623</u>	\$ <u>(527,910)</u>	\$ <u>1,599,098</u>
LIABILITIES				
Escrow and other deposits	\$ <u>1,421,385</u>	\$ <u>705,623</u>	\$ <u>(527,910)</u>	\$ <u>1,599,098</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 ended December 31, 2003; schedules presenting government-wide information include information beginning in that year.

Table 1

## WHITPAIN TOWNSHIP

## Net Assets by Component

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 35,222,073	\$ 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	3,111,790	2,805,303	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	14,171,841	13,767,750	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	52,505,704	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
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	2,112,972	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	-	698,547	698,547	500,638	500,638	578,113	427,304	259,554	418,301	1,122,228
Unrestricted	1,232,373	374,455	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	3,345,345	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
<b>Primary government</b>										
Invested in capital assets, net of related debt	37,335,045	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	3,111,790	3,503,850	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	15,404,214	14,142,205	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	\$ 55,851,049	\$ 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

Source: Whitpain Township Annual Financial Statements

Table 2

WHITPAIN TOWNSHIP Changes in Net Assets Last Ten Fiscal Years (unaudited) (modified accrual basis of accounting)											
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	
<b>Expenses</b>											
<b>GOVERNMENTAL ACTIVITIES</b>											
General Government	\$ 3,549,349	\$ 2,879,731	\$ 2,590,875	\$ 2,564,470	\$ 2,505,606	\$ 2,460,581	\$ 2,905,796	\$ 2,368,564	\$ 2,416,065	\$ 2,214,549	
Police	5,709,171	5,311,095	5,277,387	5,198,584	4,915,155	4,824,636	4,565,678	4,140,664	4,035,607	4,093,980	
Fire	1,053,936	1,153,808	1,198,166	1,217,449	1,146,819	1,146,819	1,146,819	1,071,589	1,176,502	507,453	
Code Enforcement	513,548	489,983	492,710	484,018	458,027	480,379	472,193	441,079	447,698	429,472	
Zoning	39,694	33,344	51,719	45,738	65,613	70,516	93,200	90,616	81,426	35,173	
Public Works	4,534,001	4,306,726	4,324,700	3,459,781	3,983,612	3,678,790	3,664,353	3,782,349	2,865,210	3,068,225	
Parks and Recreation	1,169,045	1,152,522	1,198,356	1,061,263	968,643	1,277,552	962,773	857,421	826,001	930,725	
Debt Service	411,298	446,335	585,177	551,996	634,922	634,922	641,540	744,884	680,445	512,089	
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>16,980,042</b>	<b>14,873,544</b>	<b>16,507,090</b>	<b>14,583,299</b>	<b>14,581,116</b>	<b>14,578,237</b>	<b>14,453,992</b>	<b>13,497,166</b>	<b>12,528,954</b>	<b>12,108,216</b>	
<b>BUSINESS-TYPE ACTIVITIES</b>											
Sewer	3,571,415	3,989,727	3,839,592	3,950,853	3,803,783	3,855,598	3,869,214	3,598,224	3,619,137	3,289,834	
<b>TOTAL TOWNSHIP ACTIVITIES</b>	<b>20,551,457</b>	<b>18,863,271</b>	<b>20,346,682</b>	<b>18,534,152</b>	<b>18,384,899</b>	<b>18,433,835</b>	<b>18,323,206</b>	<b>17,095,390</b>	<b>16,148,091</b>	<b>15,398,050</b>	
<b>Program Revenues</b>											
<b>Governmental Activities</b>											
Charges for Services											
General Government	110,174	142,592	129,601	15,152	20,161	19,620	15,414	31,380	30,518	64,932	
Police	377,503	294,031	357,653	311,570	313,352	293,214	235,922	374,970	375,218	316,171	
Fire	84,111	81,078	64,724	95,161	76,962	65,995	70,305	64,800	63,963	35,139	
Code Enforcement	414,237	367,087	344,301	315,216	322,053	315,292	313,480	291,439	264,926	284,879	
Zoning	1,905,752	1,202,145	1,121,517	1,613,804	1,342,150	955,872	1,095,665	783,184	972,132	931,557	
Public Works	19,794	2,086,933	2,017,796	2,653,265	2,945,657	1,972,202	2,702,421	1,707,282	1,273,728	351,289	
Parks and Recreation	3,322,377	3,323,797	3,364,370	3,505,089	3,526,620	3,523,747	3,589,544	3,599,067	2,736,902	2,690,462	
Debt Service	72,703	32,481	36,215	45,313	82,226	48,877	91,213	137,096	225,570	314,398	
Operating Grants and Contributions	3,395,080	3,356,278	3,400,585	3,550,402	3,608,846	3,572,624	3,680,757	3,736,163	2,962,472	3,004,860	
Capital Grants and Contributions	5,706,651	5,443,211	5,418,381	6,183,667	6,554,503	5,544,826	5,790,354	7,108,914	6,079,530	5,109,056	
<b>Total governmental activities program revenues</b>	<b>14,668,471</b>	<b>(12,786,611)</b>	<b>(14,489,294)</b>	<b>(11,950,034)</b>	<b>(12,606,035)</b>	<b>(12,344,395)</b>	<b>(12,344,395)</b>	<b>(10,124,415)</b>	<b>(9,411,896)</b>	<b>(10,004,020)</b>	
Business-Type Activities	(176,335)	(633,449)	(439,007)	(400,451)	(282,974)	(137,939)	(188,457)	(656,665)	(284,974)	(284,974)	
<b>Total Primary government net expense</b>	<b>(14,844,806)</b>	<b>(13,420,060)</b>	<b>(14,928,301)</b>	<b>(12,350,485)</b>	<b>(11,830,396)</b>	<b>(12,889,009)</b>	<b>(12,532,852)</b>	<b>(9,986,476)</b>	<b>(10,068,561)</b>	<b>(10,288,994)</b>	
<b>General Revenues and other Changes in Net Assets</b>											
Government Activities											
Real Estate Taxes	6,284,353	6,243,018	5,957,187	6,213,830	6,493,867	4,520,009	4,497,511	3,924,634	2,877,563	2,864,442	
Other Local Taxes	7,538,681	8,285,388	7,028,505	6,788,978	6,051,618	5,835,778	6,638,846	7,071,417	7,103,114	6,785,408	
Investment Income	152,739	130,129	79,790	149,119	36,114	47,019	9,644	596,402	438,604	213,381	
Gain (loss) on sale of fixed assets	16,072	(6,669)	17,515	57,384	28,793	11,381	52,626	342,246	10,543	-	
Miscellaneous	71,8615	880,356	890,059	583,738	659,792	502,240	272,525	432,607	357,075	320,720	
Transfers	-	-	(12,000)	-	-	-	-	-	-	-	
<b>Total Government Activities</b>	<b>14,710,460</b>	<b>15,541,222</b>	<b>14,011,056</b>	<b>13,793,121</b>	<b>13,269,184</b>	<b>10,916,427</b>	<b>12,243,787</b>	<b>12,367,306</b>	<b>10,786,899</b>	<b>10,183,951</b>	
Business-Type Activities	1,720	1,663	6,445	6,295	8,315	11,404	1,800	136,735	124,888	79,390	
Investment Income	-	-	13,690	-	-	-	-	-	-	-	
Gain (loss) on sale of fixed assets	78,750	67,128	42,832	15,824	29,901	18,992	60,467	41,535	46,520	73,459	
Miscellaneous	-	-	14,000	-	-	-	-	-	-	-	
Transfers	80,470	66,791	78,957	22,119	38,216	30,396	62,267	178,270	171,409	152,809	
<b>Total Primary government</b>	<b>14,790,930</b>	<b>15,610,013</b>	<b>14,086,063</b>	<b>13,815,240</b>	<b>13,307,400</b>	<b>10,946,823</b>	<b>12,306,054</b>	<b>12,503,576</b>	<b>10,956,307</b>	<b>10,336,760</b>	
<b>Total Change in Net Assets</b>	<b>(1,144,876)</b>	<b>(1,806,747)</b>	<b>(1,421,213)</b>	<b>(1,735,240)</b>	<b>(1,316,516)</b>	<b>(1,942,183)</b>	<b>(1,176,852)</b>	<b>(1,482,880)</b>	<b>(1,542,257)</b>	<b>(1,172,234)</b>	
Government Activities	(95,865)	(2,754,611)	(478,238)	(1,843,087)	(1,633,725)	(1,689,698)	(1,002,608)	(2,242,891)	(1,375,003)	(179,931)	
Business-Type Activities	(538,76)	(2,189,953)	(842,278)	(1,464,755)	(1,477,004)	(1,942,183)	(1,176,244)	(2,559,100)	(1,867,254)	(1,321,165)	
<b>Total Primary government</b>	<b>(538,76)</b>	<b>(2,189,953)</b>	<b>(842,278)</b>	<b>(1,464,755)</b>	<b>(1,477,004)</b>	<b>(1,942,183)</b>	<b>(1,176,244)</b>	<b>(2,559,100)</b>	<b>(1,867,254)</b>	<b>(1,321,165)</b>	

Source: Whittpain Township Annual Financial Statements

WHITPAIN TOWNSHIP

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

	2014	2013	2012	2011	2010 (1)	2009	2008	2007	2006	2005
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 581,500	\$ 580,925	\$ 525,963	\$ 504,471	\$ 450,290
Unreserved	-	-	-	-	-	3,645,654	4,084,499	5,127,582	5,966,907	5,439,133
Nonspendable	25,335	22,560	22,560	22,560	34,420	-	-	-	-	-
Committed	1,982,701	1,775,071	1,775,071	2,044,000	2,044,000	-	-	-	-	-
Assigned	2,700,000	1,888,043	1,947,775	1,947,775	1,947,775	-	-	-	-	-
Unassigned	-	1,792,953	1,943,150	3,031,071	1,388,363	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 4,708,036</b>	<b>\$ 5,478,627</b>	<b>\$ 5,688,556</b>	<b>\$ 7,045,406</b>	<b>\$ 5,414,558</b>	<b>\$ 4,227,154</b>	<b>\$ 4,665,424</b>	<b>\$ 5,653,545</b>	<b>\$ 6,471,378</b>	<b>\$ 5,889,423</b>
<b>All other governmental funds</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	2,929,268	3,333,629	4,268,222	1,627,854	924,569
Capital projects funds	-	-	-	-	-	608,549	463,068	804,872	3,809,618	391,491
Restricted, reported in:										
Fire Protection	589,171	1,123,173	1,123,069	772,721	596,987	-	-	-	-	-
Fire Capital	742,181	-	-	-	-	-	-	-	-	-
Open Space acquisition and improvement	1,254,489	1,394,948	1,428,887	1,486,384	1,537,486	-	-	-	-	-
Debt Service	159,497	81,093	11,613	22,598	90,619	-	-	-	-	-
Other governmental funds	366,452	290,157	192,545	126,448	112,057	-	-	-	-	-
Committed, reported in:										
Other governmental funds	586,276	887,826	-	-	-	-	-	-	-	-
Assigned, reported in:										
Capital acquisition, construction and improvement	7,588,327	5,748,109	4,430,232	1,390,562	1,011,268	-	-	-	-	-
Other governmental funds	-	-	755,313	574,342	507,178	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 11,286,393</b>	<b>\$ 9,525,306</b>	<b>\$ 7,941,659</b>	<b>\$ 4,373,055</b>	<b>\$ 3,855,595</b>	<b>\$ 3,537,817</b>	<b>\$ 3,796,697</b>	<b>\$ 5,073,094</b>	<b>\$ 5,437,472</b>	<b>\$ 1,316,060</b>
<b>Total all Governmental funds</b>	<b>\$ 15,994,429</b>	<b>\$ 15,003,933</b>	<b>\$ 13,630,215</b>	<b>\$ 11,418,461</b>	<b>\$ 9,270,153</b>	<b>\$ 7,764,971</b>	<b>\$ 8,462,121</b>	<b>\$ 10,726,639</b>	<b>\$ 11,908,850</b>	<b>\$ 7,205,483</b>

Notes:

(1) Implementation of GASB Statement 54, Fund Balance Reporting and Government Fund Type Definitions, establishing new categories and definition revisions for reporting.

Source : Whippain 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	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues</b>										
Taxes	\$ 13,942,078	\$ 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
Fees, licenses and permits	790,614	682,276	740,613	626,633	718,046	178,564	169,203	138,320	115,866	92,578
Interest income and rent	450,698	417,569	387,456	243,498	142,572	154,062	410,800	706,967	492,211	302,970
Intergovernmental revenues	1,119,488	1,093,342	1,055,266	1,705,999	1,890,521	978,022	1,095,665	1,914,161	1,690,462	940,727
Fines and Forfeitures	97,888	130,477	115,737	108,503	111,960	96,300	105,625	110,378	124,197	117,959
Charges for Services	428,779	382,627	363,388	350,739	356,383	704,305	638,066	771,947	747,001	703,391
Contributions	195,018	100,138	58,649	-	-	-	-	-	-	-
Other	124,272	299,989	266,536	330,822	422,081	410,208	521,505	767,725	701,781	465,557
<b>Total Revenues</b>	<b>17,148,835</b>	<b>16,952,785</b>	<b>16,307,258</b>	<b>16,296,705</b>	<b>15,756,964</b>	<b>13,209,435</b>	<b>14,063,799</b>	<b>15,238,041</b>	<b>13,813,846</b>	<b>12,098,519</b>
<b>Expenditures</b>										
Current										
General Government	3,390,456	2,814,141	2,470,294	2,461,792	2,372,014	2,332,480	2,643,576	2,279,161	2,337,527	2,108,817
Public Safety	6,901,315	6,840,167	7,551,027	6,726,013	6,340,545	6,157,687	6,512,640	5,570,879	5,498,504	5,253,607
Highways and Streets	2,531,798	2,376,634	2,315,121	2,110,806	2,073,009	2,138,283	2,821,919	1,958,732	1,736,284	1,656,144
Parks and Recreation	1,226,808	1,028,382	1,096,967	1,006,683	1,905,872	1,281,604	852,029	1,919,089	864,497	945,645
Debt Service										
Principal	941,000	884,000	3,753,000	908,000	874,000	841,000	809,000	555,000	444,000	424,000
Interest and other charges	414,410	449,387	558,828	550,926	586,575	632,182	651,246	739,697	579,831	512,089
Capital Outlay	784,099	1,208,916	331,087	441,561	128,560	534,730	1,964,082	3,447,694	1,207,513	543,409
<b>Total Expenditures</b>	<b>16,139,886</b>	<b>15,601,627</b>	<b>18,076,324</b>	<b>14,205,781</b>	<b>14,280,575</b>	<b>13,917,966</b>	<b>16,254,492</b>	<b>16,470,252</b>	<b>12,668,156</b>	<b>11,443,711</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>958,949</b>	<b>1,351,158</b>	<b>(1,769,066)</b>	<b>2,090,924</b>	<b>1,476,389</b>	<b>(708,531)</b>	<b>(2,190,693)</b>	<b>(1,232,211)</b>	<b>1,145,690</b>	<b>654,808</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from debt	-	-	-	-	-	-	-	-	3,528,589	-
Proceeds from sale of fixed assets	31,547	22,560	19,816	57,384	28,793	11,381	16,512	350,000	29,088	15,115
Refund of prior years' expenditures	-	-	-	-	-	-	-	-	-	-
Interfund transfers in	3,333,423	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	(3,333,423)	(2,500,000)	(3,356,945)	(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	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>31,547</b>	<b>22,560</b>	<b>3,980,820</b>	<b>57,384</b>	<b>28,793</b>	<b>11,381</b>	<b>16,512</b>	<b>50,000</b>	<b>3,557,677</b>	<b>15,115</b>
Net change in fund balance	990,496	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
Fund balance at beginning of year	15,003,933	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
Fund balance at end of year	\$ 15,994,429	\$ 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
Debt Service as a percentage of non-capital expenditures	8.80%	9.26%	24.30%	10.60%	11.13%	11.00%	10.21%	9.94%	8.93%	8.56%

Source: Whitpain Township Annual Financial Statements

**Table 5**

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

<b>Year Ended 31-Dec</b>	<b>Real Estate Tax (1)</b>	<b>Realty Transfer Tax (2)</b>	<b>Earned Income Tax (2)</b>	<b>Local Services Tax (3)</b>	<b>Total</b>
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
2014	6,260,450	688,087	6,198,012	795,529	13,942,078

**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)**

<b>Fiscal Year Ended</b>	<b>Total Taxable Assessed Value (1)</b>	<b>Estimated Actual Value (2)</b>	<b>Ratio of Total Assessed Value to Estimated Actual Value</b>	<b>Total Township Tax Rate (3)</b>
<b>31-Dec 2005</b>	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 2014, the common level ratio for 2013 was used since the common level ratio for 2014 was not yet available  
 (3) Tax rates are per \$1,000 of assessed value

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

Tax Year	Whitpain Township				Overlapping Rates				Total Millage
	General Purpose Millage(1)	Fire Protection Millage	Fire Hydrant Millage	Debt Service Millage	County Millage	School District Millage	Wissahickon Millage	Total Millage	
2005	0.90	0.15	0.05	0.40	2.890	17.416	17.416	21.806	
2006	0.64	0.15	0.05	0.66	2.890	17.416	17.416	21.806	
2007	1.14	0.15	0.05	0.66	2.840	17.416	17.416	22.256	
2008	1.35	0.17	0.05	0.73	2.695	17.731	17.731	22.726	
2009	1.35	0.30	0.05	0.60	2.695	17.731	17.731	22.726	
2010	2.12	0.30	0.05	0.73	2.695	17.925	17.925	23.820	
2011	2.02	0.40	0.05	0.73	2.695	17.925	17.925	23.820	
2012	2.02	0.40	0.05	0.73	3.150	17.925	17.925	24.275	
2013	2.02	0.40	0.05	0.73	3.152	17.925	17.925	24.277	
2014	2.02	0.40	0.05	0.73	3.152	17.931	17.931	24.283	

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	2014			2005 (2)			% of Total Assessment
		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%				
<b>TOTAL</b>		<b>\$ 173,132,190</b>		<b>8.71%</b>		<b>\$0</b>		

Source: Montgomery County Board of Assessments

Note: (1) 2014 Total Taxable Assessed Value

(2) 2005 Information not available.

Table 9

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

Fiscal Year Ended	Total Tax Levy for Fiscal Year	Collected within the		Delinquent		Total Collections to Date	
		Fiscal Year of the Levy Amount (1)	Percentage of Levy	Tax Collections Amount	Percentage of Levy	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%	20,479	2,923,094	100.00%	
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%	
2014	6,400,366	6,276,575	98.07%	65,885	6,342,460	99.10%	

Source: Whitpain Township Tax Collector

Notes: (1) 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	2014	2013	2012	2011	2010
<b>RATES:</b>					
Residential	\$85/quarter(+ \$21.25 > 20 GAL)	\$85/quarter	\$85/quarter	\$85/quarter	\$85/quarter
Commercial	\$150 + \$7.30/1000gal	\$150 + \$7.30/1000gal	\$150 + \$7.30/1000gal	\$150 + \$7.30/1000gal	\$150 + \$7.30/1000gal
<b>ACCOUNTS (in units):</b>					
Residential	7,091	7,071	7,056	7,025	6,994
Commercial	273	285	283	282	283
<b>BILLING (annual amount in \$)</b>					
Residential	\$ 2,446,598	\$ 2,402,015	\$ 2,396,830	\$ 2,383,570	\$ 2,375,580
Commercial	\$ 840,810	\$ 915,085	\$ 953,860	\$ 1,067,262	\$ 1,100,003
<b>TOTAL</b>	<b>\$ 3,287,408</b>	<b>\$ 3,317,100</b>	<b>\$ 3,350,690</b>	<b>\$ 3,450,832</b>	<b>\$ 3,475,583</b>

**Notes:**

Beginning in July 2014 the Township implemented a user charge. Any residential customer who uses 20,000 gallons or more per quarter is charged an additional \$21.25.

Source: Whitpain Township Records

Table 11

**WHITPAIN TOWNSHIP**  
**Computation of Legal Debt Margin**  
**December 31, 2014 (unaudited)**

Borrowing base revenues (1):	
2012	19,504,404
2013	21,053,224
2014	20,497,581
Total Revenues	\$ 61,055,209
<b>Debt limit for General Obligation Debt:</b>	
Average borrowing base revenues	\$ 20,351,736
Debt limit percent	250%
Debt limit	50,879,341
Total amount of debt applicable to debt limit	9,805,004
Legal debt margin	<b>\$ 41,074,337</b>
<b>Debt limit for General Obligation bonds and lease rental debt:</b>	
Average borrowing base revenues	\$ 20,351,736
Debt limit percent	350%
Debt limit	71,231,077
Total amount of debt applicable to debt limit	9,805,004
Legal debt margin	<b>\$ 61,426,073</b>

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)**

<b>Year Ended 31-Dec</b>	<b>Debt Limit (1)</b>	<b>Gross General Obligation Debt</b>	<b>Legal Debt Margin</b>	<b>Total Debt Applicable as a Percentage of Debt Limit</b>
<b>2005</b>	33,291,018	12,277,000	21,014,018	58.42%
<b>2006</b>	36,201,568	15,403,000	20,798,568	74.06%
<b>2007</b>	39,703,446	14,848,000	24,855,446	59.74%
<b>2008</b>	42,104,374	14,039,000	28,065,374	50.02%
<b>2009</b>	42,652,103	13,198,000	29,454,103	44.81%
<b>2010</b>	44,117,137	12,324,000	31,793,137	38.76%
<b>2011</b>	46,013,301	11,416,000	34,597,301	33.00%
<b>2012</b>	48,753,916	11,588,000	37,165,916	31.18%
<b>2013</b>	50,463,779	10,704,000	39,759,779	26.92%
<b>2014</b>	50,879,341	9,805,004	41,074,337	23.87%

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)				
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	3,966,804	7,668,000	-	-	11,634,804	1.08%	616
2013	3,909,404	6,839,000	-	-	10,748,404	1.00%	569
2014	3,827,004	5,978,000	-	-	9,805,004	0.91%	519

## Notes

(1) Whitpain Township Annual Financial reports; General Obligation Bond Issued in 2012

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

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

Year Ended 31-Dec	Population	Assessed Value	Gross General Obligation Debt		Debt Service Fund Balance		Net General Obligation Debt		Percentage of Net General Obligation Debt to Assessed Value		Net General Obligation Debt per Capita	
			Obligation	Debt	Fund	Balance	Obligation	Debt	Assessed	Value	Obligation	Debt per
2005	18,562	1,955,436,879	12,277,000	99,904	99,904	12,177,096	0.62%	\$656				
2006	18,562	1,976,978,199	15,403,000	393,396	393,396	15,009,604	0.76%	\$809				
2007	18,800	1,992,172,329	14,848,000	441,883	441,883	14,406,117	0.72%	\$766				
2008	18,800	2,002,999,025	14,039,000	437,148	437,148	13,601,852	0.68%	\$724				
2009	18,800	2,006,629,485	13,198,000	156,173	156,173	13,041,827	0.65%	\$694				
2010	18,875	2,007,728,740	12,324,000	90,619	90,619	12,233,381	0.61%	\$648				
2011	18,875	1,992,856,032	11,416,000	22,598	22,598	11,393,402	0.57%	\$604				
2012	18,875	1,984,002,781	11,634,804	11,613	11,613	11,623,191	0.59%	\$616				
2013	18,875	1,983,429,818	10,748,404	81,093	81,093	10,667,311	0.54%	\$565				
2014	18,875	1,988,742,818	9,805,004	159,497	159,497	9,645,507	0.49%	\$511				

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 - Whippain Township Annual Financial Reports

Table 15

**WHITPAIN TOWNSHIP**  
**Computation of Direct and Overlapping Debt**  
**December 31, 2014 (unaudited)**

<u>Jurisdiction</u>	<b>Total Debt <u>Outstanding</u></b>	<b>Percentage Applicable to <u>Whitpain</u></b>	<b>Amount Applicable to <u>Whitpain</u></b>
<b>Direct</b>			
Whitpain Township (1)	\$ 9,805,004	100.00%	\$ 9,805,004
<b>Overlapping</b>			
County of Montgomery	446,116,110	3.51%	15,673,956
Wissahickon School District	-	54.77%	-
<b>Total Overlapping Debt</b>	<u>446,116,110</u>		<u>15,673,956</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 455,921,114</u>		<u>\$ 25,478,960</u>

**Notes:**

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

(2) Proportional share of existing debt as of December 31, 2014 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

Table 16

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

<b>Year Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Total General</b>	<b>Ratio of</b>
<b>31-Dec</b>				<b>Governmental</b>	<b>Debt Service</b>
				<b>Expenditures</b>	<b>to Total</b>
				<b>Expenditures</b>	<b>General</b>
					<b>Governmental</b>
					<b>Expenditures</b>
<b>2005</b>	424,000	512,089	936,089	11,443,711	8.18%
<b>2006</b>	444,000	579,831	1,023,831	12,668,156	8.08%
<b>2007</b>	555,000	739,697	1,294,697	16,470,252	7.86%
<b>2008</b>	809,000	651,246	1,460,246	16,254,492	8.98%
<b>2009</b>	841,000	632,182	1,473,182	13,917,966	10.58%
<b>2010</b>	874,000	586,575	1,460,575	14,269,407	10.24%
<b>2011</b>	908,000	550,926	1,458,926	14,424,172	10.11%
<b>2012</b>	3,753,000	558,828	4,311,828	16,507,090	26.12%
<b>2013</b>	884,000	449,387	1,333,387	14,873,544	8.96%
<b>2014</b>	941,000	414,410	1,355,410	16,980,042	7.98%

Source: Whitpain Township Annual Financial Statements.

Table 17

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

Year Ended 31-Dec	Per	Population (1)	Total		Unemployment Rate (2)
	Capita Income (1)		Personal Income		
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
2014	56,928	18,875	1,074,516,000		3.8

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, 2014 (unaudited)**

<u>Age Group Comparisons:</u>	Township		State		US	
	2010	2000	2010	2000	2010	2000
% Under 18	24.5%	25.0%	24.9%	23.8%	26.9%	25.7%
% 18-44	25.5%	32.2%	31.4%	37.5%	33.6%	39.9%
% 45-64	31.5%	27.9%	28.1%	23.1%	26.4%	22.0%
% 65 and over	18.5%	14.9%	15.6%	15.6%	13.1%	12.4%
Median (years)	45.0	41.1	40.1	38.0	37.2	35.3
<u>Population Density</u>	Township		State		US	
	2010	2000	2010	2000	2010	2000
(persons/sq. mile)	1473.5	1449.0	283.4	274.0	87.3	79.6
<u>Average Household Size (persons):</u>	2010		2000			
Whitpain Township	2.51		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 Thirteen Years Ago (unaudited)**

Employer	Description	2014			2001		
		Employees	Rank	% of Total Township Employment	Employees	Rank	% of Total Township Employment
AETNA	Insurance	1,251	1	7.96%	2,746	1	19.63%
M C C C	Community College	1,239	2	7.89%	838	4	5.99%
Henkels & McCoy Inc	Engineering/Construction	723	3	4.60%			
The Carney Group	Job Placement	391	4	2.49%			
Unisys Corporation	IT Consulting	386	5	2.46%	2,214	2	15.83%
Pennsylvania Manufacturers	Manufacturing	311	6	1.98%			
Wissahickon School District	K-12 schools	246	7	1.57%	283	8	2.02%
MEDCO Health Services Inc	Health Services	245	8	1.56%			
Hansen Properties	Property Management	224	9	1.43%	323	6	2.31%
ACTS, Inc.	Assisted Living	223	10	1.42%	241	10	1.72%
<b>Subtotals</b>		<u>5,239</u>		<u>33.35%</u>	<u>6,645</u>		<u>47.50%</u>
<b>TOTAL number employed in the Township</b>		<u><u>15,710</u></u>			<u><u>13,990</u></u>		

Source: Berkeimer Tax Administrator

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Government</b>	10.0	10.0	10.0	10.0	10.0	10.0	13.0	13.0	15.5	15.5
<b>Admin., Finance, Engineering</b>										
<b>Police</b>										
<b>Officers</b>	30.0	30.0	30.0	32.0	32.0	30.0	29.0	30.0	29.0	29.0
<b>Civilians</b>	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.5	8.5
<b>Fire</b>										
<b>Officers</b>	3.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
<b>Fire Marshal's Office</b>	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0	1.5	1.0
<b>Code Enforcement &amp; Zoning</b>	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
<b>Public Works</b>										
<b>Highway, Facilities and Parks</b>	16.5	17.5	17.5	17.5	17.5	16.5	17.5	17.5	18.0	17.0
<b>Culture and Recreation</b>	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Sewer</b>	9.0	9.5	9.5	9.5	9.5	9.5	8.0	8.0	8.0	7.0
<b>Totals:</b>	<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>	<u>88.00</u>

Source: Whitpain Township, Montgomery County, Pennsylvania Records

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

	<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>	<u>2014 (1)</u>
<b>Planning &amp; Engineering</b>										
Land Developments	10	6	7	3	3	5	1	2	4	2
Subdivisions	6	3	2	3	7	2	4	2	3	4
<b>Police</b>										
Part I Crimes	42	37	61	48	44	56	51	86	51	275
Part II Crimes	341	343	209	228	242	275	273	291	308	384
Total Calls for Service	21,633	23,043	22,686	21,473	20,884	21,980	21,589	23,340	22,875	24,519
<b>Fire</b>										
Alarm	235	274	257	253	236	223	223	221	195	195
Structure	54	52	60	43	56	42	54	51	33	45
Vehicle	29	22	28	17	14	22	20	21	25	28
Other	293	380	321	328	311	343	368	327	265	372
Total Incidents	611	728	666	641	617	630	665	620	518	640
<b>Code Enforcement &amp; Zoning</b>										
Building Permits	629	651	681	451	394	438	404	466	372	478
Electrical Permits	248	441	414	277	261	268	265	261	261	364
Fire Protection Permits	71	40	44	32	28	38	31	31	24	42
Mechanical Permits	192	170	202	151	156	171	157	194	204	315
Occupancy Permits	241	409	288	197	178	172	158	152	158	174
Plumbing Permits	260	414	340	219	167	322	261	186	176	218
Conditional Use Applications	2	-	1	1	1	2	1	-	-	2
Zoning Hearing Board Applications	72	64	46	40	30	43	47	39	35	33
Zoning Permits	-	-	-	-	-	-	-	449	294	502
<b>Highway and Streets</b>										
Streets Resurfaced (miles)	6.10	5.64	4.50	3.68	7.20	6.40	5.29	6.18	9.95	9.24
<b>Culture and Recreation</b>										
Program Registration	268	200	190	338	298	354	500	500	625	625
Concert Series Attendance	2,250	2,000	2,000	2,700	3,500	2,850	2,500	2,500	2,800	2,800

Notes:

(1) In 2014, the Police Department's operating indicator changed to all reported offenses for Part I & II Crimes. Prior to 2014 only arrests were shown as an operating indicator.

Source: Whippain Township, Montgomery County, Pennsylvania Records

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

Function	<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>	<u>2014</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	23	23	23	23	22	21	22	21	22	22
Fire (1)										
Stations	2	2	2	2	2	2	1	1	1	1
Apparatus	12	12	12	12	12	12	12	9	8	9
Highway and Streets										
Street Miles	67.40	67.78	67.78	67.78	67.78	67.78	67.78	67.78	67.28	67.96
Traffic Signals	27	27	27	27	27	28	28	28	27	27
Stormwater Detention Basins	8	8	8	8	8	8	8	8	8	8
Parks and Recreation										
Parks	9	9	10	10	10	10	10	10	10	11
Acres	314	314	350	350	350	350	350	350	350	425
Playgrounds	3	4	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	1	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 12/31/2014**  
**PROPERTY COVERAGE**

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

o. Scheduled Landscaping, Tees, Sand Traps, Greens and Athletic Fields with sublimits per item per form	\$5,000,000	Each Occurrence
p. Unscheduled Fine Arts	\$2,500,000	Each Occurrence
q. Furs, Jewelry, Precious Metals and Stones	\$500,000	Each Occurrence, Each Participant
r. Watercraft (under twenty-seven feet in length, unless scheduled)	\$2,500,000	Each Occurrence
s. Off Premises Service Interruption including Extra Expense Resulting from a Covered Peril at Non-Owned/Operated Locations	\$25,000,000	Each Interruption
t. Business Interruption, including Rental Income, Tuition and Related Fees Income and Tax Interruption, if values have been reported	\$100,000,000	Each Interruption for All Participants Combined
u. Business Interruption, including Rental Income, Tuition and Related Fees Income and Tax Interruption, if values have not been reported	\$500,000	Each Interruption, Each Participant
v. Business Interruption, including Rental Income, Tuition and Related Fees Income and Tax Interruption, if values have not been reported	\$2,500,000	Each Interruption for All Participants Combined
w. Extended Period of Indemnity	180	Days
x. Contingent Business Interruption (including Rental Income, Tuition and Fees Income, Tax Interruption) Resulting from a Covered Peril at Direct Supplier or Direct Customer Locations	\$3,000,000	Each Interruption for All Participants Combined
Y. Contingent Extra Expense Resulting from a Covered Peril at Direct Supplier or Direct Customer Locations	\$3,000,000	Each Interruption for All Participants Combined
z. Leasehold Interest	\$500,000	Each Occurrence
aa. Claims Preparation Expense	\$1,000,000	Each Occurrence
bb. Accidental Contamination of Land When Resulting from a Named Peril	\$250,000	Each Occurrence, Annual Aggregate
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
ee. Flood	\$100,000,000	Annual Aggregate for All Participants Combined
ff. Flood - Zones A, AE, V and all other 100 year Floodplains	\$50,000,000	Annual Aggregate for All Participants Combined *
gg. Terrorism **	\$25,000,000	Annual Aggregate for All Participants Combined

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

\*\* This terrorism coverage applies excess of any terrorism coverage available through the Trust's property reinsurance underwritten by Alliant Insurance Services' Public Entity Property Insurance Program (PEPIP USA).

Per occurrence and aggregate limits of the PEPIP USA program for terrorism are shared by Delaware Valley Insurance Trust and other public entity group self-insurance pools and public entity insureds throughout the United States. This Insurance Trust membership only and is not shared with other public entities covered by the PEPIP USA program.

3

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

## BOILER COVERAGE

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

## CRIME COVERAGE

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

o.	Heart and Lung Act Liability		\$100,000	Annual Aggregate
p.	Privacy Liability (effective May 1, 2009)		\$100,000	Annual Aggregate
2	Deductibles			
a.	General Liability		\$0	Each Occurrence
	General Liability arising out of Skateboarding or Rollerblading		\$2,500	Each Occurrence
	General Liability arising out of Backup of Sewage		n/a	Each Claim
	General Liability arising out of Backup of Sewage		n/a	Each Occurrence
	General Liability arising out of Backup of Sewage		n/a	Annual Aggregate
b.	Police Professional Liability arising out of Law Enforcement Activities		\$3,500	Each Occurrence
c.	Auto Liability, Uninsured Motorists and Basic First Party Benefits		\$0	Each Accident
d.	Auto Physical Damage and Garagekeepers Legal Liability - Collision or Other Than Collision (Passenger Vehicles, Motorcycles and Light Trucks)		\$500	Each Accident
e.	Auto Physical Damage and Garagekeepers Legal Liability - Collision or Other Than Collision (All Other Autos)		\$1,000	Each Accident
f.	Public Officials and Employees Liability		\$2,500	Each Claim
g.	Employee Benefit Plan Fiduciary Liability		\$2,500	Each Loss
h.	Privacy Liability		\$2,500	Each Claim
3	Retroactive Date for Public Officials and Employees Liability:		None	
4	Retroactive Date for Privacy Liability:			May 1, 2009 or the effective date 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	-
<b>Net Contribution</b>	<b>\$182,394.00</b>

### DELAWARE VALLEY WORKERS COMPENSATION TRUST

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

Source: Whitpain Township Records

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

Year Ended 31-Dec	Number of Active Members	Contributions			State	Total	Number of Retirees & Beneficiaries (1)
		Members	Township				
2005	29	\$ 111,997	\$ 192,088	\$ 163,900	\$ 467,985	10	
2006	26	\$ 95,368	\$ 101,975	\$ 179,134	\$ 376,477	16	
2007	28	\$ 101,439	\$ 84,891	\$ 173,145	\$ 359,475	16	
2008	29	\$ 116,934	\$ 72,549	\$ 165,625	\$ 355,108	17	
2009	29	\$ 121,164	\$ 90,428	\$ 181,425	\$ 393,017	19	
2010	29	\$ 125,980	\$ 93,212	\$ 194,091	\$ 413,283	19	
2011	29	\$ 148,833	\$ 208,814	\$ 322,795	\$ 680,442	19	
2012	28	\$ 122,317	\$ 250,031	\$ 187,098	\$ 559,446	21	
2013	29	\$ 143,023	\$ 232,475	\$ 217,524	\$ 593,022	14	
2014	27	\$ 130,117	\$ 209,110	\$ 201,393	\$ 540,620	21	

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	Contributions			State	Total	Number of Retirees & Beneficiaries
		Members	Township				
<b>2005</b>	55	\$ 81,233	\$ 268,409	\$ 166,825	\$ 516,467	20	
<b>2006</b>	57	\$ 87,622	\$ 265,047	\$ 176,046	\$ 528,715	22	
<b>2007</b>	61	\$ 89,506	\$ 275,414	\$ 189,177	\$ 554,097	21	
<b>2008</b>	58	\$ 97,950	\$ 261,293	\$ 194,430	\$ 553,673	25	
<b>2009</b>	60	\$ 96,748	\$ 273,130	\$ 190,809	\$ 560,687	25	
<b>2010</b>	60	\$ 98,120	\$ 286,359	\$ 194,091	\$ 578,570	25	
<b>2011</b>	58	\$ 110,094	\$ 346,358	\$ 322,794	\$ 779,246	25	
<b>2012</b>	53	\$ 139,319	\$ 289,302	\$ 217,002	\$ 645,623	29	
<b>2013</b>	52	\$ 111,313	\$ 276,476	\$ 217,524	\$ 605,313	28	
<b>2014</b>	49	\$ 88,558	\$ 260,612	\$ 224,631	\$ 573,801	30	

Source: Whitpain Township Records

**WHITPAIN TOWNSHIP**  
**Miscellaneous Statistics**  
**December 31, 2014 (unaudited)**

<b>Date Founded</b>	Incorporated 1701	
<b>Form of Government</b>	Township of the Second Class Governed by a five member Board of Supervisors elected at large	
<b>Area (sq. miles)</b>	12.81	
<b>Miles of Road</b>	67.96	
<b>Fire Protection</b>	Combination department with four career and thirty volunteer firefighters one (1) stations with nine (9) apparatus	
<b>Police Protection</b>	Twenty-nine officers Including chief of police. Eight civilian support/dispatch staff.	
<b>Recreation</b>	11 Parks with 425 acres	
<b>Libraries</b>	Wissahickon Valley Public Library	
<b>Transportation:</b>		
<b>Bus</b>	SEPTA Bus Service on Routes 94, 96, and 98	
<b>Railway</b>	SEPTA Regional Rail Line R-5 with access at the North Wales, Gwynedd Valley, Penlyn, and Ambler Rail Stations	
<b>Highway</b>	Township is located at the crossroads of U. S. Rt. 202 and U.S. Rt. 73.	
<b>Education:</b>		
<b>Number of Schools (Fall 2010)</b>	<b>Public</b>	<b>Nonpublic</b>
<b>Elementary</b>	3	1
<b>Middle</b>	0	0
<b>Secondary</b>	0	0
<b>College</b>	1	0
<b>Township Employees:</b>	<b>2014</b>	
<b>Full Time</b>	88	
<b>Part Time</b>	21	
<b>Seasonal</b>	42	
<b>Population:</b>	<b>2010</b>	<b>2000</b>
	18,875	18,562