

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



**WHITPAIN TOWNSHIP
MONTGOMERY COUNTY
PENNSYLVANIA**

For the year ended December 31, 2018

**WHITPAIN TOWNSHIP
MONTGOMERY COUNTY
PENNSYLVANIA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2018

**Whitpain Township Finance Department
Christine M. Bauman, Director of Finance**

INTRODUCTORY SECTION

WHITPAIN TOWNSHIP

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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

June 5, 2019

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, 2018. 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, 2018, 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 unmodified opinion that Whitpain Township's financial statements for the fiscal year ended December 31, 2018, 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 large corporations, including Aetna and Henkels and McCoy. 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 Rescue 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. 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 2018:

- **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 2018, the Township received annual license fees totaling \$227,504 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. The Township and Weddings by The Pond are currently exploring a proposed plan to upgrade kitchen facilities.
- **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 have been implemented to scan, process, approve and file accounts payable transactions using an electronic document management system linked to MUNIS. The Code Enforcement Department has converted its legacy permits software to MUNIS.
- **Environment & Stormwater Management** - During 2018, 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 plan necessary to comply with the requirements of the program. Whitpain Township completed a stormwater basin retrofit project in the Village Circle neighborhood. This project modernized the basin to today's standards and not only helps control stormwater, but also helps improve water quality. In 2018, the Township was recognized with a gold-level sustainability award from the Greater Valley Forge TMA at the organization's 9th Annual Sustainability Awards Program.
- **Police Department** - The Whitpain Police Department maintained its accreditation with the Pennsylvania Law Enforcement Accreditation Commission in 2018. The accreditation process requires a rigorous re-accreditation review every three years. Whitpain is one of only 110 organizations to achieve this lofty standard in the Commonwealth. In 2018 the department continued building a strong relationship with the community by expanding its popular Facebook page. The department also expanded its Bicycle Patrol Unit to help patrol community events, neighborhoods, and trails.
- **Comprehensive Plan** - In 2016, Whitpain adopted a new comprehensive plan titled "Whitpain 2035: 4 Villages within a Community." This comprehensive plan was thoroughly and carefully researched for over a year and a half before adoption. The name comes from the four remaining village areas within Whitpain: Blue Bell, Broad Axe, Centre Square and West Ambler. One of the key pieces of information gathered from residents during our Comprehensive Plan was the need to enhance pedestrian access through our community. In 2018, the team of A Morton Thomas and Associates along with Urban Research and Development Corporation continued to work on a walkability study to improve pedestrian access throughout the community. This study will be available in the summer of 2019.

- **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 over 2,000 recipients continues to be the Township's most popular communications asset.
- **GFOA Award** - For the seventh consecutive year, Whitpain was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for the Township's 2017 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. Although walking trails in the park opened in 2014, the park's grand opening was celebrated in 2015, when the playing fields were ready for soccer and lacrosse games. The entire project includes \$4.5 million of improvements, all of which were paid by Walsh Construction. In 2018, the Whitpain Recreation Association opened a clubhouse building at the park. The building features meeting room space, a food service window and kitchen along with public restrooms. In 2018, the Township began working with consultants to create a draft master plan to create a nature-based inclusive playground.
- **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 partnered with other communities and Temple University's Center for Sustainable Communities to study the Rose Valley Watershed. The study forced revisions to FEMA's floodplain maps and suggest steps to help mitigate the risk of flooding in the future. Because of these more accurate maps, several homeowners in West Ambler have voluntarily applied for state and federal programs to have their homes purchased for flood mitigation efforts.

In 2017 the Wissahickon Valley Boys and Girls Club opened a new temporary facility on vacant lots owned by the Township in West Ambler. Sixty children identified by the Wissahickon School District are bussed to the facility after school hours to participate in the program.

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 saw in the neighborhood. Planning continued in 2017 to extend the sidewalks to other portions of the neighborhood. Additionally, the Township has hired consultants to study the possibility of placing an aesthetically pleasing sound and safety wall adjacent to the railroad tracks which border the neighborhood. This neighborhood is poised for revitalization because of its proximity to mass transit, affordable housing and access to walking trails and parks. In 2018, the Township was awarded a \$1.0 million Redevelopment Assistance Capital Program Grant for the Boys & Girls Club and Wissahickon Park.

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: Non-spendable, Restricted, Committed, Assigned and Unassigned. In 2018, the Township rebalanced its fund balances in the General Fund, Capital Projects Fund, and Open Space Fund by transferring \$861,034 from General Fund to Capital Projects Fund and \$361,034 to the Open Space 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 G, 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 continued in 2018 as well. Although there are major employers in the Township, notably the Montgomery County Community College, AETNA 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 29% of the workforce in 2018. There continues to be a greater diversity of employers in the Township providing more stability for the Township to weather downturns in the economy.

With a strong economic outlook, 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 2018, strong land development and subdivision activity continued. Several large land development projects continued construction in 2018, including the Centre Square Commons shopping center project and the Centre Square Fire Company Fire Station.

A more detailed analysis of the Township's overall financial condition during the fiscal year ended 2018 is included as part of Management's Discussion and Analysis section of this report.

Long-Term Financial Planning

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

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

Internal Controls

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

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

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

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

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

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

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 of Achievement for Excellence in Financial Reporting by GFOA for the Township's 2017 CAFR.

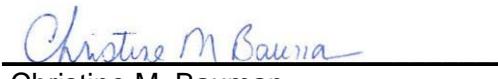
Preparation of this report would have been impossible without the hard work of the Finance Department staff, not just in the compilation of information at year-end, but in maintaining the Township's financial records and fiscal control system throughout the year. We also wish to thank our auditors, Maillie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



Government Finance Officers Association

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

Presented to

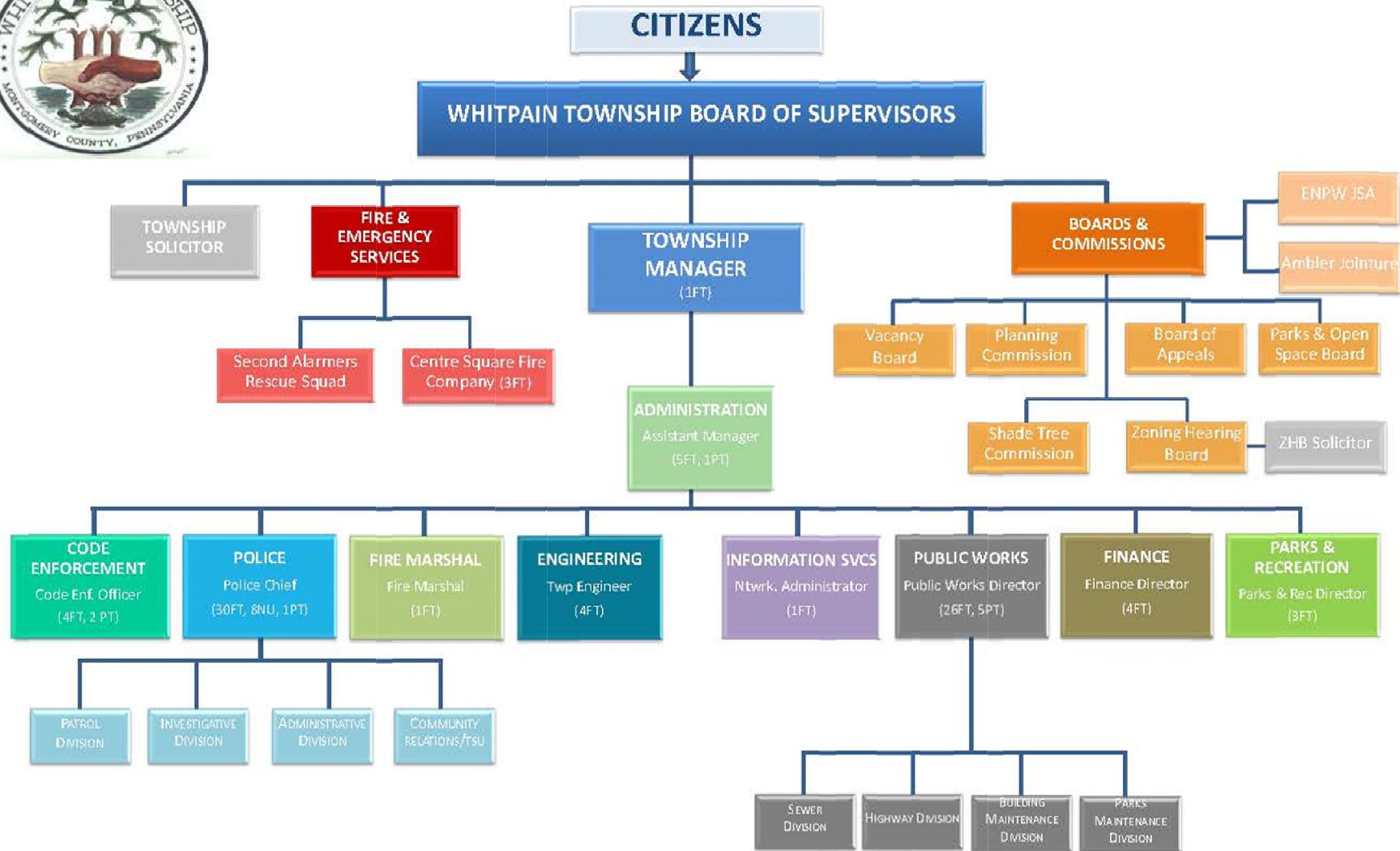
**Whitpain Township
Pennsylvania**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO



Employee Count - 90 Full Time; 9 Part Time
Last Edited - 11/27/16 - NML

**WHITPAIN TOWNSHIP
LIST OF OFFICIALS
AS OF DECEMBER 31, 2018**

BOARD OF SUPERVISORS

Frederick R. Conner, Chairman
Adam D. Zucker, Vice Chair
Anthony F. Greco, Secretary
Kenneth F. Wollman, Treasurer
Michele Minnick, Assistant Secretary

APPOINTED OFFICIALS

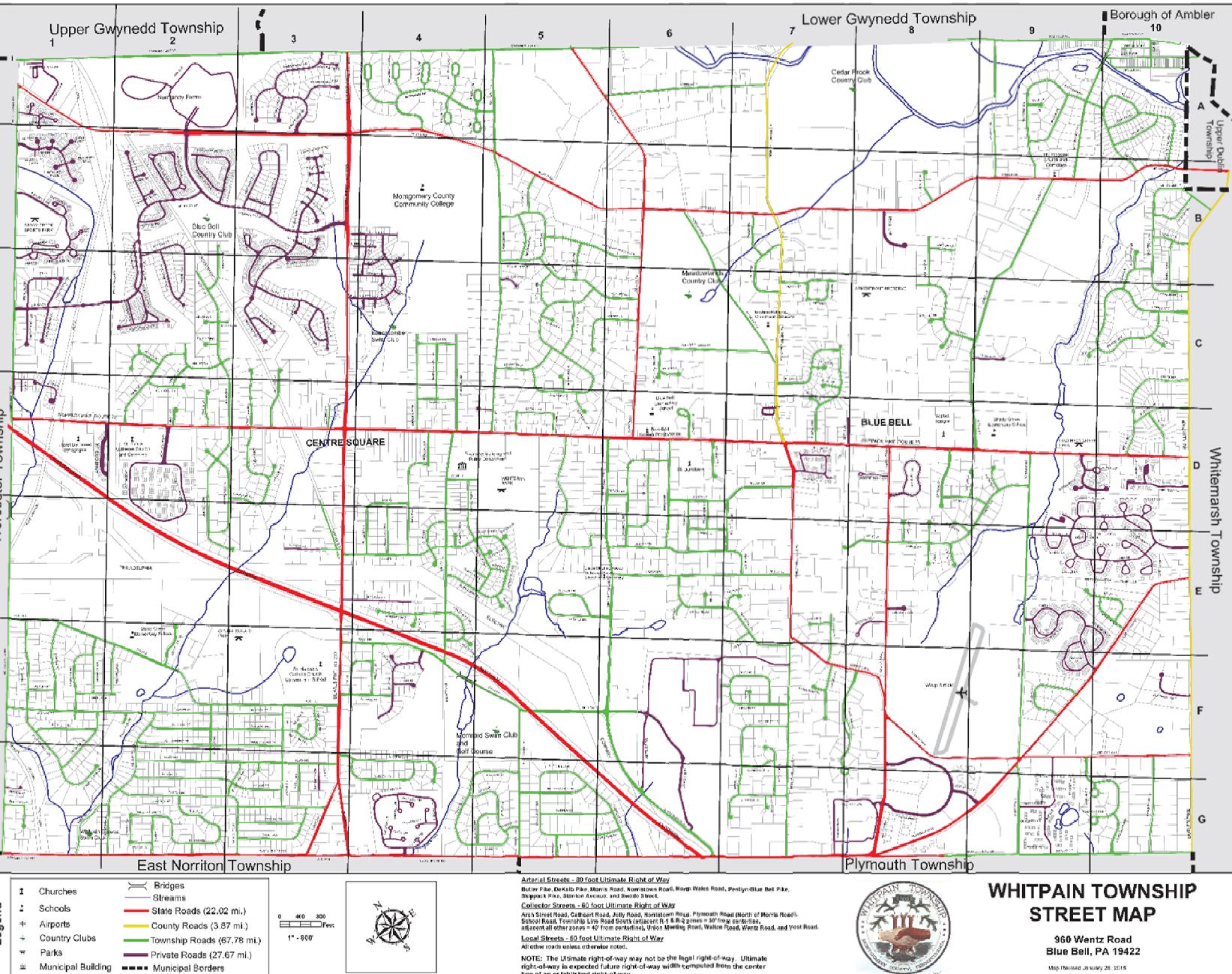
Roman M. Pronczak, Township Manager
Frank R. Bartle, Township Solicitor
Robert L. Adshead, Zoning Hearing Board Solicitor

OTHER MANAGEMENT OFFICIALS

David Mrochko, Assistant Township Manager
Christine M. Bauman, Director of Finance
James E. Blanch, Township Engineer
Kenneth Lawson, Chief of Police
David M. Camarda, Fire Marshal
N. Lee Miller, Fire Chief
Michael E. McAndrew, Code Enforcement Officer
Tom Farzetta, Director of Public Works
Kurt W. Baker, Parks & Recreation Director

OTHERS

Eileen K. Stephenson, 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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

To the Township Supervisors
Whitpain Township
Blue Bell, Pennsylvania

Emphasis of Matter

For the year ended December 31, 2018, Whitpain Township adopted new accounting guidance, implementing Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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 77 through 80, pension plan information on pages 81 through 86 and postemployment benefits other than pension information on page 87 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.

Mailliard LLP

Oaks, Pennsylvania
June 5, 2019

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2018

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, 2018

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.

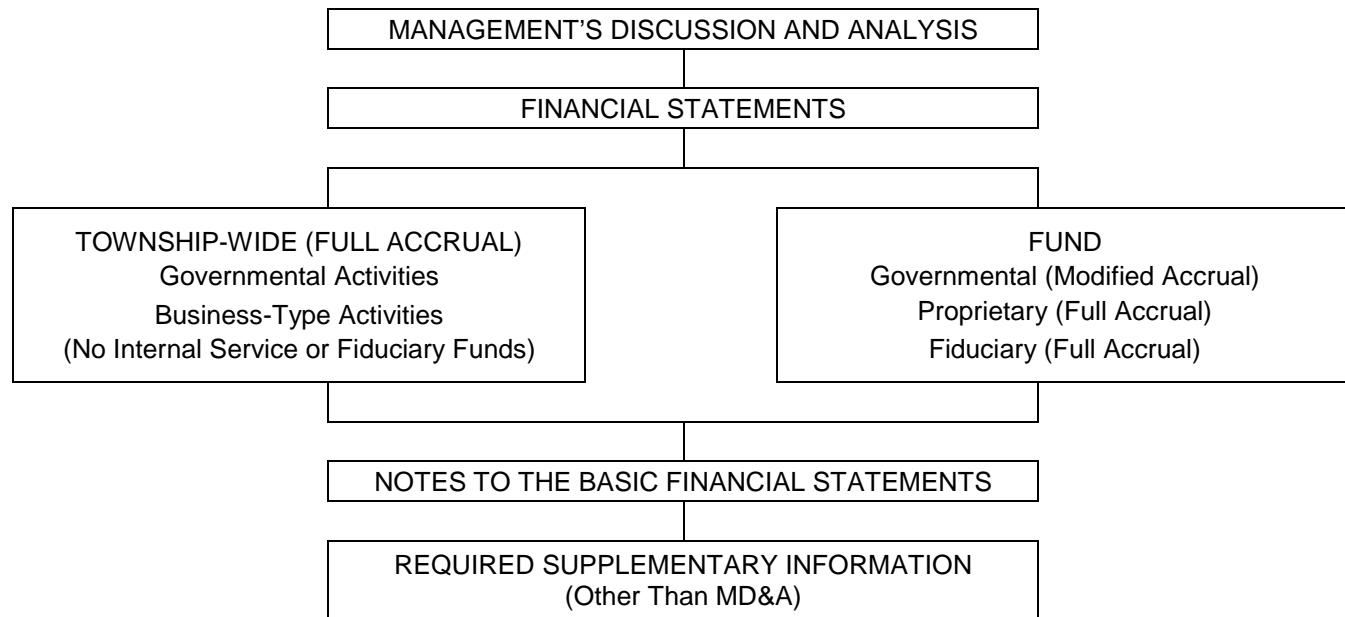
WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2018

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, 2018. 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	
	2017	2018	2017	2018	2017	2018
ASSETS						
Current and other assets	\$ 19,429	\$ 20,036	\$ 2,408	\$ 3,531	\$ 21,837	\$ 23,567
Capital assets, net	43,195	42,791	1,521	1,375	44,716	44,166
TOTAL ASSETS	62,624	62,827	3,929	4,906	66,553	67,733
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions/OPEB	1,858	3,353	271	446	2,129	3,799
LIABILITIES						
Long-term debt	9,958	13,465	339	801	10,297	14,266
Other liabilities	261	226	360	841	621	1,067
TOTAL LIABILITIES	10,219	13,691	699	1,642	10,918	15,333
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions/OPEB	1,991	738	244	84	2,235	822
NET POSITION						
Net investment in capital assets	36,962	37,083	1,521	1,375	38,483	38,458
Restricted	3,013	2,604	-	-	3,013	2,604
Unrestricted	12,297	12,064	1,736	2,251	14,033	14,315
TOTAL NET POSITION	\$ 52,272	\$ 51,751	\$ 3,257	\$ 3,626	\$ 55,529	\$ 55,377

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2018

Condensed Statements of Activities (In Thousands of Dollars)

Figure I-3

	Governmental Activities		Business-Type Activities		Totals	
	2017	2018	2017	2018	2017	2018
REVENUES						
Program revenues						
Charges for services	\$ 1,173	\$ 1,397	\$ 3,404	\$ 3,414	\$ 4,577	\$ 4,811
Operating grants and contributions	1,501	1,763	-	-	1,501	1,763
Capital grants and contributions	105	175	103	598	208	773
General revenues						
Real estate taxes	6,311	6,417	-	-	6,311	6,417
Other taxes	8,838	8,773	-	-	8,838	8,773
Investment earnings	86	214	13	104	99	318
Gain on sale of assets	-	44	-	-	-	44
Miscellaneous	964	936	70	67	1,034	1,003
TOTAL REVENUES	18,978	19,719	3,590	4,183	22,568	23,902
EXPENSES						
General government	4,478	4,203	-	-	4,478	4,203
Public safety						
Police	6,090	6,722	-	-	6,090	6,722
Fire	1,041	1,212	-	-	1,041	1,212
Code enforcement	553	511	-	-	553	511
Zoning	63	59	-	-	63	59
Public works	4,601	4,836	-	-	4,601	4,836
Culture and recreation	1,302	1,755	-	-	1,302	1,755
Interest on long-term debt	288	249	-	-	288	249
Sewer	-	-	3,840	3,752	3,840	3,752
TOTAL EXPENSES	18,416	19,547	3,840	3,752	22,256	23,299
CHANGE IN NET POSITION	562	172	(250)	431	312	603
BEGINNING NET POSITION, restated	51,710	51,579	3,507	3,195	55,217	54,774
ENDING NET POSITION	\$ 52,272	\$ 51,751	\$ 3,257	\$ 3,626	\$ 55,529	\$ 55,377

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2018

General Revenues and Other Changes in Net Position

Figure I-4

	2017	2018	Percent Change
REVENUES			
Real estate taxes	\$ 6,310,809	\$ 6,417,438	2%
Transfer taxes	868,946	856,884	-1%
Earned income taxes	7,130,104	7,069,707	-1%
Local services taxes	837,737	846,074	1%
Investment income	86,293	213,893	148%
Gain on sale of assets	-	44,340	100%
Miscellaneous	964,931	935,873	-3%
Charges for services	1,173,225	1,396,659	19%
Operating grants and contributions	1,500,901	1,762,738	17%
Capital grants and contributions	105,410	175,000	66%
TOTAL REVENUES	<u>18,978,356</u>	<u>19,718,606</u>	<u>4%</u>
EXPENSES			
General government	4,478,023	4,202,791	-6%
Police	6,090,261	6,721,640	10%
Fire	1,041,022	1,212,188	16%
Code enforcement	553,157	511,162	-8%
Zoning	62,619	59,294	-5%
Public works	4,601,427	4,835,686	5%
Parks and recreation	1,301,820	1,755,353	35%
Debt service	288,378	249,292	-14%
TOTAL EXPENSES	<u>18,416,707</u>	<u>19,547,406</u>	<u>6%</u>
CHANGE IN NET POSITION	<u>\$ 561,649</u>	<u>\$ 171,200</u>	<u>-70%</u>

FINANCIAL HIGHLIGHTS

- The Township's assets exceeded its liabilities by \$55,376,442 (Total Net Position) for the fiscal year reported. This total includes both governmental and business-type (Sewer) activities.
- Total Net Position is comprised of the following:
 1. Capital Assets, net of related debt of \$38,458,571, which include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 2. Net Position of \$2,603,155, which is restricted as a result of debt covenants, grantor constraints or laws and regulations.

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2018

3. Unrestricted Net Position of \$14,314,716, which is available to fund the continued operations of the Township.
 - The Township's Governmental Funds fund balance at the end of 2018 was \$17,732,619. This compares to the fund balance at the end of 2017 of \$17,126,695. The increase of \$605,924 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 \$60,397 from 2017 (or 1%). The forecast for EIT revenues should begin to level off in the next few years.
 - Transfer Taxes decreased by \$12,062 (or 1%) from 2017. Transfer Tax revenue in 2018 is on par with other years. Whitpain expects Transfer Taxes to continue to be a key revenue source with an anticipation of more commercial properties in the years to come.
 - Capital Projects expenses decreased by \$1,081,811 in 2018. The reason for the decrease in expenses is that in 2017 the Township allocated \$1,650,000 to Centre Square Fire Company to assist with the company building a new fire station. In 2018 a few significant projects that were undertaken were improvements to the administration building as well as upgrades to public works equipment and machinery.
 - Traffic Improvement expenses increased \$391,771. This was due to making intersection improvements at Butler and Skippack Pike, which included adding a right turn lane, upgrading traffic signals, and improving curbs and sidewalks. Revenues increased by \$239,246 as well, due to receiving a grant from the county to make improvements to the aforementioned intersection.
 - For the Sewer Fund, Cash and Cash Equivalents increased by \$373,050 primarily due to not making an annual transfer to the Sewer Capital Fund to fund capital projects, but rather utilizing funds available from impact fees. With proper maintenance and sufficient maintenance, the Township has been able to extend the useful life of most of its equipment. Sewer revenues over all increased by \$18,838. This is due to a slight increase in overall commercial billing in 2018. Capital Assets represent \$222,169 in depreciation expense.

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2018

- The Sewer Fund Net Position at the end of 2018, compared with 2017, increased by \$215,149, primarily due to the use of impact fee funds as opposed to making a transfer to the Sewer Capital Fund. Sewer operating expenses declined in 2018 by \$55,037 due to less sewer inlet repairs made.
- The Sewer Capital Fund Net Position at the end of 2018, compared with 2017, increased by \$215,783. This was a result of an increase in sewer impact fees made by developers.
- Total General Obligation Bonds and Notes Outstanding decreased by \$524,000 from 2017. This decrease was due to principal reductions in all two current general obligation notes and bond issues and the retirement of Notes 1999 B and 2002. Retirement of the principal portion of the debt service is as follows: 2019 through 2022 (44.15%), 2023 through 2026 (44.36%), 2027 through 2030 (10.44%) and in 2031 (1.04%).

Governmental Revenue - 2018

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, Transfer Taxes and Earned Income Taxes (EIT) remained relatively flat in 2018. Investment income increased by \$127,600 (or 148%). Charges for services increased \$223,434 (or 19%). This was due to an increase in building and developing activities in the Township during 2018. Operating grants and contributions increased \$261,837 (or 17%). In 2018 there were several projects which required developers to pay impact fees or contributions to funds such as Traffic Improvements and Open Space. Capital grants and contributions increased \$69,590 (or 66%) due to an easement from PECO to improve an intersection in the Township.

Governmental Expenses - 2018

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 10% in 2018, primarily due to the collective bargaining agreement (CBA) which was in effect through December 2016. The settlement of this agreement included retro-pay which is the main cause for the increase. Parks and Recreation expenses increased by 35% due to numerous Open Space and Walking Trail projects being completed in 2018.

Governmental Net Position - 2018

As a result of 2018 Governmental Activities, Whitpain recognized a \$171,200 increase in Net Position.

Business-Type Activities

The Township's only business-type activity is its sewer operation. Charges for services in fiscal year 2018 were \$3,414,798 or \$10,926 more than charges for services in fiscal year 2017. This was due to there being an increase in commercial billing revenue in 2018. The sewer operation reported an increase in net position of \$215,149. Much of this increase was due to not having an annual transfer to the Sewer Capital Fund.

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2018

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 \$17,732,619. Of this year-end total, \$1,000,000 is committed to tax rate stabilization, \$4,957,213 is committed to capital reserve and open space projects, and \$2,700,000 is assigned to an Operating Reserve Fund and \$4,901,185 is assigned for capital acquisition, construction and improvement; and \$309,583 is assigned for highway and street projects. Restricted fund balances include: \$871,468 for fire protection, \$925,937 for open space acquisition and improvement, \$246,617 for debt service, \$258,726 for fire hydrants, \$72,567 for storm water detention facilities and \$176,416 for highway and street projects; \$51,424 for 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 \$8,682,466. The General Fund balance increased by \$961,995 from 2017.

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 \$6,104,688. This is an increase of \$158,533 over the ending fund balance for 2017. The increase was the result of a projects that were budgeted in 2018 coming in at an overall lower cost than was anticipated. The Capital Projects Fund has a Strategic Financial Plan for the years 2019 through 2023 totaling \$12,335,259. 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 \$851,099. Earned Income Taxes continue to be a very strong revenue source for the Township with earning \$385,355 more than expected. Other significant revenues over budget were Transfer Taxes which exceed budget by \$106,884, Electrical Permits which exceed budget by \$68,174 and Plumbing Permits which exceeded budget by \$67,764.
- General Fund functional services' actual expenses were lower than budgeted expenses by \$577,518. This was primarily due to Police expenses being \$172,385 under budget. The other services that had significant favorable variances were as follows:

Police.....	\$172,385
Solicitor.....	\$166,381
Equipment maintenance	\$84,933
Municipal Buildings	\$65,778
Code enforcement	\$57,870

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2018

CAPITAL ASSETS - NET OF DEPRECIATION

Capital Assets, net of depreciation, decreased in 2018 by \$550,723 to \$44,165,975, primarily due to depreciation of capital assets over 2018. 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	
	2017	2018	2017	2018	2017	2018
Land	\$ 16,108	\$ 16,108	\$ -	\$ -	\$ 16,108	\$ 16,108
Conservation easements	1,052	1,052	-	-	1,052	1,052
Construction in progress	485	588	54	130	539	718
Land improvements	2,457	2,448	-	-	2,457	2,448
Buildings and improvements	3,588	3,853	-	-	3,588	3,853
Machinery and equipment	3,433	3,935	422	360	3,855	4,295
Infrastructure	16,072	14,807	1,045	885	17,117	15,692
	\$ 43,195	\$ 42,791	\$ 1,521	\$ 1,375	\$ 44,716	\$ 44,166

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, a purchase of two fire vehicles; Net Pension Liability and for the recording of compensated absences payable to employees and Other Post-Employment Benefits (OPEB). In 2018, long-term debt increased by \$3,968,581. This is due to an increase in Net OPEB and Net pension liability in both government and business-type activities. For more information on long-term debt please see Note G in the report.

Outstanding Long-Term Debt (In Thousands of Dollars)

Figure I-6

	Governmental Activities		Business-Type Activities		Totals	
	2017	2018	2017	2018	2017	2018
General obligation notes	\$ 3,189	\$ 2,940	\$ -	\$ -	\$ 3,189	\$ 2,940
General obligation bonds	3,010	2,735	-	-	3,010	2,735
Bond premium	35	32	-	-	35	32
Net OPEB obligation	1,508	2,403	28	96	1,536	2,499
Net pension liability	2,144	5,265	306	699	2,450	5,964
Compensated absences	72	90	5	6	77	96
	\$ 9,958	\$ 13,465	\$ 339	\$ 801	\$ 10,297	\$ 14,266

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2018

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 2019 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 2019. Transfer Taxes are expected to remain consistent with levels from prior years.

Operating expenses are expected to continue to increase only slightly (2.5% 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. 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 three sewer treatment plants that service Whitpain Township will continue to impact sewer fund finances. In the near future, consideration will be given to evaluating the current sewer rates.

MOODY'S RATING AND OPINION

Moody's Investors Service assigned Whitpain an AAA rating in April 2015 and was reaffirmed in 2017 and 2018. Moody's summarized its opinion indicating that Whitpain has "a very strong tax base with a large commercial component, very high wealth levels, and significant diversity of revenue sources. It also reflects a light debt burden that is likely to shrink over time, stable finances with sizeable reserves, and conservative budgeting practices that have ensured structural balance throughout the downturn."

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

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

WHITPAIN TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 15,925,066	\$ 3,157,769	\$ 19,082,835
Investments	12,585	289,921	302,506
Receivables	2,688,511	229,731	2,918,242
Notes receivable	1,233,457	-	1,233,457
Internal balances	151,373	(151,373)	-
Deposits	-	350	350
Prepaid items	25,253	4,103	29,356
Capital assets			
Land	16,108,463	-	16,108,463
Conservation easements	1,052,009	-	1,052,009
Construction in progress	587,882	130,303	718,185
Other capital assets	77,712,584	14,292,523	92,005,107
Accumulated depreciation	(52,670,165)	(13,047,624)	(65,717,789)
TOTAL ASSETS	62,827,018	4,905,703	67,732,721
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	3,179,235	437,283	3,616,518
Deferred outflows related to OPEB	173,814	8,812	182,626
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,353,049	446,095	3,799,144
LIABILITIES			
Accounts payable	118,103	64,982	183,085
Interest payable	13,513	-	13,513
Other current liabilities	95,710	775,963	871,673
Long-term liabilities			
Portion due or payable within one year			
Bonds payable	275,000	-	275,000
Notes payable	262,000	-	262,000
Compensated absences	8,940	725	9,665
Portion due or payable after one year			
Bonds payable	2,492,404	-	2,492,404
Notes payable	2,678,000	-	2,678,000
OPEB obligation	2,402,590	96,368	2,498,958
Net pension liability	5,265,042	699,195	5,964,237
Compensated absences	80,459	4,975	85,434
TOTAL LIABILITIES	13,691,761	1,642,208	15,333,969
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	737,643	83,811	821,454
NET POSITION			
Net investment in capital assets	37,083,369	1,375,202	38,458,571
Restricted			
Fire protection	871,468	-	871,468
Open space acquisition and improvement	925,937	-	925,937
Debt service	246,617	-	246,617
Fire hydrants	258,726	-	258,726
Highway and street projects	176,416	-	176,416
Stormwater detention facilities	72,567	-	72,567
Outfall water drainage	51,424	-	51,424
Unrestricted	12,064,139	2,250,577	14,314,716
TOTAL NET POSITION	\$ 51,750,663	\$ 3,625,779	\$ 55,376,442

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 4,202,791	\$ -	\$ 557,028	\$ 175,000
Police	6,721,640	69,622	-	-
Fire	1,212,188	-	156,209	-
Code enforcement	511,162	742,230	-	-
Zoning	59,294	95,669	-	-
Public works	4,835,686	-	931,208	-
Culture and recreation	1,755,353	489,138	118,293	-
Debt service	249,292	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	19,547,406	1,396,659	1,762,738	175,000
BUSINESS-TYPE ACTIVITIES				
Sewer	<u>3,752,476</u>	<u>3,414,798</u>	<u>-</u>	<u>598,181</u>
TOTAL TOWNSHIP ACTIVITIES	<u>\$ 23,299,882</u>	<u>\$ 4,811,457</u>	<u>\$ 1,762,738</u>	<u>\$ 773,181</u>
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, restated				
NET POSITION AT END OF YEAR				

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
\$ (3,470,763)	\$ -	\$ (3,470,763)
(6,652,018)	-	(6,652,018)
(1,055,979)	-	(1,055,979)
231,068	-	231,068
36,375	-	36,375
(3,904,478)	-	(3,904,478)
(1,147,922)	-	(1,147,922)
(249,292)	-	(249,292)
<hr/>	<hr/>	<hr/>
(16,213,009)	-	(16,213,009)
<hr/>	<hr/>	<hr/>
-	<u>260,503</u>	<u>260,503</u>
<hr/>	<hr/>	<hr/>
<u>(16,213,009)</u>	<u>260,503</u>	<u>(15,952,506)</u>
<hr/>	<hr/>	<hr/>
6,417,438	-	6,417,438
856,884	-	856,884
7,069,707	-	7,069,707
846,074	-	846,074
213,893	103,911	317,804
44,340	-	44,340
935,873	<u>66,518</u>	<u>1,002,391</u>
<u>16,384,209</u>	<u>170,429</u>	<u>16,554,638</u>
<hr/>	<hr/>	<hr/>
171,200	430,932	602,132
<hr/>	<hr/>	<hr/>
<u>51,579,463</u>	<u>3,194,847</u>	<u>54,774,310</u>
<hr/>	<hr/>	<hr/>
<u>\$ 51,750,663</u>	<u>\$ 3,625,779</u>	<u>\$ 55,376,442</u>

WHITPAIN TOWNSHIP

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2018

	General Fund	Fire Tax Fund	Fire Capital Fund
ASSETS			
Cash and cash equivalents	\$ 7,770,230	\$ 775,333	\$ 162,046
Investments	7,140	5,445	-
Receivables	731,535	3,136	-
Notes receivable	-	-	-
Prepaid items	25,253	-	-
Due from other funds	441,357	3,312	-
TOTAL ASSETS	\$ 8,975,515	\$ 787,226	\$ 162,046
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 90,759	\$ 266	\$ -
Accrued salaries and benefits	95,710	-	-
Due to other funds	14,817	62,958	-
Unearned revenue	-	14,580	-
TOTAL LIABILITIES	201,286	77,804	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, property taxes	91,763	-	-
FUND BALANCES			
Nonspendable			
Prepaid items	25,253	-	-
Notes receivable	-	-	-
Restricted			
Fire protection	-	709,422	162,046
Open space acquisition and improvement	-	-	-
Debt service	-	-	-
Fire hydrants	-	-	-
Highway and street projects	-	-	-
Stormwater detention facilities	-	-	-
Outfall water drainage	-	-	-
Committed			
Capital reserve and open space projects	4,957,213	-	-
Tax rate stabilization	1,000,000	-	-
Assigned			
Operating Reserve Fund	2,700,000	-	-
Highway and street projects	-	-	-
Capital acquisition, construction and improvement	-	-	-
TOTAL FUND BALANCES	8,682,466	709,422	162,046
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,975,515	\$ 787,226	\$ 162,046

See accompanying notes to the basic financial statements.

Traffic Improvement Fund	Capital Projects Fund	Open Space Fund	Manor House Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 462,472	\$ 4,927,131	\$ 951,439	\$ 34,601	\$ 275,869	\$ 565,945	\$ 15,925,066
-	-	-	-	-	-	12,585
-	-	-	-	2,824	395	737,890
-	1,233,457	-	-	-	-	1,233,457
-	-	-	-	-	-	25,253
-	69,991	-	-	-	-	514,660
\$ 462,472	\$ 6,230,579	\$ 951,439	\$ 34,601	\$ 278,693	\$ 566,340	\$ 18,448,911
\$ -	\$ 27,078	\$ -	\$ -	\$ -	\$ -	\$ 118,103
-	-	-	-	-	-	95,710
152,889	98,813	25,502	1,874	-	6,434	363,287
-	-	-	-	32,076	773	47,429
152,889	125,891	25,502	1,874	32,076	7,207	624,529
-	-	-	-	-	-	91,763
-	-	-	-	-	-	25,253
-	1,236,230	-	-	-	-	1,236,230
-	-	-	-	-	-	871,468
-	-	925,937	-	-	-	925,937
-	-	-	-	246,617	-	246,617
-	-	-	-	-	258,726	258,726
-	-	-	-	-	176,416	176,416
-	-	-	-	-	72,567	72,567
-	-	-	-	-	51,424	51,424
-	-	-	-	-	-	4,957,213
-	-	-	-	-	-	1,000,000
-	-	-	-	-	-	2,700,000
309,583	-	-	-	-	-	309,583
-	4,868,458	-	32,727	-	-	4,901,185
309,583	6,104,688	925,937	32,727	246,617	559,133	17,732,619
\$ 462,472	\$ 6,230,579	\$ 951,439	\$ 34,601	\$ 278,693	\$ 566,340	\$ 18,448,911

WHITPAIN TOWNSHIP

RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES YEAR ENDED DECEMBER 31, 2018

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 17,732,619
<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	95,460,938
Accumulated depreciation	(52,670,165)
<p>Deferred charges used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:</p>	
Deferred inflows and outflows related to pension activities	2,615,406
<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	(13,513)
Bonds payable	(2,735,000)
Notes payable	(2,940,000)
OPEB obligation	(2,402,590)
Net pension liability	(5,265,042)
Compensated absences	(89,399)
<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>	
	(32,404)
<p>Receivables in the statement of net position that do not provide current financial resources are not reported in the Governmental Funds.</p>	
	1,950,621
<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>	
	139,192
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>51,750,663</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, 2018

	General Fund	Fire Tax Fund	Fire Capital Fund
REVENUES			
Taxes			
Real estate taxes	\$ 4,793,018	\$ 802,061	\$ -
Transfer taxes	856,884	-	-
Earned income taxes	7,035,355	-	-
Local services taxes	846,074	-	-
Fees, licenses and permits	1,269,963	-	-
Investment income and rent	239,084	9,021	4,072
Intergovernmental revenues	547,026	156,209	-
Fines and forfeitures	73,215	-	-
Charges for services	489,355	-	-
Contributions	-	-	-
Other	136,316	-	-
TOTAL REVENUES	16,286,290	967,291	4,072
EXPENDITURES			
General government	3,525,502	-	-
Public safety	6,757,922	908,469	595,705
Highways and streets	2,624,589	-	-
Culture and recreation	1,194,214	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	14,102,227	908,469	595,705
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,184,063	58,822	(591,633)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	81,996
Transfers out	(1,222,068)	(150,000)	-
Proceeds from sale of capital assets	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,222,068)	(150,000)	81,996
NET CHANGE IN FUND BALANCES	961,995	(91,178)	(509,637)
FUND BALANCES AT BEGINNING OF YEAR	7,720,471	800,600	671,683
FUND BALANCES AT END OF YEAR	\$ 8,682,466	\$ 709,422	\$ 162,046

See accompanying notes to the basic financial statements.

Traffic Improvement Fund	Capital Projects Fund	Open Space Fund	Manor House Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 722,619	\$ 99,740	\$ 6,417,438
						856,884
						7,035,355
						846,074
						1,269,963
4,272	85,772	5,620	227,504	4,657	7,576	587,578
-	175,000	-	-	-	589,715	1,467,950
-	-	-	-	-	-	73,215
-	-	-	-	-	-	489,355
305,074	-	118,293	-	-	36,419	459,786
-	-	-	-	-	-	136,316
<u>309,346</u>	<u>260,772</u>	<u>123,913</u>	<u>227,504</u>	<u>727,276</u>	<u>733,450</u>	<u>19,639,914</u>
76,211	493,421	-	83,160	-	14,311	4,192,605
-	399,279	-	-	-	60,765	8,722,140
332,061	99	-	-	-	573,126	3,529,875
-	114,814	547,832	-	-	-	1,856,860
-	-	-	-	524,000	-	524,000
-	-	-	-	252,850	-	252,850
<u>408,272</u>	<u>1,007,613</u>	<u>547,832</u>	<u>83,160</u>	<u>776,850</u>	<u>648,202</u>	<u>19,078,330</u>
<u>(98,926)</u>	<u>(746,841)</u>	<u>(423,919)</u>	<u>144,344</u>	<u>(49,574)</u>	<u>85,248</u>	<u>561,584</u>
-	861,034	511,034	-	68,004	-	1,522,068
-	-	-	(150,000)	-	-	(1,522,068)
-	44,340	-	-	-	-	44,340
-	905,374	511,034	(150,000)	68,004	-	44,340
(98,926)	158,533	87,115	(5,656)	18,430	85,248	605,924
408,509	5,946,155	838,822	38,383	228,187	473,885	17,126,695
<u>\$ 309,583</u>	<u>\$ 6,104,688</u>	<u>\$ 925,937</u>	<u>\$ 32,727</u>	<u>\$ 246,617</u>	<u>\$ 559,133</u>	<u>\$ 17,732,619</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, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 605,924
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 (\$2,540,350) exceeds capital outlays (\$2,135,703) in the current period.	(404,647)
Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net position.	524,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the Governmental Funds.	34,352
Bond premiums provide current financial resources to Governmental Funds. In the statement of net position, bond premiums are deferred and amortized.	2,400
In the statement of activities, 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).	(17,433)
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.	1,158
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in Governmental Funds:	
Pension plan expense	(545,492)
OPEB plan expense	(29,062)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 171,200

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents			
Cash and cash equivalents	\$ 1,530,114	\$ 1,627,655	\$ 3,157,769
Investments	289,921	-	289,921
Receivables	229,731	-	229,731
Deposits	350	-	350
Prepaid items	4,103	-	4,103
Due from other funds	8,351	-	8,351
TOTAL CURRENT ASSETS	2,062,570	1,627,655	3,690,225
CAPITAL ASSETS			
Construction in progress	130,303	-	130,303
Sewer system and improvements	12,406,738	-	12,406,738
Other capital assets	1,885,785	-	1,885,785
Accumulated depreciation	(13,047,624)	-	(13,047,624)
TOTAL CAPITAL ASSETS	1,375,202	-	1,375,202
TOTAL ASSETS	3,437,772	1,627,655	5,065,427
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	437,283	-	437,283
Deferred outflows related to OPEB	8,812	-	8,812
TOTAL DEFERRED OUTFLOWS OF RESOURCES	446,095	-	446,095
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	1,475	63,507	64,982
Accrued salaries and benefits	16,162	-	16,162
Compensated absences	725	-	725
Due to other governments	-	759,801	759,801
Due to other funds	96,294	63,430	159,724
TOTAL CURRENT LIABILITIES	114,656	886,738	1,001,394
NONCURRENT LIABILITIES			
Net OPEB obligation	96,368	-	96,368
Net pension liability	699,195	-	699,195
Compensated absences	4,975	-	4,975
TOTAL NONCURRENT LIABILITIES	800,538	-	800,538
TOTAL LIABILITIES	915,194	886,738	1,801,932
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	83,811	-	83,811
NET POSITION			
Investment in capital assets	1,375,202	-	1,375,202
Restricted for capital improvements	-	740,917	740,917
Unrestricted	1,509,660	-	1,509,660
TOTAL NET POSITION	\$ 2,884,862	\$ 740,917	\$ 3,625,779

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, 2018

	Sewer Fund	Sewer Capital Fund	Total Proprietary Funds
OPERATING REVENUES			
Sewer service	\$ 3,412,548	\$ -	\$ 3,412,548
Connection fees	2,250	-	2,250
Other revenues	66,518	-	66,518
TOTAL OPERATING REVENUES	3,481,316	-	3,481,316
OPERATING EXPENSES			
Salaries, wages and benefits	1,369,283	-	1,369,283
Contracted services	1,552,122	-	1,552,122
Maintenance	178,578	-	178,578
Other	113,251	-	113,251
Depreciation	222,169	-	222,169
TOTAL OPERATING EXPENSES	3,435,403	-	3,435,403
OPERATING INCOME	45,913	-	45,913
NONOPERATING REVENUES (EXPENSES)			
Interest and investment revenue	93,143	10,768	103,911
Contributions to others	-	(317,073)	(317,073)
TOTAL NONOPERATING REVENUES (EXPENSES)	93,143	(306,305)	(213,162)
LOSS BEFORE CONTRIBUTIONS			
TRANSFERS	139,056	(306,305)	(167,249)
CAPITAL CONTRIBUTIONS FROM DEVELOPERS	-	598,181	598,181
TRANSFERS IN	76,093	-	76,093
TRANSFERS OUT	-	(76,093)	(76,093)
CHANGE IN NET POSITION	215,149	215,783	430,932
NET POSITION AT BEGINNING OF YEAR, restated	2,669,713	525,134	3,194,847
NET POSITION AT END OF YEAR	\$ 2,884,862	\$ 740,917	\$ 3,625,779

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,417,581	\$ -	\$ 3,417,581
Cash paid to employees	(789,101)	-	(789,101)
Cash paid to suppliers	(1,765,003)	68,316	(1,696,687)
Cash paid for employee benefits	(578,533)	-	(578,533)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>284,944</u>	<u>68,316</u>	<u>353,260</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of property, plant and equipment	(76,093)	-	(76,093)
Capital contributions from developers	-	598,181	598,181
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(76,093)</u>	<u>598,181</u>	<u>522,088</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(5,037)	-	(5,037)
Earnings on investments	<u>93,143</u>	<u>10,768</u>	<u>103,911</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>88,106</u>	<u>10,768</u>	<u>98,874</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	-	(76,093)	(76,093)
Transfers from other funds	76,093	-	76,093
Capital contributions to others	-	212,514	212,514
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>76,093</u>	<u>136,421</u>	<u>212,514</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	373,050	813,686	1,186,736
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,157,064</u>	<u>813,969</u>	<u>1,971,033</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,530,114</u>	<u>\$ 1,627,655</u>	<u>\$ 3,157,769</u>

WHITPAIN TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018

	<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)			
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	222,169	-	222,169
Pension and OPEB expense	64,361	-	64,361
(Increase) decrease in			
Receivables	(63,735)	-	(63,735)
Due from other funds	(8,351)	-	(8,351)
Increase (decrease) in			
Payables	(72,088)	22,126	(49,962)
Accrued salaries and benefits	1,649	-	1,649
Due to other governments		-	
Due to other funds	<u>95,026</u>	<u>46,190</u>	<u>141,216</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES			
	<u>\$ 284,944</u>	<u>\$ 68,316</u>	<u>\$ 353,260</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP**STATEMENT OF FIDUCIARY NET POSITION**
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2018

	<u>Pension</u> <u>Trust Funds</u>	<u>Agency</u> <u>Fund</u>
ASSETS		
Cash and cash equivalents	\$ 2,425	\$ 1,986,611
Investments		
Mutual funds	4,149,301	-
Mortgage-backed securities	2,852,311	-
Money market funds	1,554,587	-
U.S. Government notes	1,397,963	-
Corporate bonds	718,038	-
Equity stocks and options	18,476,630	-
Prepaid expenses	<u>254,385</u>	<u>-</u>
TOTAL ASSETS	\$ <u>29,405,640</u>	\$ <u>1,986,611</u>
LIABILITIES AND NET POSITION		
LIABILITIES		
Escrow deposits	\$ -	\$ <u>1,986,611</u>
NET POSITION		
Restricted for pensions	<u>29,405,640</u>	
TOTAL LIABILITIES AND NET POSITION	\$ <u>29,405,640</u>	

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS YEAR ENDED DECEMBER 31, 2018

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Member contributions	\$ 265,036
Employer contributions	500,146
State contributions	529,336
TOTAL CONTRIBUTIONS	<u>1,294,518</u>
Investment income	
Net decrease in fair value of investments	(2,093,701)
Dividends	667,225
Investment income	163,094
TOTAL INVESTMENT LOSS	<u>(1,263,382)</u>
Investment expense	
INVESTMENT LOSS, net	<u>(265,917)</u>
	<u>(1,529,299)</u>
	TOTAL ADDITIONS
	<u>(234,781)</u>
DEDUCTIONS	
Benefits	1,257,064
Actuary fees	8,240
TOTAL DEDUCTIONS	<u>1,265,304</u>
	CHANGE IN NET POSITION
	<u>(1,500,085)</u>
NET POSITION HELD IN TRUST AT BEGINNING OF YEAR	<u>30,905,725</u>
	NET POSITION HELD IN TRUST AT END OF YEAR
	<u>\$ 29,405,640</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

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 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. Interfund services provided and used are not eliminated in the process of consolidation.

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.

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.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 *Traffic Improvement Fund* accounts for various traffic improvement projects
- The *Capital Projects Fund* is used to account for various capital projects.
- The *Open Space Fund* accounts for the purchases and maintenance of open space.
- The *Manor House Fund* accounts for rental revenues and maintenance and improvements of the Manor House property.
- 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, 2018

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 *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, 2018

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, 2018.

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.

Statutes authorize the Township to invest in: 1) obligations, participations and other instruments of any Federal agency, 2) repurchase agreements with respect to U.S. Treasury bills or obligations, 3) negotiable certificates of deposit, 4) bankers' acceptances, 5) commercial paper, 6) shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, and 7) savings or demand deposits. The specific conditions under which the Township may invest in these categories are detailed in Pennsylvania Act No. 53 of 1973, as amended by Pennsylvania Act No. 10 of 2016. Investments are stated at fair value.

Pennsylvania Local Government Investment Trust Funds are invested in accordance with Pennsylvania Act No. 53 of 1973, as amended by Pennsylvania Act No. 10 of 2016. Each Member owns a pro rata share of each investment or deposit which is held in the name of the fund.

Under Act No. 72, enacted by the General Assembly of the Commonwealth of Pennsylvania, the funds deposited with the various banks are permitted to be secured on a pooled basis with all other public funds which the banking institution has on deposit. These may be bonds of the United States, any state of the United States, or bonds of any political subdivision of Pennsylvania or the general state authority or their authorities created by the General Assembly of the Commonwealth of Pennsylvania, or insured with the Federal Deposit Insurance Corporation. The market value of such bonds pledged must equal 120% of the funds deposited. The security pledged by the various depositories utilized during the year and at December 31, 2018, was in excess of the minimum requirements just described.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Township has adopted GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, No. 72, *Fair Value Measurement and Application* and No. 79 *Certain External Investment Pools and Pool Participants*. In accordance with these Statements, investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values. Investments in qualifying external investment pools are reported at amortized cost basis.

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, 2018, 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. The deferred outflow of resources related to pensions is reported in the government-wide and proprietary fund statement of net position and is the result of changes of assumptions and the difference between projected and actual investment earnings on pension plan investments. The deferred outflow of resources related to OPEB is reported in the government-wide and proprietary fund statement of net position and is the result of changes of assumptions and contributions subsequent to the measurement date.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

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 two items which qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, 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. The deferred inflow of resources related to pensions is reported in the government-wide and proprietary fund statement of net position and is the result of the difference between expected and actual experience of the pension plan.

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. Donated capital assets are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend 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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond premiums or discounts 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, 2018

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, 2018, the Board has not delegated the authority to assign fund balance. The Board of Supervisors has established an operating reserve fund as part of the General Fund fund balance. This reserve is established through a resolution. Additions to this fund are made by the Board based on the need for revenue or budgetary stabilization or for working capital.
- **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, 2018

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, 2018, of the total bank balance of \$21,401,919, \$250,000 was insured by the Federal Depository Insurance Corporation and \$2,425 was insured by the Securities Investor Protection Corporation. Of the remaining bank balance of \$21,649,494, \$31,320,620 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 \$328,874 was invested in state investment pools, which is uninsured and uncollateralized.

Investments

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

Investment Type	Amortized Cost	Fair Value Level 1	Investment Maturities		
			Less Than One Year	One Year to Five Years	More Than Five Years
GOVERNMENTAL ACTIVITIES					
Externally pooled investments	\$ 12,585	\$ -	\$ 12,585	\$ -	\$ -
PROPRIETARY ACTIVITIES					
Externally pooled investments	\$ 289,921	\$ -	\$ 289,921	\$ -	\$ -
PENSION ACTIVITIES					
Mutual funds	\$ -	\$ 4,149,301	\$ 4,149,301	\$ -	\$ -
Mortgage-backed securities	-	2,852,311	-	-	2,852,311
U.S. Government notes	-	1,397,963	50,728	427,404	919,831
Corporate bonds	-	718,038	-	422,119	295,919
Equity stocks and options	-	18,476,630	18,476,630	-	-
Money market funds	-	1,554,587	1,554,587	-	-
TOTAL PENSION ACTIVITIES	\$ 302,506	\$ 29,148,830	\$ 24,231,246	\$ 849,523	\$ 4,068,061

Investments in state investment pools are in the PLGIT program, which are funds similar to mutual funds. GASB Statement No. 3, Paragraph 69, provides that certain types of cash and investments, such as cash investments in a State Treasurer's investment pool or mutual fund, cannot be assigned a credit risk category because the government does not own specific securities. Therefore, the PLGIT cash deposits included in these statements will not be assigned a credit risk category. These assets maintain a stable net asset value of \$1 per share. At December 31, 2018, the Township's deposits in the state investment pool was rates AAA by Standard & Poor's.

Investments held with qualifying external state investment pools are valued at amortized cost in accordance with GASB Statement No.79. The Township has \$302,506 invested in PLGIT/Plus Class accounts which incurs a penalty if funds are withdrawn within 30 days of deposit.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurement - The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Township has the following recurring fair value measurements as of December 31, 2018:

Investments in mutual funds of \$4,149,301, mortgage-backed securities of \$2,852,311, U.S. Government notes of \$1,397,963, corporate bonds of \$718,038, equity stocks and options of \$18,476,630 and money market funds of \$1,554,587 are valued using quoted market prices (Level 1 inputs).

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 investments in U.S. Government notes are invested in U.S. Treasury Bonds and Notes rated AAA by Moody's. The Township's investment in the external investment pools was rated AAAm by Standard & Poor's.

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

Escrow Cash Deposits and Investments

The Township acts in a custodial capacity with respect to monies deposited with it by developers. These monies are held by the Township and used to pay legal, engineering and other fees incurred on behalf of a specific project. Any unused deposits are returned to the developer upon completion of the project, except for an administrative handling fee. None of the monies received from or expended on behalf of the developers are recorded in the revenues or expenses of the Township. At December 31, 2018, \$1,986,611 represents the balance of these monies held in escrow.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE C - CAPITAL ASSETS

Changes in capital asset activity for the year ended December 31, 2018, were as follows:

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 16,108,463	\$ -	\$ -	\$ 16,108,463
Conservation easements	1,052,009	-	-	1,052,009
Construction in progress	484,810	562,626	(459,554)	587,882
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	17,645,282	562,626	(459,554)	17,748,354
Capital assets being depreciated				
Land improvements	3,571,062	122,158	-	3,693,220
Buildings and improvements	6,445,065	430,725	-	6,875,790
Machinery and equipment	7,491,990	1,061,792	(273,735)	8,280,047
Infrastructure	58,445,571	417,956	-	58,863,527
TOTAL CAPITAL ASSETS BEING DEPRECIATED	75,953,688	2,032,631	(273,735)	77,712,584
Accumulated depreciation				
Land improvements	(1,113,877)	(131,169)	-	(1,245,046)
Buildings and improvements	(2,856,945)	(166,205)	-	(3,023,150)
Machinery and equipment	(4,059,301)	(559,891)	273,735	(4,345,457)
Infrastructure	(42,373,427)	(1,683,085)	-	(44,056,512)
TOTAL ACCUMULATED DEPRECIATION	(50,403,550)	(2,540,350)	273,735	(52,670,165)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	25,550,138	(507,719)	-	25,042,419
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, net	\$ 43,195,420	\$ 54,907	\$ (459,554)	\$ 42,790,773

Depreciation expense was charged to governmental functions as follows:

GOVERNMENTAL ACTIVITIES			
Administrative		\$ 73,484	
Codes		12,700	
Police and emergency services		329,593	
Public works, highways and streets		1,944,481	
Parks		180,092	
			\$ 2,540,350

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE C - CAPITAL ASSETS (Continued)

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018
BUSINESS-TYPE ACTIVITIES				
Capital assets, not being depreciated				
Construction in progress	\$ 54,210	\$ 76,093	\$ -	\$ 130,303
Capital assets being depreciated				
Buildings and improvements	180,684	-	-	180,684
Machinery and equipment	1,705,101	-	-	1,705,101
Infrastructure	12,406,738	-	-	12,406,738
TOTAL CAPITAL ASSETS	14,292,523	-	-	14,292,523
BEING DEPRECIATED				
Accumulated depreciation				
Buildings and improvements	(180,684)	-	-	(180,684)
Machinery and equipment	(1,282,868)	(62,189)	-	(1,345,057)
Infrastructure	(11,361,903)	(159,980)	-	(11,521,883)
TOTAL ACCUMULATED	(12,825,455)	(222,169)	-	(13,047,624)
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net	<u>\$ 1,521,278</u>	<u>\$ (146,076)</u>	<u>\$ -</u>	<u>\$ 1,375,202</u>

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at December 31, 2018, are as follows:

	Due from Other Funds	Due to Other Funds
GOVERNMENTAL FUNDS		
General Fund	\$ 441,357	\$ 14,817
Fire Tax Fund	3,312	62,958
Traffic Improvement Fund	-	152,889
Capital Projects Fund	69,991	98,813
Open Space Fund	-	25,502
Manor House Fund	-	1,874
Other Governmental Funds	-	6,434
BUSINESS-TYPE ACTIVITIES		
Sewer Fund	<u>8,351</u>	<u>159,724</u>
	<u>\$ 523,011</u>	<u>\$ 523,011</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.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

Interfund transfers at December 31, 2018, are as follows:

	Transfer Out	Transfer In
General Fund	\$ 1,222,068	\$ -
Fire Tax Fund	150,000	-
Fire Capital Fund	-	81,996
Capital Projects Fund	-	861,034
Open Space Fund	-	511,034
Manor House Fund	150,000	-
Debt Service Fund	-	68,004
Sewer Fund	-	76,093
Sewer Capital Fund	<u>76,093</u>	<u>-</u>
	<u>\$ 1,598,161</u>	<u>\$ 1,598,161</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.

NOTE E - RECEIVABLES

Receivables as of December 31, 2018, are as follows:

RECEIVABLES	General Fund	Fire Tax Fund
Taxes	\$ 359,463	\$ 3,136
Accounts	372,072	-
Special assessments	<u>-</u>	<u>-</u>
	<u>\$ 731,535</u>	<u>\$ 3,136</u>

<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Sewer Fund</u>	<u>Totals</u>
\$ 2,824	\$ 395	\$ -	\$ 365,818
-	-	-	372,072
-	-	<u>229,731</u>	<u>229,731</u>
<u>\$ 2,824</u>	<u>\$ 395</u>	<u>\$ 229,731</u>	<u>\$ 967,621</u>

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE F - NOTES RECEIVABLE

In 2017, the Township issued a note receivable to Centre Square Fire Company in the amount of \$ 1,350,000 to provide them with additional funding towards the construction of a new fire house. As of December 31, 2018, the outstanding balance of the note receivable is \$1,233,457. Future repayments are scheduled as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 50,083	\$ 43,871
2020	51,865	42,089
2021	53,709	40,244
2022	55,619	38,334
2023	57,598	36,356
2024	59,646	34,308
2025	61,768	32,186
2026	63,965	29,989
2027	66,240	27,714
2028	68,595	25,358
2029	71,035	22,918
2030	73,562	20,391
2031	76,178	17,775
2032	78,887	15,066
2033	81,693	12,260
2034	84,599	9,355
2035	87,608	6,346
2036	90,807	3,146
	<u>\$ 1,233,457</u>	<u>\$ 457,706</u>

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE G - LONG-TERM DEBT

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

	Balance January 1, 2018
GOVERNMENTAL ACTIVITIES	
General Obligation Notes	
Series A of 1999	\$ 3,189,000
General Obligation Bonds	
Series of 2012	<u>3,010,000</u>
TOTAL GENERAL OBLIGATION NOTES AND BONDS	<u>6,199,000</u>
Bond premium	34,804
Net OPEB obligation	2,199,714
Net pension liability	2,144,313
Compensated absences	<u>71,966</u>
TOTAL GOVERNMENTAL ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 9,957,806</u>
BUSINESS-TYPE ACTIVITIES	
Net OPEB obligation	\$ 90,004
Net pension liability	305,652
Compensated absences	<u>5,642</u>
TOTAL BUSINESS-TYPE ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 339,311</u>

Additions	Reductions	Balance December 31, 2018	Due Within One Year
\$ -	\$ (249,000)	\$ 2,940,000	\$ 262,000
<u>-</u>	<u>(275,000)</u>	<u>2,735,000</u>	<u>275,000</u>
<u>-</u>	<u>(524,000)</u>	<u>5,675,000</u>	<u>537,000</u>
<u>-</u>	<u>(2,400)</u>	<u>32,404</u>	<u>-</u>
202,876	-	2,402,590	-
3,120,729	-	5,265,042	-
<u>231,787</u>	<u>(214,354)</u>	<u>89,399</u>	<u>8,940</u>
<u>\$ 3,555,392</u>	<u>\$ (740,754)</u>	<u>\$ 13,464,435</u>	<u>\$ 545,940</u>
 \$ 6,364	\$ -	\$ 96,368	\$ -
393,543	-	699,195	-
<u>49,395</u>	<u>(49,337)</u>	<u>5,700</u>	<u>725</u>
 <u>\$ 449,302</u>	<u>\$ (49,337)</u>	<u>\$ 801,263</u>	<u>\$ 725</u>

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE G - 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. The difference between the carrying value of the refunded debt and its reacquisition price was less than \$1,000, and as a practical matter was expensed rather than deferred and amortized.

Total Scheduled Annual Debt Service

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

Year Ending December 31,	Governmental Activities	
	Principal	Interest
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
	<hr/>	<hr/>
	\$ 5,675,000	\$ 1,228,167

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE G - LONG-TERM DEBT (Continued)

The Township financed the Series A of 1999 General Obligation Notes through the Delaware Valley Regional Finance Authority (DelVal). DelVal 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) DelVal and the counterparty mutually consent to termination, (2) the borrower defaults on its loan, or (3) DelVal or the counterparty default or their financial conditions deteriorate to make a default imminent. Upon termination, DelVal would receive or make a payment depending on the market value of the related interest rate swap. If DelVal were obligated to make such a payment and sufficient funds were not available, DelVal could assess each borrower its allocable share of the termination payment.

As of December 31, 2018, DelVal would have received a payment of nearly \$111 million if all the swap agreements were terminated. Therefore, no amounts are reflected on the Township's financial statements.

NOTE H - 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, 2018, contributions of \$90,705 were made to this plan. There were no forfeitures reflected in the \$90,705 of current year expense, and there is no outstanding employer liability to the plan as of December 31, 2018.

NOTE I - 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. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE I - 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, 2018, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	21
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	30
	<hr/>
	53
	<hr/>

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, 2018

NOTE I - 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 2018, the MMO obligation for the Police Pension Plan was \$491,807 for the year 2018. Contributions of \$238,850 and \$252,957 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, 2018:

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

Concentrations - More than 5% of the Township's investments are in mutual funds, mortgage backed securities, and equity stocks and options. These investments are 14%, 10%, and 64%, respectively, of the plan's total investments.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

Rate of Return - For the year ended December 31, 2018, the annual money-weighted rate of return on plan investments, net of plan investment expense, was -5.06%. 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, 2018, were as follows:

Total pension liability	\$ 18,886,671
Plan fiduciary net position	<u>(15,719,460)</u>
NET PENSION LIABILITY	\$ <u>3,167,211</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83.23%</u>

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2018, 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 IRS 2017 Static Combined Table for Small Plans.

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, 2018 (see the plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.5% - 7.5%
International equity	4.5% - 6.5%
Fixed income	1.0% - 3.0%
Real estate	4.5% - 6.5%
Cash	0.0% - 1.0%

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

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.

Changes in the Net Pension Liability

	Governmental Activities		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2017	\$ 17,786,588	\$ 16,559,340	\$ 1,227,248
Changes for the year			
Service cost	443,072	-	443,072
Interest cost	1,342,878	-	1,342,878
Changes for experience	-	-	-
Changes of assumptions	-	-	-
Contributions			
Employer	-	491,807	(491,807)
Member	-	182,053	(182,053)
Net investment income	-	(824,343)	824,343
Benefit payments	(685,867)	(685,867)	-
Administrative expenses	-	(3,530)	3,530
Net Changes	<u>1,100,083</u>	<u>(839,880)</u>	<u>1,939,963</u>
Balance at December 31, 2018	\$ 18,886,671	\$ 15,719,460	\$ 3,167,211

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:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ <u>5,339,875</u>	\$ <u>3,167,211</u>	\$ <u>1,319,484</u>

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2018, the Township recognized pension expense of \$836,854. At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 486,182
Changes of assumptions	346,627	-
Net difference between projected and actual earnings on pension plan investments	<u>1,520,603</u>	<u>-</u>
Total	<u>\$ 1,867,230</u>	<u>\$ 486,182</u>

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

Year Ending
December 31,

2019	\$ 470,797
2020	240,012
2021	255,847
2022	413,765
2023	627
Thereafter	-

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. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

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, 2018, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	12
Active plan members	<u>44</u>
	<u>76</u>

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.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

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 2018, the MMO obligation for the Non-Uniformed Employees' Pension Plan was \$537,675 for the year 2018. Contributions of \$261,296 and \$276,379 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, 2018:

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

Concentrations - More than 5% of the Township's investments are in mutual funds, mortgage backed securities, money market funds and equity stocks and options. These investments are 14%, 10%, 6% and 63%, respectively, of the plan's total investments.

Rate of Return - For the year ended December 31, 2017, the annual money-weighted rate of return on plan investments, net of plan investment expense, was -4.97%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability of the Township - The components of the net pension liability of the Township at December 31, 2018, were as follows:

Total pension liability	\$ 16,483,206
Plan fiduciary net position	<u>(13,686,180)</u>
NET PENSION LIABILITY	\$ <u>2,797,026</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83.03%</u>

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2018, 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%

Mortality rates were based on the IRS 2017 Static Combined Table for Small Plans.

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, 2018 (see the plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.5% - 7.5%
International equity	4.5% - 6.5%
Fixed income	1.0% - 3.0%
Real estate	4.5% - 6.5%
Cash	0.0% - 1.0%

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.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability

	Governmental Activities		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2017	\$ 11,677,170	\$ 10,760,105	\$ 917,065
Changes for the year			
Service cost	236,545	-	236,545
Interest cost	877,464	-	877,464
Changes for experience	-	-	-
Changes of assumptions	-	-	-
Contributions			
Employer	-	403,268	(403,268)
Member	-	62,239	(62,239)
Net investment income	-	(528,733)	528,733
Benefit payments	(428,410)	(428,410)	-
Administrative expenses	-	(3,533)	3,533
Net Changes	<u>685,598</u>	<u>(495,168)</u>	<u>1,180,767</u>
Balance at December 31, 2018	<u>\$ 12,362,768</u>	<u>\$ 10,264,937</u>	<u>\$ 2,097,831</u>
Business-Type Activities			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2017	\$ 3,891,932	\$ 3,586,280	\$ 305,652
Changes for the year			
Service cost	78,839	-	78,839
Interest cost	292,453	-	292,453
Changes for experience	-	-	-
Changes of assumptions	-	-	-
Contributions			
Employer	-	134,407	(134,407)
Member	-	20,744	(20,744)
Net investment income	-	(176,223)	176,223
Benefit payments	(142,787)	(142,787)	-
Administrative expenses	-	(1,177)	1,177
Net Changes	<u>228,506</u>	<u>(165,037)</u>	<u>393,542</u>
Balance at December 31, 2018	<u>\$ 4,120,438</u>	<u>\$ 3,421,243</u>	<u>\$ 699,195</u>

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

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:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 4,456,168	\$ 2,797,026	\$ 1,371,624

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2018, the Township recognized pension expense of \$804,929. At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 251,461
Changes of assumptions	350,228	-
Net difference between projected and actual earnings on pension plan investments	<u>961,777</u>	-
Total	<u>\$ 1,312,005</u>	<u>\$ 251,461</u>
	Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 83,811
Changes of assumptions	116,729	-
Net difference between projected and actual earnings on pension plan investments	<u>320,554</u>	-
Total	<u>\$ 437,283</u>	<u>\$ 83,811</u>

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 335,272
Changes of assumptions	466,957	-
Net difference between projected and actual earnings on pension plan investments	<u>1,282,331</u>	<u>-</u>
Total	<u>\$ 1,749,288</u>	<u>\$ 335,272</u>

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2019	\$ 356,677	\$ 118,879
2020	218,707	72,894
2021	185,458	61,812
2022	299,700	99,889
2023	-	-

NOTE J - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Descriptions and Benefits Provided

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

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

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

The plan does not issue a stand-alone report.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE J - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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.

Measurement Date

At December 31, 2018, the Township reported Total OPEB liability measured as of January 1, 2018, and the total OPEB liability was determined by performing update procedures and rolling forward the January 1, 2017 actuarial valuation forward to January 1, 2018.

Plan Membership

At January 1, 2018, plan membership consisted of the following:

Police OPEB Plan

Inactive plan members or beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	30
	<hr/>
	32
	<hr/>

Non-Uniformed OPEB Plan

Inactive plan members or beneficiaries currently receiving benefits	8
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	57
	<hr/>
	65
	<hr/>

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.

Assumptions

Interest Rate – 3.16%, based on S&P Municipal Bond 20 Year High Grade Rate Index at January 1, 2018.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE J - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Salary – An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 5% increase for the Police OPEB Plan, and 4.5% for the Non-Uniformed OPEB Plan.

Health Care Cost Trend Rate – 6.0% in 2018, and 5.5% in 2019 through 2021. Rates gradually decrease from 5.4% in 2022 to 3.8% in 2075 and later based on the Society of Actuaries Long0Run Medical cost Trend Model.

Mortality – IRS 2017 Small Plan Combined Static Mortality tables.

Retirement – For Police OPEB Plan, assume 100% retire at the later of age 53 or 28 years of service. For the Non-Uniformed OPEB Plan, assume 100% retire at the earlier of age 62 and 20 years of service or age 65.

Percent of Eligible Retirees Electing Coverage in Plan – 100% of the Non-Uniformed employees and 75% of Police Officers are assumed to elect coverage. Police Officers that are assumed to elect medical coverage are also assumed to elect prescription drug coverage by paying the full premium.

Percent Married at Retirement – 60% of employees are assumed to be married and have a spouse covered by the plan at retirement.

Spouse Age – Wives are assumed to be three years younger than their husbands.

Retiree Contributions - Retiree Contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.

Actuarial Value of Assets – Equal to the Market Value of Assets.

Actuarial Cost Method – Entry Age Normal - Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.

Changes in Assumptions – In the 2018 actuarial valuation, the discount rate was changed from 3.71% to 3.16%. The trend assumption was updated.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

NOTE J - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes in the Total OPEB Liability

Police OPEB Plan

	Total OPEB Liability
Balance at January 1, 2017	<u>\$ 1,929,702</u>
Changes for the year	
Service cost	101,030
Interest cost	74,031
Changes of assumptions	73,843
Benefit payments	(65,153)
Net Changes	<u>183,751</u>
Balance at January 1, 2018	<u>\$ 2,113,453</u>

Non-Uniformed OPEB Plan

	Governmental Activities	Business-Type Activities
	Total OPEB Liability (a)	Total OPEB Liability (a)
Balance at January 1, 2017	<u>\$ 270,020</u>	<u>\$ 89,996</u>
Changes for the year		
Service cost	10,182	3,393
Interest cost	10,161	3,386
Changes of assumptions	10,476	3,491
Benefit payments	(11,700)	(3,900)
Net Changes	<u>19,117</u>	<u>6,372</u>
Balance at January 1, 2018	<u>\$ 289,137</u>	<u>\$ 96,368</u>

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE J - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.16 percent) or 1-percentage point higher (4.16 percent) than the current discount rate:

Police OPEB Plan

	<u>1% Decrease (2.16%)</u>	<u>Current Discount Rate (3.16%)</u>	<u>1% Increase (4.16%)</u>
Total OPEB liability	\$ <u>2,288,850</u>	\$ <u>2,113,453</u>	\$ <u>1,952,502</u>

Non-Uniformed OPEB Plan

	<u>1% Decrease (2.16%)</u>	<u>Current Discount Rate (3.16%)</u>	<u>1% Increase (4.16%)</u>
Total OPEB liability	\$ <u>412,595</u>	\$ <u>385,505</u>	\$ <u>360,581</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

Police OPEB Plan

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ <u>1,872,587</u>	\$ <u>2,113,453</u>	\$ <u>2,396,089</u>

Non-Uniformed OPEB Plan

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ <u>385,505</u>	\$ <u>385,505</u>	\$ <u>385,505</u>

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

NOTE J - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

Related to OPEB – For the year ended December 31, 2018, the Township recognized OPEB expense of \$181,774 for the Police OPEB plan, and expense of \$28,392 for the Non-Uniformed OPEB plan. At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Police OPEB Plan

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 67,130	\$ -
Benefit payments subsequent to the measurement date	<u>80,245</u>	<u>-</u>
Total	<u>\$ 147,375</u>	<u>\$ -</u>

Non-Uniformed OPEB Plan

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 9,523	\$ -
Benefit payments subsequent to the measurement date	<u>16,916</u>	<u>-</u>
Total	<u>\$ 26,439</u>	<u>\$ -</u>
	<u>Business-Type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 3,174	\$ -
Benefit payments subsequent to the measurement date	<u>5,638</u>	<u>-</u>
Total	<u>\$ 8,812</u>	<u>\$ -</u>

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE J - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

\$102,799 was reported as deferred outflows of resources related to OPEB resulting from Township benefit payments subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Police OPEB Plan

Year Ending
December 31,

2019	\$ 6,713
2020	6,713
2021	6,713
2022	6,713
2023	6,713
Thereafter	33,565

Non-Uniformed OPEB Plan

Year Ending <u>December 31,</u>	Governmental Activities	Business-Type Activities
2019	\$ 953	\$ 317
2020	953	317
2021	953	317
2022	953	317
2023	953	317
Thereafter	4,760	1,587

NOTE K - COMBINING SCHEDULES OF FIDUCIARY FUNDS

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

	Pension Trust Funds		
	Non-Uniformed Pension Fund	Police Pension Fund	Total Pension Trust Funds
ASSETS			
Cash and cash equivalents	\$ 1,124	\$ 1,301	\$ 2,425
Investments, mutual funds			
Mutual funds	1,917,226	2,232,075	4,149,301
Mortgage backed securities	1,312,822	1,539,489	2,852,311
Money market funds	819,375	735,212	1,554,587
US Government Notes	645,363	752,600	1,397,963
Corporate bonds	334,392	383,646	718,038
Equity stocks and options	8,561,848	9,914,782	18,476,630
Prepaid expenses	94,030	160,355	254,385
TOTAL ASSETS	\$ 13,686,180	\$ 15,719,460	\$ 29,405,640
NET POSITION			
Restricted for pensions	\$ 13,686,180	\$ 15,719,460	\$ 29,405,640

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE K - COMBINING SCHEDULES OF FIDUCIARY FUNDS (Continued)

The following is a combining schedule of changes in fiduciary net position for the Pension:

	Pension Trust Funds		
	Non-Uniformed Pension Fund	Police Pension Fund	Total Pension Trust Funds
ADDITIONS			
Contributions			
Member contributions	\$ 82,983	\$ 182,053	\$ 265,036
Employer contributions	261,296	238,850	500,146
State contributions	276,379	252,957	529,336
TOTAL CONTRIBUTIONS	620,658	673,860	1,294,518
Investment earnings			
Net decrease in fair value of investments	(967,781)	(1,125,920)	(2,093,701)
Dividends	310,389	356,836	667,225
Investment income	76,075	87,019	163,094
TOTAL INVESTMENT LOSS	(581,317)	(682,065)	(1,263,382)
Investment expense	(123,639)	(142,278)	(265,917)
INVESTMENT LOSS, net	(704,956)	(824,343)	(1,529,299)
TOTAL ADDITIONS	(84,298)	(150,483)	(234,781)
DEDUCTIONS			
Benefits	571,197	685,867	1,257,064
Actuary fees	4,710	3,530	8,240
TOTAL DEDUCTIONS	575,907	689,397	1,265,304
CHANGE IN NET POSITION	(660,205)	(839,880)	(1,500,085)
NET POSITION HELD IN TRUST AT BEGINNING OF YEAR	<u>14,346,385</u>	<u>16,559,340</u>	<u>30,905,725</u>
NET POSITION HELD IN TRUST AT END OF YEAR	<u>\$ 13,686,180</u>	<u>\$ 15,719,460</u>	<u>\$ 29,405,640</u>

NOTE L - 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 \$1,043,407 during 2018. The Township maintains no equity interest in the Authority; however, annual contributions are made to the capital improvement program.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE L - JOINT VENTURES (Continued)

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 \$286,383 in 2018. Also during 2018, the Township paid \$71,073 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.

NOTE M - PRIOR PERIOD RESTATEMENT

The Township implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The objective of GASB Statement No. 75 is to improve accounting and financial reporting by state and local governments for other postemployment benefit (OPEB) plans. GASB Statement No. 75 states the Township must record the total liability of their single employer other postemployment benefit plan.

For the government-wide governmental activities, the Township has treated the beginning of year OPEB plan liability of \$2,199,714 as having been recognized in the period incurred. As part of the implementation, the previously recognized obligation for other postemployment benefits under GASB 45 in the amount of \$1,507,723 will be reversed. The Township has adjusted beginning net position for their governmental activities from \$52,271,454 to \$51,579,463.

For the business-type governmental activities and the proprietary fund sewer fund, the Township has treated the beginning of year OPEB plan liability of \$90,004 as having been recognized in the period incurred. As part of the implementation, the previously recognized obligation for other postemployment benefits under GASB 45 in the amount of \$28,017 will be reversed. The Township has adjusted beginning net position for their business-type governmental activities from \$3,256,834 to \$3,194,847 and the proprietary fund sewer fund from \$2,731,700 to \$2,669,713.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE N - SUBSEQUENT EVENT

In May 2019, the Township issued General Obligation Bonds, Series of 2019 in the amount of \$7,800,000. The purpose of the bonds is to finance a variety of public improvements and to pay the costs of issuing the bonds.

REQUIRED SUPPLEMENTARY INFORMATION

WHITPAIN TOWNSHIP
SCHEDULE OF REVENUES
GENERAL FUND
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes				
Real estate taxes	\$ 4,727,068	\$ 4,727,068	\$ 4,793,018	\$ 65,950
Transfer taxes	750,000	750,000	856,884	106,884
Earned income taxes	6,650,000	6,650,000	7,035,355	385,355
Local services taxes	820,000	820,000	846,074	26,074
TOTAL TAXES	12,947,068	12,947,068	13,531,331	584,263
Fees, licenses and permits				
Building	200,000	200,000	255,206	55,206
Zoning	14,000	14,000	7,430	(6,570)
Electrical	101,500	101,500	169,674	68,174
Engineering	50,000	50,000	33,997	(16,003)
Plumbing	60,000	60,000	127,764	67,764
Street	15,000	15,000	23,475	8,475
Energy	55,000	55,000	69,888	14,888
Use and occupancy	8,000	8,000	7,983	(17)
Flood plain	3,500	3,500	3,052	(448)
Heat, vent and air conditioning	70,000	70,000	107,497	37,497
Fire prevention	1,000	1,000	625	(375)
Hearing	27,500	27,500	30,550	3,050
Alcoholic beverage licensees	6,400	6,400	6,950	550
Cable television franchise fees	440,000	440,000	425,872	(14,128)
TOTAL FEES, LICENSES AND PERMITS	1,051,900	1,051,900	1,269,963	218,063
Intergovernmental revenues				
Public utility realty tax	17,289	17,289	15,545	(1,744)
State pension aid	509,296	509,296	487,176	(22,120)
Other state grants	70,358	70,358	44,305	(26,053)
TOTAL INTERGOVERNMENTAL REVENUES	596,943	596,943	547,026	(49,917)
Fines and forfeitures				
Police	90,000	90,000	69,622	(20,378)
Code	5,000	5,000	3,593	(1,407)
TOTAL FINES AND FORFEITURES	95,000	95,000	73,215	(21,785)
Charges for services				
Administrative	1,000	1,000	217	(783)
Police services	9,180	9,180	-	(9,180)
Culture and recreation	484,100	484,100	489,138	5,038
TOTAL CHARGES FOR SERVICES	494,280	494,280	489,355	(4,925)
Other				
Investment income and rent	136,000	136,000	239,084	103,084
Refunds of prior year expenditures	114,000	114,000	136,316	22,316
TOTAL OTHER	250,000	250,000	375,400	125,400
TOTAL REVENUES	\$ 15,435,191	\$ 15,435,191	\$ 16,286,290	\$ 851,099

WHITPAIN TOWNSHIP

SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY AND OTHER FINANCING USES GENERAL FUND YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
EXPENDITURES				
General government				
Supervisors	\$ 110,234	\$ 110,234	\$ 107,763	\$ (2,471)
Administration	1,694,102	1,694,102	1,649,538	(44,564)
Finance	371,578	371,578	334,264	(37,314)
Tax collection	135,110	135,110	138,893	3,783
Solicitor	426,654	426,654	260,273	(166,381)
Computer and information technology	163,297	163,297	166,549	3,252
Planning and engineering	442,292	442,292	437,933	(4,359)
Municipal buildings	496,067	496,067	430,289	(65,778)
TOTAL GENERAL GOVERNMENT	3,839,334	3,839,334	3,525,502	(313,832)
Public safety				
Police	6,129,674	6,129,674	5,957,289	(172,385)
Fire protection	225,520	225,520	242,877	17,357
Code enforcement	556,332	556,332	498,462	(57,870)
Planning and zoning	76,681	76,681	59,294	(17,387)
TOTAL PUBLIC SAFETY	6,988,207	6,988,207	6,757,922	(230,285)
Highways and streets				
Administration	834,460	834,460	902,218	67,758
Cleaning and trash removal	18,411	18,411	2,689	(15,722)
Snow removal	100,612	100,612	57,914	(42,698)
Traffic signals	84,000	84,000	76,357	(7,643)
Streets	940,404	940,404	916,726	(23,678)
Storm sewer maintenance	90,000	90,000	145,915	55,915
Equipment maintenance	432,695	432,695	347,762	(84,933)
Road and curb inspections	121,205	121,205	175,008	53,803
TOTAL HIGHWAYS AND STREETS	2,621,787	2,621,787	2,624,589	2,802
Culture and recreation	1,230,417	1,230,417	1,194,214	(36,203)
TOTAL EXPENDITURES	14,679,745	14,679,745	14,102,227	(577,518)
OTHER FINANCING USES				
Interfund transfers out, Capital Projects Fund	1,222,068	1,222,068	1,222,068	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 15,901,813	\$ 15,901,813	\$ 15,324,295	\$ (577,518)

WHITPAIN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE FIRE TAX FUND YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
REVENUES				
Real estate taxes	\$ 796,100	\$ 796,100	\$ 802,061	\$ 5,961
Interest income	4,000	4,000	9,021	5,021
Intergovernmental revenues	<u>177,125</u>	<u>177,125</u>	<u>156,209</u>	<u>(20,916)</u>
TOTAL REVENUES	<u>977,225</u>	<u>977,225</u>	<u>967,291</u>	<u>(9,934)</u>
EXPENDITURES				
Public safety				
Fire company				
Operating	590,606	590,606	734,897	144,291
Workers' compensation	17,315	17,315	17,363	48
Fireman's Relief Fund	<u>177,125</u>	<u>177,125</u>	<u>156,209</u>	<u>(20,916)</u>
TOTAL EXPENDITURES	<u>785,046</u>	<u>785,046</u>	<u>908,469</u>	<u>123,423</u>
EXCESS OF REVENUES OVER EXPENDITURES	192,179	192,179	58,822	(133,357)
OTHER FINANCING USES				
Interfund transfers out	<u>(244,000)</u>	<u>(244,000)</u>	<u>(150,000)</u>	<u>94,000</u>
NET CHANGE IN FUND BALANCE	(51,821)	(51,821)	(91,178)	(39,357)
FUND BALANCE AT BEGINNING OF YEAR	800,600	800,600	800,600	-
FUND BALANCE AT END OF YEAR	\$ 748,779	\$ 748,779	\$ 709,422	\$ (39,357)

WHITPAIN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE TRAFFIC IMPROVEMENT FUND YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
REVENUES				
Interest income	\$ 1,000	\$ 1,000	\$ 4,272	\$ 3,272
Contributions	<u>200,000</u>	<u>200,000</u>	<u>305,074</u>	<u>105,074</u>
TOTAL REVENUES	<u>201,000</u>	<u>201,000</u>	<u>309,346</u>	<u>108,346</u>
EXPENDITURES				
General government				
Engineering services	50,000	50,000	76,211	26,211
Highways and streets				
Traffic signals	<u>515,000</u>	<u>515,000</u>	<u>332,061</u>	<u>(182,939)</u>
TOTAL EXPENDITURES	<u>565,000</u>	<u>565,000</u>	<u>408,272</u>	<u>(156,728)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(364,000)	(364,000)	(98,926)	265,074
FUND BALANCE AT BEGINNING OF YEAR	<u>408,509</u>	<u>408,509</u>	<u>408,509</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	\$ <u>44,509</u>	\$ <u>44,509</u>	\$ <u>309,583</u>	\$ <u>265,074</u>

WHITPAIN TOWNSHIP

SCHEDULES OF CHANGES IN THE NET POLICE PENSION PLAN LIABILITY AND RELATED RATIOS LAST FIVE FISCAL YEARS

	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY					
Service cost	\$ 443,072	\$ 421,973	\$ 370,944	\$ 353,280	\$ 360,026
Interest	1,342,878	1,269,372	1,195,917	1,124,212	1,091,052
Differences between expected and actual experience	-	(480,918)	-	(428,014)	-
Changes of assumptions	-	485,277	-	-	-
Benefit payments	(685,867)	(830,221)	(528,992)	(716,180)	(420,906)
NET CHANGE IN TOTAL PENSION LIABILITY	1,100,083	865,483	1,037,869	333,298	1,030,172
TOTAL PENSION LIABILITY, BEGINNING	17,786,588	16,921,105	15,883,236	15,549,938	14,519,766
TOTAL PENSION LIABILITY, ENDING (a)	\$ 18,886,671	\$ 17,786,588	\$ 16,921,105	\$ 15,883,236	\$ 15,549,938
PLAN FIDUCIARY NET POSITION					
Contributions					
Employer	\$ 491,807	\$ 515,514	\$ 489,202	\$ 529,276	\$ 410,503
Member	182,053	141,994	159,872	147,294	129,756
Net investment income	(824,343)	1,896,281	773,789	(97,771)	651,924
Benefit payments, including refunds of member contributions	(685,867)	(830,221)	(528,992)	(716,180)	(420,906)
Administrative expense	(3,530)	(13,050)	(4,150)	(10,930)	(10,882)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(839,880)	1,710,518	889,721	(148,311)	760,395
Plan fiduciary net position, beginning	16,559,340	14,848,822	13,959,101	14,107,412	13,347,017
PLAN FIDUCIARY NET POSITION, ENDING (b)	\$ 15,719,460	\$ 16,559,340	\$ 14,848,822	\$ 13,959,101	\$ 14,107,412
NET PENSION LIABILITY, ENDING (a)-(b)	\$ 3,167,211	\$ 1,227,248	\$ 2,072,283	\$ 1,924,135	\$ 1,442,526
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	83.23%	93.10%	87.75%	87.89%	90.72%
COVERED PAYROLL	\$ 3,513,277	\$ 3,046,877	\$ 3,143,369	\$ 2,968,077	\$ 2,849,146
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	90.15%	40.28%	65.93%	64.83%	50.63%

NOTES TO SCHEDULES

Changes of Assumptions - In 2017, mortality rates were based on the IRS 2017 Static Combined Table for Small Plans. In prior years, the RP-2000 Healthy Annuitant Mortality Table was used for mortality rates.

Pension schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

WHITPAIN TOWNSHIP

SCHEDULES OF POLICE PENSION PLAN CONTRIBUTIONS LAST FIVE FISCAL YEARS

	2018	2017	2016	2015	2014
ACTUARILY DETERMINED CONTRIBUTION	\$ 491,807	\$ 515,514	\$ 489,202	\$ 529,276	\$ 410,503
CONTRIBUTIONS IN RELATION TO THE ACTUARILY DETERMINED CONTRIBUTION	<u>491,807</u>	<u>515,514</u>	<u>489,202</u>	<u>529,276</u>	<u>410,503</u>
CONTRIBUTION (EXCESS) DEFICIENCY	\$ <u> -</u>				
COVERED PAYROLL	\$ <u>3,513,277</u>	\$ <u>3,046,877</u>	\$ <u>3,143,369</u>	\$ <u>2,968,077</u>	\$ <u>2,849,146</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	<u>14.00%</u>	<u>16.92%</u>	<u>15.56%</u>	<u>17.83%</u>	<u>14.41%</u>

NOTES TO SCHEDULES

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:

Valuation date:	January 1, 2017	January 1, 2015	January 1, 2013
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining amortization period	9 years	9 years	12 years
Asset valuation method	Market value	Market value	Market value
Inflation	3%	3%	3%
Salary increases	5% annual increase	5% annual increase	5% annual increase
Investment rate of return	7.5%	7.5%	7.5%
Retirement age	Normal retirement age	Normal retirement age	Normal retirement age
Mortality	IRS 2017 Static Combined Table for Small Plans	RP 2000 Healthy Annuitant Mortality Table	RP 2000 Healthy Annuitant Mortality Table

Pension schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

WITTPAIN TOWNSHIP

SCHEDULES OF POLICE PENSION PLAN INVESTMENT RETURNS LAST FIVE FISCAL YEARS

	2018	2017	2016	2015	2014
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	<u>-5.06%</u>	<u>11.55%</u>	<u>5.59%</u>	<u>-0.61%</u>	<u>4.17%</u>

NOTE TO SCHEDULES

Pension schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

WHITPAIN TOWNSHIP

SCHEDULES OF CHANGES IN THE NET NON-UNIFORMED EMPLOYEES' PENSION PLAN LIABILITY AND RELATED RATIOS LAST FIVE FISCAL YEARS

	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY					
Service cost	\$ 315,384	\$ 301,803	\$ 309,570	\$ 296,239	\$ 318,807
Interest	1,169,917	1,100,459	1,009,967	939,838	882,405
Differences between expected and actual experience	-	(442,032)	-	(94,696)	-
Changes of assumptions	-	700,437	-	-	-
Benefit payments	(571,197)	(408,292)	(318,944)	(309,748)	(326,618)
NET CHANGE IN TOTAL PENSION LIABILITY	914,104	1,252,375	1,000,593	831,633	874,594
TOTAL PENSION LIABILITY, BEGINNING	<u>15,569,102</u>	<u>14,316,727</u>	<u>13,316,134</u>	<u>12,484,501</u>	<u>11,609,907</u>
TOTAL PENSION LIABILITY, ENDING (a)	\$ <u>16,483,206</u>	\$ <u>15,569,102</u>	\$ <u>14,316,727</u>	\$ <u>13,316,134</u>	\$ <u>12,484,501</u>
PLAN FIDUCIARY NET POSITION					
Contributions					
Employer	\$ 537,675	\$ 534,010	\$ 527,910	\$ 554,877	\$ 485,243
Member	82,983	84,230	91,675	92,962	88,558
Net investment income	(704,956)	1,639,515	656,146	(60,774)	517,606
Benefit payments, including refunds of member contributions	(571,197)	(408,292)	(318,944)	(309,748)	(326,618)
Administrative expense	(4,710)	(11,170)	(4,390)	(12,180)	(14,367)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(660,205)	1,838,293	952,397	265,137	750,422
Plan fiduciary net position, beginning	<u>14,346,385</u>	<u>12,508,092</u>	<u>11,555,695</u>	<u>11,290,558</u>	<u>10,540,136</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	\$ <u>13,686,180</u>	\$ <u>14,346,385</u>	\$ <u>12,508,092</u>	\$ <u>11,555,695</u>	\$ <u>11,290,558</u>
NET PENSION LIABILITY, ENDING (a)-(b)	\$ <u>2,797,026</u>	\$ <u>1,222,717</u>	\$ <u>1,808,635</u>	\$ <u>1,760,439</u>	\$ <u>1,193,943</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>83.03%</u>	<u>92.15%</u>	<u>87.37%</u>	<u>86.78%</u>	<u>90.44%</u>
COVERED PAYROLL	\$ <u>3,152,836</u>	\$ <u>3,427,878</u>	\$ <u>3,400,345</u>	\$ <u>3,316,530</u>	\$ <u>3,342,885</u>
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>88.71%</u>	<u>35.67%</u>	<u>53.19%</u>	<u>53.08%</u>	<u>35.72%</u>

NOTES TO SCHEDULES

Changes of Assumptions - In 2017, mortality rates were based on the IRS 2017 Static Combined Table for Small Plans. In prior years, the RP-2000 Healthy Annuitant Mortality Table was used for mortality rates.

Pension schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

WHITPAIN TOWNSHIP

SCHEDULES OF NON-UNIFORMED EMPLOYEES' PENSION PLAN CONTRIBUTIONS LAST FIVE FISCAL YEARS

	2018	2017	2016	2015	2014
ACTUARILY DETERMINED CONTRIBUTION	\$ 537,675	\$ 534,010	\$ 527,910	\$ 554,877	\$ 485,243
CONTRIBUTIONS IN RELATION TO THE ACTUARILY DETERMINED CONTRIBUTION	<u>537,675</u>	<u>534,010</u>	<u>527,910</u>	<u>554,877</u>	<u>485,243</u>
CONTRIBUTION (EXCESS) DEFICIENCY	\$ <u> -</u>				
COVERED PAYROLL	\$ <u>3,152,836</u>	\$ <u>3,427,878</u>	\$ <u>3,400,345</u>	\$ <u>3,316,530</u>	\$ <u>3,342,885</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	<u>17.05%</u>	<u>15.58%</u>	<u>15.53%</u>	<u>16.73%</u>	<u>14.52%</u>

NOTES TO SCHEDULES

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:

Valuation date:	January 1, 2017	January 1, 2015	January 1, 2013
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining amortization period	6 years	6 years	8 years
Asset valuation method	Market value	Market value	Market value
Inflation	3%	3%	3%
Salary increases	4.5% annual increase	4.5% annual increase	4.5% annual increase
Investment rate of return	7.5%	7.5%	7.5%
Retirement age	Normal retirement age	Normal retirement age	Normal retirement age
Mortality	IRS 2017 Static Combined Table for Small Plans	RP 2000 Healthy Annuitant Mortality Table	RP 2000 Healthy Annuitant Mortality Table

Pension schedules are intended to show information for ten years. Additional information will be displayed as it becomes available.

WHITPAIN TOWNSHIP
SCHEDULES OF NON-UNIFORMED EMPLOYEES'
PENSION PLAN INVESTMENT RETURNS
LAST FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	<u>-4.97%</u>	<u>11.50%</u>	<u>5.60%</u>	<u>(0.39)%</u>	<u>4.24%</u>

NOTE TO SCHEDULES

Pension schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

WHITPAIN TOWNSHIP

SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT BENEFIT PLAN LIABILITY AND RELATED RATIOS LAST FISCAL YEAR

Police OPEB Plan

TOTAL OPEB LIABILITY	
Service cost	\$ 101,030
Interest	74,031
Changes of assumptions	73,843
Benefit payments	(65,153)
NET CHANGE IN TOTAL OPEB LIABILITY	<u>183,751</u>
TOTAL OPEB LIABILITY, BEGINNING	<u>1,929,702</u>
TOTAL OPEB LIABILITY, ENDING	\$ <u>2,113,453</u>
COVERED PAYROLL	\$ <u>3,289,984</u>
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>64.24%</u>

Non-Uniformed OPEB Plan

TOTAL OPEB LIABILITY	
Service cost	\$ 13,575
Interest	13,547
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	13,967
Benefit payments	(15,600)
NET CHANGE IN TOTAL OPEB LIABILITY	<u>25,489</u>
TOTAL OPEB LIABILITY, BEGINNING	<u>360,016</u>
TOTAL OPEB LIABILITY, ENDING	\$ <u>385,505</u>
COVERED PAYROLL	\$ <u>3,929,503</u>
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>9.81%</u>

NOTES TO SCHEDULE

Changes of Assumptions - In 2018, the discount rate changed from 3.71% to 3.16%. The trend assumption was updated.

OPEB schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

SUPPLEMENTARY INFORMATION SECTION

WHITPAIN TOWNSHIP

DESCRIPTION OF NONMAJOR SPECIAL REVENUE FUNDS

OTHER GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2018

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.

WHITPAIN TOWNSHIP

COMBINING BALANCE SHEET

OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2018

	Fire Hydrant Fund	Special Fee in Lieu of Stormwater Management Fund
ASSETS		
Cash and cash equivalents	\$ 262,131	\$ 72,567
Receivables	<u>395</u>	-
TOTAL ASSETS	<u>\$ 262,526</u>	<u>\$ 72,567</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ -	\$ -
Due to other funds	3,027	-
Unearned revenue	<u>773</u>	-
TOTAL LIABILITIES	<u>3,800</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue, property taxes	<u>-</u>	<u>-</u>
FUND BALANCES		
Restricted		
Fire hydrants	258,726	-
Highway and street projects	-	-
Stormwater detention facilities	-	72,567
Outfall water drainage	-	-
TOTAL FUND BALANCES	<u>258,726</u>	<u>72,567</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 262,526</u>	<u>\$ 72,567</u>

Revenue Funds

Reserve for Outfall Stormwater Fund	Highway Aid Fund	Total Other Governmental Funds
\$ 51,424	\$ 179,823	\$ 565,945
<hr/>	<hr/>	<hr/>
\$ 51,424	\$ 179,823	\$ 566,340
<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -
-	3,407	6,434
<hr/>	<hr/>	<hr/>
-	-	773
<hr/>	<hr/>	<hr/>
-	3,407	7,207
<hr/>	<hr/>	<hr/>
-	-	-
<hr/>	<hr/>	<hr/>
-	-	258,726
-	176,416	176,416
<hr/>	<hr/>	<hr/>
-	-	72,567
51,424	-	51,424
<hr/>	<hr/>	<hr/>
51,424	176,416	559,133
<hr/>	<hr/>	<hr/>
\$ 51,424	\$ 179,823	\$ 566,340
<hr/>	<hr/>	<hr/>

WHITPAIN TOWNSHIP

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OTHER GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2018

	Fire Hydrant Fund	Special Fee in Lieu of Stormwater Management Fund
REVENUES		
Real estate taxes	\$ 99,740	\$ -
Investment income and rent	2,341	629
Intergovernmental revenues	-	-
Contributions	-	8,213
TOTAL REVENUES	102,081	8,842
EXPENDITURES		
General government	-	-
Public safety	60,765	-
Highways and streets	-	-
TOTAL EXPENDITURES	60,765	-
EXCESS OF REVENUES OVER EXPENDITURES	41,316	8,842
OTHER FINANCING USES		
Transfers out	-	-
NET CHANGE IN FUND BALANCES	41,316	8,842
FUND BALANCES AT BEGINNING OF YEAR	217,410	63,725
FUND BALANCES AT END OF YEAR	\$ 258,726	\$ 72,567

Revenue Funds

Reserve for Outfall Stormwater Fund	Highway Aid Fund	Total Other Governmental Funds
\$ -	\$ -	\$ 99,740
349	4,257	7,576
-	589,715	589,715
28,206	-	36,419
<u>28,555</u>	<u>593,972</u>	<u>733,450</u>
14,311	-	14,311
-	-	60,765
-	573,126	573,126
<u>14,311</u>	<u>573,126</u>	<u>648,202</u>
14,244	20,846	85,248
-	-	-
14,244	20,846	85,248
<u>37,180</u>	<u>155,570</u>	<u>473,885</u>
<u>\$ 51,424</u>	<u>\$ 176,416</u>	<u>\$ 559,133</u>

WHITPAIN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE CAPITAL PROJECTS FUND YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
REVENUES				
Interest income	\$ 5,000	\$ 5,000	\$ 85,772	\$ 80,772
Intergovernmental revenues	1,046,500	1,046,500	175,000	(871,500)
TOTAL REVENUES	1,051,500	1,051,500	260,772	(790,728)
EXPENDITURES				
General government				
Building and improvements	1,916,785	1,916,785	427,914	(1,488,871)
Furniture and office equipment	130,000	130,000	61,907	(68,093)
Automobiles, trucks and equipment	-	-	3,600	3,600
TOTAL GENERAL GOVERNMENT	2,046,785	2,046,785	493,421	(1,553,364)
Public safety				
Land and buildings	55,000	55,000	263,912	208,912
Furniture and office equipment	248,688	248,688	135,367	(113,321)
TOTAL PUBLIC SAFETY	303,688	303,688	399,279	95,591
Highways and streets				
Land and buildings	34,000	34,000	99	(33,901)
Automobiles, trucks and equipment	2,214,032	2,214,032	-	(2,214,032)
Other improvements	350,000	350,000	-	(350,000)
TOTAL HIGHWAYS AND STREETS	2,598,032	2,598,032	99	(2,597,933)
Culture and recreation				
Automobiles, trucks and equipment	85,020	85,020	114,814	29,794
TOTAL EXPENDITURES	5,033,525	5,033,525	1,007,613	(4,025,912)
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(3,982,025)	(3,982,025)	(746,841)	3,235,184
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	25,000	25,000	44,340	19,340
Interfund transfers in, General Fund	955,034	955,034	861,034	(94,000)
TOTAL OTHER FINANCING SOURCES	980,034	980,034	905,374	(74,660)
NET CHANGE IN FUND BALANCE	(3,001,991)	(3,001,991)	158,533	3,160,524
FUND BALANCE AT BEGINNING OF YEAR	5,946,155	5,946,155	5,946,155	-
FUND BALANCE AT END OF YEAR	\$ 2,944,164	\$ 2,944,164	\$ 6,104,688	\$ 3,160,524

WHITPAIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
FIRE CAPITAL FUND
YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget</u>
REVENUES				
Interest income	\$ 1,000	\$ 1,000	\$ 4,072	\$ 3,072
EXPENDITURES				
Public safety				
Fire company				
Capital expenditures	600,000	600,000	595,705	(4,295)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(599,000)	(599,000)	(591,633)	7,367
OTHER FINANCING SOURCES				
Transfers in	81,996	81,996	81,996	-
NET CHANGE IN FUND BALANCE	(517,004)	(517,004)	(509,637)	7,367
FUND BALANCE AT BEGINNING OF YEAR	671,683	671,683	671,683	-
FUND BALANCE AT END OF YEAR	\$ 154,679	\$ 154,679	\$ 162,046	\$ 7,367

WHITPAIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Budget
REVENUES				
Real estate taxes	\$ 722,068	\$ 722,068	\$ 722,619	\$ 551
Interest income	2,000	2,000	4,657	2,657
TOTAL REVENUES	724,068	724,068	727,276	3,208
EXPENDITURES				
General government				
Administration	-	-	-	-
Debt service				
Principal	524,000	524,000	524,000	-
Interest	252,850	252,850	252,850	-
TOTAL EXPENDITURES	776,850	776,850	776,850	-
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(52,782)	(52,782)	(49,574)	3,208
OTHER FINANCING SOURCES				
Interfund transfers	<u>68,004</u>	<u>68,004</u>	<u>68,004</u>	-
NET CHANGE IN FUND BALANCE				
	15,222	15,222	18,430	3,208
FUND BALANCE AT BEGINNING OF YEAR	228,187	228,187	228,187	-
FUND BALANCE AT END OF YEAR				
	<u>\$ 243,409</u>	<u>\$ 243,409</u>	<u>\$ 246,617</u>	<u>\$ 3,208</u>

WHITPAIN TOWNSHIP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS YEAR ENDED DECEMBER 31, 2018

	Fire Hydrant Fund	
	Budget	Actual
REVENUES		
Real estate taxes	\$ 78,100	\$ 99,740
Interest income	650	2,341
Intergovernmental revenues	-	-
Contributions	-	-
TOTAL REVENUES	<u>78,750</u>	<u>102,081</u>
EXPENDITURES		
General government	-	-
Engineering services	-	-
Construction services	-	-
TOTAL GENERAL GOVERNMENT	<u>-</u>	<u>-</u>
Public safety		
Fire hydrant rental	163,000	60,765
Miscellaneous	1,000	-
TOTAL PUBLIC SAFETY	<u>164,000</u>	<u>60,765</u>
Highways and streets		
Storm sewer materials	-	-
NET CHANGE IN FUND BALANCES	<u>(84,250)</u>	<u>41,316</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>217,410</u>	<u>217,410</u>
FUND BALANCES AT END OF YEAR	<u>\$ 133,160</u>	<u>\$ 258,726</u>

Fee in Lieu of Stormwater Management Fund		Reserve for Outfall Stormwater Fund	
Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -
150	629	125	349
10,000	-	-	-
<u>12,000</u>	<u>8,213</u>	<u>15,000</u>	<u>28,206</u>
<u>22,150</u>	<u>8,842</u>	<u>15,125</u>	<u>28,555</u>
5,000	-	500	14,311
20,000	-	-	-
<u>25,000</u>	<u>-</u>	<u>500</u>	<u>14,311</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	10,000	-
(2,850)	8,842	4,625	14,244
<u>63,725</u>	<u>63,725</u>	<u>37,180</u>	<u>37,180</u>
<u>\$ 60,875</u>	<u>\$ 72,567</u>	<u>\$ 41,805</u>	<u>\$ 51,424</u>

WHITPAIN TOWNSHIP**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**
AGENCY FUND
YEAR ENDED DECEMBER 31, 2018

	Escrow Fund		
	Balance January 1, 2018	Additions	Deletions
ASSETS			
Cash	\$ <u>1,764,159</u>	\$ <u>506,269</u>	\$ <u>(283,817)</u>
LIABILITIES			
Escrow and other deposits	\$ <u>1,764,159</u>	\$ <u>506,269</u>	\$ <u>(283,817)</u>

See accompanying notes to the basic financial statements.

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)										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Invested in capital assets, net of related debt	\$ 37,083,369	\$ 36,961,616	\$ 36,088,994	\$ 35,526,462	\$ 35,222,073	\$ 35,890,662	\$ 35,102,166	\$ 37,304,102	\$ 37,515,929	\$ 37,746,606
Restricted	2,603,155	3,013,177	2,986,672	2,785,382	3,111,790	2,805,303	2,756,114	2,408,151	3,852,545	2,696,658
Unrestricted	12,064,139	12,296,661	12,135,747	12,664,717	14,171,841	13,767,750	11,850,824	10,475,089	6,975,781	6,267,266
Total governmental activities net assets	51,750,663	52,271,454	51,211,413	50,976,561	52,505,704	52,463,715	49,709,104	50,187,342	48,344,255	46,710,530
Business-type activities										
Invested in capital assets, net of related debt	1,375,202	1,521,278	1,647,790	1,853,876	2,112,972	2,368,208	2,617,476	2,678,775	2,967,220	2,718,274
Restricted	-	-	-	-	-	698,547	698,547	500,638	500,638	578,113
Unrestricted	2,250,577	1,735,556	1,859,560	1,268,517	1,232,373	374,455	689,845	1,193,857	1,280,382	1,608,574
Total business-type activities net assets	3,625,779	3,256,834	3,507,350	3,122,393	3,345,345	3,441,210	4,005,868	4,373,270	4,748,240	4,904,961
Primary government										
Invested in capital assets, net of related debt	38,458,571	38,482,894	37,736,784	37,380,338	37,335,045	38,258,870	37,719,642	39,982,877	40,483,149	40,464,880
Restricted	2,603,155	3,013,177	2,986,672	2,785,382	3,111,790	3,503,850	3,454,661	3,203,054	4,353,183	3,274,771
Unrestricted	14,314,716	14,032,217	13,995,307	13,933,234	15,404,214	14,142,205	12,540,669	11,371,319	8,256,163	7,875,840
Total primary government net assets	\$ 55,376,442	\$ 55,528,288	\$ 54,718,763	\$ 54,098,954	\$ 55,851,049	\$ 55,904,925	\$ 53,714,972	\$ 54,557,250	\$ 53,092,495	\$ 51,615,491

Source: Whitpain Township Annual Financial Statements

Table 2

WHITPAIN TOWNSHIP Changes in Net Assets Last Ten Fiscal Years (unaudited) (modified accrual basis of accounting)										
Expenses	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
GOVERNMENTAL ACTIVITIES										
General Government	\$ 4,202,791	\$ 4,478,023	\$ 4,273,971	\$ 3,411,205	\$ 3,549,349	\$ 2,979,731	\$ 2,590,875	\$ 2,564,470	\$ 2,505,606	\$ 2,460,581
Police	6,721,640	6,090,261	6,416,077	6,013,806	5,709,171	5,311,095	5,277,387	5,198,584	4,915,155	4,824,636
Fire	1,212,188	1,041,022	1,098,944	1,065,958	1,053,936	1,153,808	1,988,166	1,217,449	1,172,487	1,146,854
Code Enforcement	511,162	553,157	579,285	580,521	513,548	489,983	492,710	484,018	458,027	480,379
Zoning	59,294	62,619	66,782	51,920	39,694	33,344	51,719	45,738	65,613	70,523
Public Works	4,835,686	4,601,427	4,659,268	4,490,907	4,534,001	4,306,726	4,324,700	3,459,781	3,983,612	3,678,790
Parks and Recreation	1,755,353	1,301,820	1,593,612	1,262,000	1,169,045	1,152,522	1,198,356	1,061,263	968,643	1,277,552
Debt Service	249,292	288,378	338,908	373,699	411,298	446,335	583,177	551,996	511,973	638,922
TOTAL GOVERNMENTAL ACTIVITIES	19,547,406	18,416,707	19,026,847	17,250,016	16,980,042	14,873,544	16,507,090	14,583,299	14,581,116	14,578,237
BUSINESS-TYPE ACTIVITIES										
Sewer	3,752,476	3,840,001	3,265,892	3,633,015	3,571,415	3,989,727	3,839,592	3,950,853	3,803,783	3,855,598
TOTAL TOWNSHIP ACTIVITIES	23,299,882	22,256,708	22,292,739	20,883,031	20,551,457	18,863,271	20,346,682	18,534,152	18,384,899	18,433,835
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	-	-	-	-	-	-	-	15,152	20,161	19,620
Police	69,622	77,882	107,439	104,717	110,174	142,592	129,601	121,517	121,483	106,484
Fire	-	-	-	-	-	-	-	-	-	-
Code Enforcement	742,230	491,976	499,552	657,666	377,503	294,031	357,653	311,570	313,352	293,214
Zoning	95,669	108,042	145,836	117,145	84,111	81,078	64,724	95,161	76,962	65,995
Public Works	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	489,138	495,325	425,142	410,486	414,237	367,087	344,301	315,216	322,053	315,292
Debt Service	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	1,762,738	1,500,901	1,404,029	1,470,464	1,305,752	1,202,145	1,121,517	1,512,804	1,342,150	955,872
Capital Grants and Contributions	175,000	105,410	10,000	-	19,794	-	-	261,845	749,496	215,725
Total governmental activities program revenues	3,334,397	2,779,536	2,591,998	2,760,478	2,311,571	2,086,933	2,017,796	2,633,265	2,945,657	1,972,202
Business Type Activities										
Charges for Services										
Sewer	3,414,798	3,403,872	3,413,586	3,417,423	3,322,377	3,323,797	3,364,370	3,505,089	3,526,620	3,523,747
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	598,181	102,913	162,955	215,602	72,703	32,481	36,215	45,313	82,226	48,877
Total business type activities program revenues	4,012,979	3,506,785	3,576,541	3,633,025	3,395,080	3,356,278	3,400,585	3,550,402	3,608,846	3,572,624
Total primary government program revenues	7,347,376	6,286,321	6,168,539	6,393,503	5,706,651	5,443,211	5,418,381	6,183,667	6,554,503	5,544,826
Net (expense)/revenue										
Governmental activities	(16,213,009)	(15,637,171)	(16,434,849)	(14,489,538)	(14,668,471)	(12,786,511)	(14,489,294)	(11,950,034)	(11,635,459)	(12,606,035)
Business Type Activities	260,503	(333,216)	310,649	10	(176,335)	(633,449)	(439,007)	(400,451)	(194,937)	(282,974)
Total Primary government net expense	(15,952,506)	(15,970,387)	(16,124,200)	(14,489,528)	(14,844,806)	(13,420,060)	(14,928,301)	(12,350,485)	(11,830,396)	(12,889,009)
General Revenues and other Changes in Net Assets										
Government Activities										
Real Estate Taxes	6,417,438	6,310,809	6,332,205	6,332,749	6,284,353	6,243,018	5,957,187	6,213,830	6,492,867	4,520,009
Other Local Taxes	8,772,665	8,836,787	9,386,496	8,100,393	7,538,681	8,285,388	7,078,505	6,788,978	6,051,618	5,835,778
Investment Income	213,893	86,293	36,783	118,771	152,739	139,129	79,790	149,191	36,114	47,019
Gain (loss) on sale of fixed assets	44,340	-	35,305	17,897	16,072	(6,669)	17,515	57,384	28,793	11,381
Miscellaneous	935,873	964,931	878,912	766,540	718,615	880,356	890,059	583,738	659,792	502,240
Transfers	-	-	-	-	-	(12,000)	-	-	-	-
Total Government Activities	16,384,209	16,198,820	16,669,701	15,336,350	14,710,460	15,541,222	14,011,056	13,793,121	13,269,184	10,916,427
Business- Type Activities										
Investment Income	103,911	13,116	5,197	1,956	1,720	1,663	6,445	6,295	8,315	11,404
Gain (loss) on sale of fixed assets	-	-	-	17,829	-	-	13,690	-	-	-
Miscellaneous	66,518	69,584	69,111	55,712	78,750	67,128	42,832	15,824	29,901	18,992
Transfers	-	-	-	-	-	-	12,000	-	-	-
Total Business Type Activities	170,429	82,700	74,308	75,497	80,470	68,791	74,967	22,119	38,216	30,396
Total primary government	16,554,638	16,281,520	16,744,009	15,411,847	14,790,930	15,610,013	14,086,023	13,815,240	13,307,400	10,946,823
Total Change in Net Assets										
Government Activities	171,200	561,649	234,852	846,812	41,989	2,754,611	(478,238)	1,843,087	1,633,725	(1,689,608)
Business- Type Activities	430,932	(250,516)	384,957	75,507	(95,865)	(564,658)	(364,040)	(378,332)	(156,721)	(252,576)
Total primary government	\$ 602,132	\$ 311,133	\$ 619,809	\$ 922,319	\$ (53,876)	\$ 2,189,953	\$ (842,278)	\$ 1,464,755	\$ 1,477,004	\$ (1,942,186)

Source: Whitemarsh Township Annual Financial Statements

Table 3

WHITPAIN TOWNSHIP Fund Balances Of Governmental Funds Last Ten Fiscal Years (unaudited) (modified accrual basis of accounting)										
	2018	2017	2016	2015	2014	2013	2012	2011	2010 (1)	2009
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 581,500
Unreserved										3,645,654
Nonspendable	25,253	25,253	23,485	24,410	25,335	22,560	22,560	22,560	34,420	-
Committed	5,957,213	3,447,696	3,940,071	2,194,594	1,982,701	1,775,071	1,775,071	2,044,000	2,044,000	-
Assigned	2,700,000	2,500,000	2,400,000	3,800,000	2,700,000	1,888,043	1,947,775	1,947,775	1,947,775	-
Unassigned	-	1,747,522	-	-	-	1,792,953	1,943,150	3,031,071	1,388,363	-
Total General Fund	\$ 8,682,466	\$ 7,720,471	\$ 6,363,556	\$ 6,019,004	\$ 4,708,036	\$ 5,478,627	\$ 5,688,556	\$ 7,045,406	\$ 5,414,558	\$ 4,227,154
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in :										
Special revenue funds	-	-	-	-	-	-	-	-	-	2,929,268
Capital projects funds	-	-	-	-	-	-	-	-	-	608,549
Nonspendable, reported in:										
Capital projects fund	1,236,230	1,236,230	23,788	-	-	-	-	-	-	-
Restricted, reported in:										
Fire Protection	709,422	800,600	852,311	715,450	589,171	1,123,173	1,123,069	772,721	596,987	-
Fire Capital	162,046	671,683	653,702	668,146	742,181	-	-	-	-	-
Open Space acquisition and improvement	925,937	838,822	819,424	875,943	1,254,489	1,394,948	1,428,887	1,486,384	1,537,486	-
Debt Service	246,617	228,187	253,171	212,666	159,497	81,093	11,613	22,598	90,619	-
Other governmental funds	559,133	473,885	408,064	313,177	366,452	290,157	192,545	126,448	112,057	-
Committed, reported in:										
Other governmental funds	-	408,509	399,080	470,562	586,276	887,826	-	-	-	-
Assigned, reported in:										
Capital acquisition, construction and improvement	4,901,185	4,748,308	7,004,782	7,317,843	7,588,327	5,748,109	4,430,232	1,390,562	1,011,268	-
Other governmental funds	<u>309,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>755,313</u>	<u>574,342</u>	<u>507,178</u>	-
Total all other governmental funds	\$ 9,050,153	\$ 9,406,224	\$ 10,414,322	\$ 10,573,787	\$ 11,286,393	\$ 9,525,306	\$ 7,941,659	\$ 4,373,055	\$ 3,855,595	\$ 3,537,817
Total all Governmental funds	\$ 17,732,619	\$ 17,126,695	\$ 16,777,878	\$ 16,592,791	\$ 15,994,429	\$ 15,003,933	\$ 13,630,215	\$ 11,418,461	\$ 9,270,153	\$ 7,764,971

Notes:

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

Source : Whitpain Township Annual Financial Statements

Table 4

WHITPAIN TOWNSHIP Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (unaudited) (modified accrual basis of accounting)										
Fiscal Year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Taxes	\$ 15,155,751	\$ 15,206,170	\$ 15,948,334	\$ 14,501,467	\$ 13,942,078	\$ 13,846,367	\$ 13,319,613	\$ 12,930,511	\$ 12,115,401	\$ 10,687,974
Fees, licenses and permits	1,269,963	968,411	1,001,465	1,123,688	790,614	682,276	740,613	626,633	718,046	178,564
Interest income and rent	587,578	502,465	461,837	430,255	450,698	417,569	387,456	243,498	142,572	154,062
Intergovernmental revenues	1,467,950	1,416,644	1,300,555	1,113,896	1,119,488	1,093,342	1,055,266	1,705,999	1,890,521	978,022
Fines and Forfeitures	73,215	80,365	106,179	105,145	97,888	130,477	115,737	108,503	111,960	96,300
Charges for Services	489,355	500,484	434,472	415,839	428,779	382,627	363,388	350,739	356,383	704,305
Contributions	459,786	178,070	103,321	344,576	195,018	100,138	58,649	-	-	-
Other	136,316	184,321	99,864	112,390	124,272	299,989	266,536	330,822	422,081	410,208
Total Revenues	19,639,914	19,036,930	19,456,027	18,147,256	17,148,835	16,952,785	16,307,258	16,296,705	15,756,964	13,209,435
Expenditures										
Current										
General Government	3,699,184	3,632,623	3,414,647	3,335,087	3,390,456	2,814,141	2,470,294	2,461,792	2,372,014	2,332,480
Public Safety	8,322,861	7,639,232	7,723,771	7,334,704	6,988,265	6,840,167	7,551,027	6,726,013	6,340,545	6,157,687
Highways and Streets	2,401,686	2,660,526	2,813,342	3,050,658	2,531,798	2,376,634	2,315,121	2,110,806	2,073,009	2,138,283
Parks and Recreation	1,742,046	1,616,413	2,065,012	1,518,831	1,226,808	1,028,382	1,096,967	1,006,683	1,905,872	1,281,604
Debt Service										
Principal	524,000	1,223,000	1,191,000	1,150,000	941,000	884,000	3,753,000	908,000	874,000	841,000
Interest and other charges	252,850	292,300	335,734	377,556	414,410	449,387	558,828	550,926	586,575	632,182
Capital Outlay	2,135,703	2,122,411	1,764,970	806,467	697,149	1,208,916	331,087	441,561	128,560	534,730
Total Expenditures	19,078,330	19,186,505	19,308,476	17,573,303	16,189,886	15,601,627	18,076,324	14,205,781	14,280,575	13,917,966
Excess (deficiency) of revenues over expenditures	561,584	(149,575)	147,551	573,953	958,949	1,351,158	(1,769,066)	2,090,924	1,476,389	(708,531)
Other Financing Sources (Uses)										
Proceeds from debt	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	44,340	-	37,536	24,409	31,547	22,560	19,816	57,384	28,793	11,381
Refund of prior years' expenditures	-	-	-	-	-	-	-	-	-	-
Interfund transfers in	1,522,068	1,384,025	2,550,000	818,004	3,333,423	2,500,000	3,344,945	500,000	1,360,026	500,000
Interfund Transfers out	(1,522,068)	(1,384,025)	(2,550,000)	(818,004)	(3,333,423)	(2,500,000)	(3,356,945)	(500,000)	(1,360,026)	(500,000)
Issuance of refunding bonds	-	-	-	-	-	-	3,925,000	-	-	-
Premiums on debt issuances	-	-	-	-	-	-	48,004	-	-	-
Total Other Financing Sources (Uses)	44,340	-	37,536	24,409	31,547	22,560	3,980,820	57,384	28,793	11,381
Net change in fund balance	605,924	(149,575)	185,087	598,362	990,496	1,373,718	2,211,754	2,148,308	1,505,182	(697,150)
Fund balance at beginning of year	17,126,695	17,276,270	16,592,791	15,994,429	15,003,933	13,630,215	11,418,461	9,270,153	7,764,971	8,462,121
Fund balance at end of year	\$ 17,732,619	\$ 17,126,695	\$ 16,777,878	\$ 16,592,791	\$ 15,994,429	\$ 15,003,933	\$ 13,630,215	\$ 11,418,461	\$ 9,270,153	\$ 7,764,971
Debt Service as a percentage of non-capital expenditures	4.59%	8.88%	8.70%	9.11%	8.75%	9.26%	24.30%	10.60%	11.13%	11.00%

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)

Year Ended 31-Dec	Real Estate Tax (1)	Realty Transfer Tax	Earned Income Tax	Local Services Tax (2)	Total
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
2015	6,308,066	848,160	6,571,571	773,670	14,501,467
2016	6,600,541	1,904,647	6,610,001	833,145	15,948,334
2017	6,374,063	868,946	7,125,424	837,737	15,206,170
2018	6,417,438	856,884	7,035,355	846,074	15,155,751

Notes:

(1) Includes General, Fire, Fire Hydrant and Debt Service Funds .

(2) Local Services Tax was formerly Emergency Services Tax and Occupational Privilege Tax

Source : Whitpain Township Annual Financial Statements

Table 6

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

Fiscal Year Ended	Total Taxable Assessed Value (1)	Estimated Actual Value (2)	Ratio of Total Assessed Value to Estimated Actual Value		Total Township Tax Rate (3)
			to Estimated	Actual Value	
31-Dec 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
2015	2,006,838,337	2,900,055,400	.692		3.20
2016	2,023,281,997	2,919,598,841	.693		3.20
2017	2,030,461,459	2,921,527,279	.695		3.20
2018	2,022,098,819	3,022,569,236	.669		3.20

Source: (1) Includes residential, industrial, commercial, vacant & utility properties

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 2018, the common level ratio for 2017 was used since the
common level ratio for 2017 was not yet available

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

Table 7

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

Tax Year	Whitpain Township					Overlapping Rates			
	General Purpose	Fire Protection Millage(1)	Fire Hydrant Millage	Debt Service Millage	Total Township Millage	Montgomery County Millage	Wissahickon School District Millage	Total Millage	
	Millage	Millage	Millage	Millage	Millage	Millage	Millage	Millage	
2009	1.35	0.30	0.05	0.60	2.30	2.695	17.731	22.726	
2010	2.12	0.30	0.05	0.73	3.20	2.695	17.925	23.820	
2011	2.02	0.40	0.05	0.73	3.20	2.695	17.925	23.820	
2012	2.02	0.40	0.05	0.73	3.20	3.150	17.925	24.275	
2013	2.02	0.40	0.05	0.73	3.20	3.152	17.925	24.277	
2014	2.02	0.40	0.05	0.73	3.20	3.152	17.931	24.283	
2015	2.02	0.40	0.05	0.73	3.20	3.152	18.261	24.613	
2016	2.02	0.40	0.05	0.73	3.20	3.849	18.790	25.839	
2017	2.02	0.40	0.05	0.73	3.20	3.849	19.440	26.489	
2018	2.39	0.40	0.05	0.36	3.20	3.849	20.020	27.069	

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

Table 8

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

Taxpayer	Type of Business	2018		2009 (2)	
		Assessed Value (1)	Rank	% of Total Assessment	Assessed Value
Spear Tower STE (721-751 Arbor Way)	Office Complex	\$ 39,870,260	1	1.97%	
Normandy Farm Estates (9000 Twin Silo Dr)	Residential	31,142,990	2	1.54%	
Whitpain Associates (1350 Jolly Road)	Office Complex	19,774,080	3	0.98%	
Townline Associates (1269 Township Line Rd)	Apartment Complex	18,335,580	4	0.91%	
Spear Tower STE (801 Lakeview Dr)	Office Building	16,025,150	5	0.79%	
Sentry KPG III LP (1777 Sentry Pkwy West)	Office Complex	14,443,770	6	0.71%	
Sentry Park West LLC (1787 Sentry Pkwy West)	Office Complex	14,362,000	7	0.71%	
Spear Tower STE (785 Jolly Rd)	Office Building	13,770,000	8	0.68%	
Plymouth Rock Associates (470 Norristown Rd)	Office Buildings	13,440,800	9	0.66%	
Aetna Life Ins. Co. (1425 Union Meeting Rd)	Office Buildings	11,141,030	10	0.55%	
TOTAL		\$ 192,305,660		9.51%	
Source: Montgomery County Board of Assessments					
Note: (1) 2018 Total Taxable Assessed Value		2,022,098,819			
(2) 2009 Information not available.					

Table 9

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

Fiscal Year Ended 31-Dec	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections Amount	Adjusted Levy for the Fiscal Year Amount	Total Collections to Date	
		Amount (1)	Percentage of Levy			Amount	Percentage of Levy
2009	4,574,390	4,528,317	98.99%	36,898	4,611,288	4,565,215	99.00%
2010	6,384,238	6,312,387	98.87%	44,267	6,428,505	6,356,654	98.88%
2011	6,401,805	6,290,204	98.26%	66,599	6,468,404	6,356,803	98.27%
2012	6,327,343	6,258,557	98.91%	68,786	6,396,129	6,327,343	98.92%
2013	6,325,524	6,261,756	98.99%	63,768	6,389,292	6,325,524	99.00%
2014	6,342,460	6,276,575	98.96%	65,885	6,408,345	6,342,460	98.97%
2015	6,400,366	6,331,615	98.93%	71,022	6,471,388	6,402,637	98.94%
2016	6,453,778	6,334,357	98.15%	39,358	6,493,137	6,373,716	98.16%
2017	6,476,258	6,331,036	97.76%	43,026	6,519,284	6,374,062	97.77%
2018	6,469,864	6,330,773	97.85%	63,159	6,533,023	6,393,932	97.87%

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.

Table 10

WHITPAIN TOWNSHIP Sewer Billing Data Last Five Fiscal Years (unaudited)					
DESCRIPTION	2018	2017	2016	2015	2014
RATES:					
Residential	\$85/quarter(+\$21.25 > 20 GAL)				
Commercial	\$150 + \$7.30/1000gal				
ACCOUNTS (in units):					
Residential	6,811	6,874	7,041	7,007	7,091
Commercial	263	264	266	273	273
BILLING (annual amount in \$)					
Residential	\$ 2,513,939	\$ 2,512,898	\$ 2,503,208	\$ 2,489,693	\$ 2,446,598
Commercial	\$ 867,234	\$ 857,999	\$ 854,568	\$ 1,001,286	\$ 840,810
TOTAL	\$ 3,381,173	\$ 3,370,897	\$ 3,357,776	\$ 3,490,979	\$ 3,287,408

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, 2018 (unaudited)

Borrowing base revenues (1):

2016	22,912,548
2017	22,567,841
2018	23,682,674
Total Revenues	\$ 69,163,063

Debt limit for General Obligation Debt:

Average borrowing base revenues	\$ 23,054,354
Debt limit percent	250%
Debt limit	57,635,886
Total amount of debt applicable to debt limit	5,707,404
Legal debt margin	\$ 51,928,482

Debt limit for General Obligation bonds and lease rental debt:

Average borrowing base revenues	\$ 23,054,354
Debt limit percent	350%
Debt limit	80,690,240
Total amount of debt applicable to debt limit	5,707,404
Legal debt margin	\$ 74,982,836

Notes:

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

Source: Whitpain Township Annual Financial Statements.

Table 12

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

Year Ended 31-Dec	Debt Limit (1)	Gross General Obligation Debt	Legal Debt Margin	Total Debt Applicable as a Percentage of Debt Limit
2009	42,652,103	13,198,000	29,454,103	44.81%
2010	44,117,137	12,324,000	31,793,137	38.76%
2011	46,013,301	11,416,000	34,597,301	33.00%
2012	48,753,916	11,588,000	37,165,916	31.18%
2013	50,463,779	10,704,000	39,759,779	26.92%
2014	50,879,341	9,805,004	41,074,337	23.87%
2015	52,796,796	8,652,604	44,144,192	19.60%
2016	54,346,233	7,459,204	46,887,029	15.91%
2017	56,071,449	6,233,804	49,837,645	12.51%
2018	57,635,886	5,707,404	51,928,482	10.99%

Source: Whitpain Township Annual Financial Statements

Notes: (1) 250% of borrowing base

Table 13

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)				
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	3,920,000	7,668,000	-		11,588,000	1.08%	614
2013	3,865,000	6,839,000			10,704,000	1.00%	567
2014	3,827,004	5,978,000	-		9,805,004	0.91%	519
2015	3,569,604	5,083,000	-		8,652,604	0.81%	458
2016	3,307,204	4,152,000	-		7,459,204	0.69%	395
2017	3,044,804	3,189,000			6,233,804	0.56%	330
2018	2,767,404	2,940,000	-		5,707,404	0.49%	302

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 2010 Census, or subsequent estimate, times current year population projection.

Table 14

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

Year Ended 31-Dec	Population	Assessed Value	Gross	Debt	Net	Percentage of Net General Obligation	
			General Obligation Debt	Service Fund Balance	General Obligation Debt	Debt to Assessed Value	Net General Obligation Debt per Capita
2009	18,800	2,006,629,485	13,198,000	156,173	13,041,827	0.65%	\$694
2010	18,875	2,007,728,740	12,324,000	90,619	12,233,381	0.61%	\$648
2011	18,875	1,992,856,032	11,416,000	22,598	11,393,402	0.57%	\$604
2012	18,875	1,984,002,781	11,588,000	11,613	11,576,387	0.58%	\$613
2013	18,875	1,983,429,818	10,704,000	81,093	10,622,907	0.54%	\$563
2014	18,875	1,988,742,818	9,805,004	159,497	9,645,507	0.49%	\$511
2015	18,875	2,006,838,337	8,652,604	212,666	8,439,938	0.42%	\$447
2016	18,875	2,023,281,997	7,459,204	253,171	7,206,033	0.36%	\$382
2017	18,875	2,030,461,459	6,233,804	228,187	6,005,617	0.30%	\$318
2018	18,875	2,022,098,819	5,707,404	246,617	5,460,787	0.27%	\$289

Source:

Population 2007 - 2009 -Bureau of Census 2005-2009 American Community Survey
 2010 - Bureau of Census - 2010 Census

Assessed Value - Montgomery County Board of Assessments

Debt - Whitpain Township Annual Financial Reports

Table 15

WHITPAIN TOWNSHIP
Computation of Direct and Overlapping Debt
December 31, 2018 (unaudited)

<u>Jurisdiction</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to Whitpain</u>	<u>Amount Applicable to Whitpain</u>
Direct			
Whitpain Township (1)	\$ 5,707,404	100.00%	\$ 5,707,404
Overlapping			
County of Montgomery	444,127,457	3.52%	15,622,285
Wissahickon School District	<u>19,165,000</u>	<u>55.60%</u>	<u>10,655,885</u>
Total Overlapping Debt	<u>463,292,457</u>		<u>26,278,169</u>
Total Direct and Overlapping Debt	<u><u>\$ 468,999,861</u></u>		<u><u>\$ 31,985,573</u></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, 2018 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)

Year Ended 31-Dec	Principal	Interest	Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Total General Governmental Expenditures
2009	841,000	632,182	1,473,182	13,917,966	10.58%
2010	874,000	586,575	1,460,575	14,269,407	10.24%
2011	908,000	550,926	1,458,926	14,424,172	10.11%
2012	3,753,000	558,828	4,311,828	16,507,090	26.12%
2013	884,000	449,387	1,333,387	14,873,544	8.96%
2014	941,000	414,410	1,355,410	16,980,042	7.98%
2015	1,150,000	377,556	1,527,556	17,573,303	8.69%
2016	1,191,000	335,734	1,526,734	19,308,476	7.91%
2017	1,223,000	292,300	1,515,300	19,186,505	7.90%
2018	524,000	252,850	776,850	19,078,330	4.07%

Source: Whitpain Township Annual Financial Statements.

Table 17

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

Year Ended 31-Dec	Per Capita Income (1)	Population (1)	Total Personal Income	Unemployment Rate (2)
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
2015	59,567	18,875	1,124,327,125	4.2
2016	59,567	18,875	1,124,327,125	3.6
2017	58,547	18,875	1,105,074,625	3.4
2018	61,949	18,875	1,169,287,375	3.3

Source: (1) 2009 - 2018 -U. S. Bureau of Census - American Community Survey
 (2) U. S. Depart of Labor - Bureau of Labor Statistics for Montgomery County

Table 18

WHITPAIN TOWNSHIP Census Statistics December 31, 2018 (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)	1,473.5	1,449.0	283.4	274.0	87.3	79.6
<u>Average Household Size (persons):</u>		2010	2010	2000	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	2010	2000	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	2009	1999	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	2009	1999	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

Table 19

WHITPAIN TOWNSHIP Principal Employers Current and Nine Years Ago (unaudited)							
Employer	Description	Employees	Rank	2018	% of Total Township	Employees	Rank
				2009 (1)			
M C C C	Community College	1,099	1	6.28%			
Aetna Resources LLC	Insurance	898	2	5.13%			
Henkels & McCoy Inc	Engineering/Construction	795	3	4.54%			
Cotiviti USA LLC	Health Services	505	4	2.89%			
Pharmaceutical Research Associates	Medical	481	5	2.75%			
Hansen Properties	Property Management	286	6	1.63%			
Pennsylvania Manufacturers	Manufacturing	260	7	1.49%			
Kencrest Services	Health Services	245	8	1.40%			
United Biosource LLC	Pharmaceuticals	233	9	1.33%			
Wissahickon School District	K-12 Schools	230	10	1.31%			
Subtotals		5,032		28.76%		-	0.00%
TOTAL number employed in the Township		17,497					

Source: Berkheimer Tax Administrator

Note (1) 2009 Information not available. Berkheimer only keeps records for 7 years

Table 20

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Admin., Finance, Engineering, I.T.	10.0	10.0	13.0	13.0	15.5	15.5	14.5	16.0	16.5	17.0
Police										
Officers	32.0	30.0	29.0	30.0	29.0	29.0	31.0	30.0	30.0	30.0
Civilians	8.0	8.0	8.0	8.0	8.5	8.5	8.5	8.5	8.0	8.0
Fire										
Officers	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire Marshal's Office	2.5	2.5	2.0	2.0	1.5	1.0	1.5	1.5	1.5	1.5
Code Enforcement & Zoning	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.5	4.5	4.5
Public Works										
Highway, Facilities and Parks	17.5	16.5	17.5	17.5	18.0	17.0	19.0	19.5	19.5	19.5
Culture and Recreation	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Sewer	<u>9.5</u>	<u>9.5</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
Totals:	<u>91.50</u>	<u>88.50</u>	<u>87.50</u>	<u>88.50</u>	<u>90.50</u>	<u>88.00</u>	<u>91.50</u>	<u>93.00</u>	<u>93.00</u>	<u>93.50</u>

Source: Whitpain Township, Montgomery County,
 Pennsylvania Records

Table 21

WHITPAIN TOWNSHIP Operating Indicators by Function Last Ten Fiscal Years (unaudited)										
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Planning & Engineering										
Land Developments	3	5	1	2	4	2	7	6	2	1
Subdivisions	7	2	4	2	3	4	4	2	6	5
Police										
Part I Crimes	44	56	51	86	51	275	220	168	290	173
Part II Crimes	242	275	273	291	308	384	486	393	342	443
Total Calls for Service	20,884	21,980	21,589	23,340	22,875	24,519	25,018	25,487	25,422	25,659
Fire										
Alarm	236	223	223	221	195	195	219	201	240	233
Structure	56	42	54	51	33	45	32	48	26	21
Vehicle	14	22	20	21	25	28	23	18	19	25
Other	311	343	368	327	265	372	271	314	303	309
Total Incidents	617	630	665	620	518	640	545	581	588	588
Code Enforcement & Zoning										
Building Permits	394	438	404	466	372	478	468	436	781	441
Electrical Permits	261	268	265	261	261	364	369	371	388	36
Fire Protection Permits	28	38	31	31	24	42	97	74	87	78
Mechanical Permits	156	171	157	194	204	315	299	298	312	325
Occupancy Permits	178	172	158	152	158	174	237	229	229	204
Plumbing Permits	167	322	261	186	176	218	359	302	258	231
Conditional Use Applications	1	2	1	-	-	2	6	2	-	2
Zoning Hearing Board Applications	30	43	47	39	35	33	30	31	40	35
Zoning Permits	-	-	-	449	294	502	483	478	800	442
Highway and Streets										
Streets Resurfaced (miles)	7.20	6.40	5.29	6.18	9.95	9.24	9.11	9.20	8.63	7.01
Culture and Recreation										
Program Registration	298	354	500	500	625	625	615	621	633	641
Concert Series Attendance	3,500	2,850	2,500	2,500	2,800	2,800	2,800	2,827	2,811	3,152
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: Whitpain Township, Montgomery County, Pennsylvania Records										

Table 22

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

Function	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</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	22	21	22	21	22	22	22	22	22	22
Fire (1)										
Stations	2	2	1	1	1	1	1	1	1	1
Apparatus	12	12	12	9	8	9	9	9	10	10
Highway and Streets										
Street Miles	67.78	67.78	67.78	67.78	67.28	67.96	67.78	67.78	67.78	67.86
Traffic Signals	27	28	28	28	27	27	27	27	27	29
Stormwater Detention Basins	8	8	8	8	8	8	13	14	14	14
Parks and Recreation										
Parks	10	10	10	10	10	11	11	11	11	11
Acres	350	350	350	350	350	425	425	425	425	425
Playgrounds	4	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	9	9	9	9
Street Hockey	1	1	1	1	1	1	1	1	1	1
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Lacrosse Fields	0	0	0	0	0	0	1	1	1	1

Source: Whitpain Township, Montgomery County, Pennsylvania
 Records

Table 23

SCHEDULE OF INSURANCE COVERAGES 12/31/2018
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
l.	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 Days
w. Extended Period of Indemnity	180	Days
x. Contingent Business Interruption (including Rental Income, Tuition and Fees Income, Tax Interruption) Resulting from a Covered Peril at Direct Supplier or Direct Customer Locations	\$3,000,000	Each Interruption for All Participants Combined
Y. Contingent Extra Expense Resulting from a Covered Peril at Direct Supplier or Direct Customer Locations	\$3,000,000	Each Interruption for All Participants Combined
z. Leasehold Interest	\$500,000	Each Occurrence
aa. Claims Preparation Expense	\$1,000,000	Each Occurrence
bb. Accidental Contamination of Land When Resulting from a Named Peril	\$250,000	Each Occurrence, Annual Aggregate Each Participant
cc. Accidental Contamination of Land When Resulting from a Named Peril	\$500,000	Annual Aggregate for All Participants Combined

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

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

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

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

BOILER COVERAGE

1 Limit of Liability

The following Limit of Liability applies:

All Coverages Combined (Property Damage and Business	\$100,000,000	Each Accident
--	---------------	---------------

Interruption and Extra Expense)

2 Sublimits of Liability

The following Sublimits of Liability apply. These are part of and not in addition to the Limit of Liability:

a. Expediting Expense	\$25,000,000	Each Accident
b. Errors and Omissions	\$25,000,000	Each Accident
c. Hazardous Substances	\$1,000,000	Each Accident
d. Ammonia Contamination	\$10,000,000	Each Accident
e. Water Damage	\$10,000,000	Each Accident
f. Consequential Damage	\$10,000,000	Each Accident
g. Ordinance or Law - Value of Undamaged Portion of Building, Demolition and Increased Cost of Construction Due to Ordinance or Law	\$25,000,000	Each Accident
h. EDP Media	\$10,000,000	Each Accident
i. Earthquake Resultant Damage	\$2,000,000	Annual Aggregate
j. Utility Interruption for Utilities Owned by Others and For Covered Objects and Covered Perils	\$10,000,000	Each Accident
k. Automatic Acquisitions	\$25,000,000	Each Accident

3 Deductibles

a. All Coverages Combined	\$1,000	Each Accident
b. Off Premises Service Interruption (Property Damage and Time Element		24 Hours Waiting Period Time Element)

CRIME COVERAGE

1	Limits of Liability		
	a. Public Employee Dishonesty Coverage with Faithful Performance of Duty included without sublimit	\$2,000,000	Each Occurrence
	b. Forgery or Alteration Coverage	\$2,000,000	Each Occurrence
	c. Theft, Disappearance and Destruction Coverage (Inside and Outside for Money and Securities excluding checks)	\$250,000	Each Occurrence
	d. Theft, Disappearance and Destruction Coverage (Inside and Outside for Money and Securities - Checks)	\$1,000,000	Each Occurrence
	e. Computer Fraud Coverage	\$2,000,000	Each Occurrence
	f. Wire Transfer Communication Fraud Coverage	\$2,000,000	Each Occurrence
	g. Money Orders and Counterfeit Currency Coverage	\$2,000,000	Each Occurrence
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	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
l.	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 2018

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

DELAWARE VALLEY WORKERS COMPENSATION TRUST

Annual contribution	\$298,487.00
Less Experience Modification factor	-
Less Multi-Trust Discount	-
Less Rate Stabilization Credit	(99,780.00)
Plus Prior Year Contribution	-
Net Contribution	<u>\$198,707.00</u>

Source: Whitpain Township Records

Table 24

WHITPAIN TOWNSHIP
Police Pension Plan
Last Ten Years (unaudited)

Year Ended 31-Dec	Number of Active Members		Contributions			Number of Retirees & Beneficiaries (1)	
	Members	Members	Township	State	Total		
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	
2015	29	\$ 147,294	\$ 307,578	\$ 221,698	\$ 676,570	21	
2016	29	\$ 159,872	\$ 244,222	\$ 244,980	\$ 649,074	22	
2017	28	\$ 141,994	\$ 240,219	\$ 275,295	\$ 657,508	23	
2018	30	\$ 182,053	\$ 238,850	\$ 252,957	\$ 673,860	23	

Source: Whitpain Township Records

Notes: (1) Includes Officers participating in DROP.

Table 25

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

Year Ended 31-Dec	Number of Active Members		Contributions			Number of Retirees & Beneficiaries	
	Members	Members	Township	State	Total		
2009	60	\$ 96,748	\$ 273,130	\$ 190,809	\$ 560,687	25	
2010	60	\$ 98,120	\$ 286,359	\$ 194,091	\$ 578,570	25	
2011	58	\$ 110,094	\$ 346,358	\$ 322,794	\$ 779,246	25	
2012	53	\$ 139,319	\$ 289,302	\$ 217,002	\$ 645,623	29	
2013	52	\$ 111,313	\$ 276,476	\$ 217,524	\$ 605,313	28	
2014	49	\$ 88,558	\$ 260,612	\$ 224,631	\$ 573,801	30	
2015	48	\$ 92,962	\$ 337,442	\$ 217,435	\$ 647,839	31	
2016	49	\$ 91,675	\$ 274,180	\$ 253,730	\$ 619,585	29	
2017	48	\$ 84,230	\$ 263,303	\$ 270,707	\$ 618,240	29	
2018	44	\$ 82,983	\$ 261,296	\$ 276,379	\$ 620,658	32	

Source: Whitpain Township Records

WHITPAIN TOWNSHIP
Miscellaneous Statistics
December 31, 2018 (unaudited)

Date Founded	Incorporated 1701	
Form of Government	Township of the Second Class Governed by a five member Board of Supervisors elected at large	
Area (sq. miles)	12.81	
Miles of Road	67.78	
Fire Protection	Combination department with three career and thirty volunteer firefighters one (1) station with ten (10) apparatus	
Police Protection	Thirty officers Including chief of police. Eight civilian support/dispatch staff.	
Recreation	11 Parks with 425 acres	
Libraries	Wissahickon Valley Public Library	
Transportation:		
Bus	SEPTA Bus Service on Routes 94, 96, and 98	
Railway	SEPTA Regional Rail Line R-5 with access at the North Wales, Gwynedd Valley, Penlyn, and Ambler Rail Stations	
Highway	Township is located at the crossroads of U. S. Rt. 202 and U.S. Rt. 73.	
Education:		
Number of Schools (Fall 2017)	Public	Nonpublic
Elementary	3	1
Middle	0	0
Secondary	0	0
College	1	0
Township Employees:	2018	
Full Time	92	
Part Time	38	
Seasonal	44	
Population:	2010	2000
	18,875	18,562