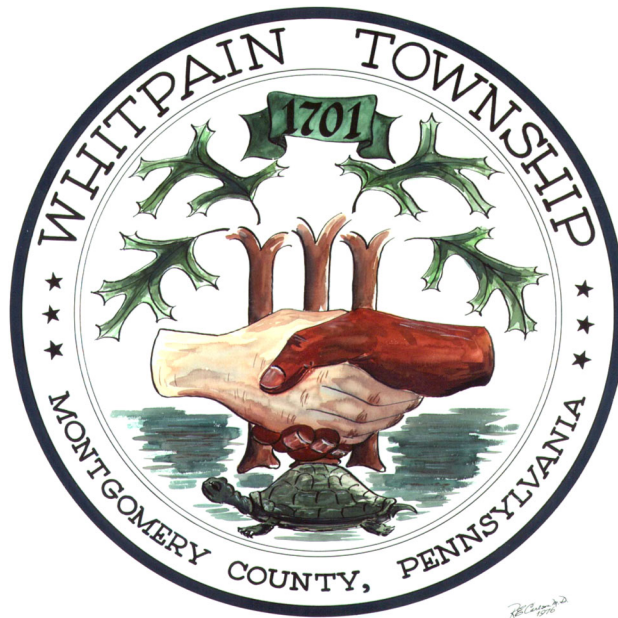


COMPREHENSIVE ANNUAL FINANCIAL REPORT



WHITPAIN TOWNSHIP MONTGOMERY COUNTY PENNSYLVANIA

For the year ended December 31, 2020



**WHITPAIN TOWNSHIP
MONTGOMERY COUNTY
PENNSYLVANIA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2020

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

INTRODUCTORY SECTION

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WHITPAIN TOWNSHIP
MONTGOMERY COUNTY
COMMONWEALTH OF PENNSYLVANIA

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

June 15, 2021

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, 2020. 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, 2020, 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, 2020, 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 public elementary schools.

Incorporated in 1701, the Township was originally a rural farming community but experienced rapid residential growth in the past 60 years with a fivefold increase in its population from 3,063 in 1950 to 18,875 in 2010. While primarily an affluent residential suburb of Philadelphia, the Township has experienced significant growth in business development, making Whitpain Township the home to several of the Philadelphia region's largest corporations, including Aetna and 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 comprised 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 25 years accumulating approximately 500 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. Mermaid Lakes was purchased in 2020 and adds nearly 75 acres of open space to the Township. 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 major initiatives that continued in 2020 along with several new programs undertaken by the Township in 2020:

- **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 2020, the Township received annual license fees totaling \$125,525 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 Manor House was significantly impacted from the Pandemic and brought in lower revenues than normal.

- **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. MUNIS also tracks individual projects and grants for all departments. The Code Enforcement Department has converted its legacy permits software to MUNIS.
- **Environment & Stormwater Management** - In 2020, the Township Engineering Department began a new environmental project, to construct Stormwater BMP PRP & TMDL Retrofit Projects at Five Existing Basin Locations. Currently, we are conducting surveying and design to develop designs for the five stormwater BMP retrofits at existing detention basins within residential communities in the Township. The projects will result in the installation of leading-edge design features to improve water quality at these locations in compliance with the Township's PRP and TMDL strategy plans and DEP regulations. The construction of the basin retrofits are anticipated to begin in 2021.
- **Pulaski Drive Bridge Replacement Project** – In 2019, the Township received an approximately \$1.8 million dollar funding grant through the DVRPC PA Municipal Bridge Retro-Reimbursement Program to replace the Pulaski Drive bridge. The Township project involves the complete replacement of the Pulaski Drive bridge with a new structure including the reconstruction of the approach roadways. The project will include flooding mitigation, storm water drainage improvements, safety enhancements and sidewalks. The project is being primarily funded (80%) through the DVRPC PA Municipal Bridge Retro-Reimbursement Program. The project is in design with construction currently anticipated to begin in 2021.
- **Police Department** - The Whitpain Police Department maintained its accreditation with the Pennsylvania Law Enforcement Accreditation Commission, which is a process that requires a rigorous re-accreditation review every three years. Whitpain is one of less than 200 organizations to achieve this lofty standard in the Commonwealth.
- **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
- **Walkability Study** - In 2019, the Township's consultant finalized a Walkability Study of the entire Township. The Study analyzed the existing sidewalk and trail network throughout the Township and made prioritized recommendations for future projects to create the most beneficial extensions and connections to expand the existing network. Since then, the Township completed several projects consistent with the Walkability Study to improve pedestrian mobility. These projects included the Blue Bell Woods crossing of Narcissa Road to give access to the existing Narcissa Road trail; Union Meeting Road crosswalk safety improvement project; Pedestrian crossing improvements at the 5-Points intersection which allowed pedestrians to safely cross at an existing signalized intersection whereas before it was signed for "No Pedestrians"; Pedestrian crossing improvements at the 6-Points intersection to permit a crossing at two of the intersection legs that previously did not allow crossings; and pedestrian crossing improvements at the intersection of Jolly Road and Union Meeting Road.

- **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. 2020 presented additional challenges because of COVID-19 restrictions and the Township conducted all meetings of the Board of Supervisors and other boards and commissions virtually.
- **GFOA Award** - For the ninth consecutive year, Whitpain was awarded the Certificate for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for the Township's 2019 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.

The Township also received recognition from GFOA for "Outstanding Achievement in Popular Annual Financial Reporting" in 2019. This marks the first year the Township created such a report.

- **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.

The U.S. Environmental Protection Agency has completed 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. In 2019, the EPA transferred all operations and maintenance of the park parcel to Whitpain Township. The Township is performing routine inspections and maintenance per the requirements of the EPA and PADEP.

In 2020, the Township completed a flooding mitigation project in cooperation with the Pennsylvania Emergency Management Agency (PEMA) and the Federal Emergency Management Agency (FEMA). The project included acquisition and demolition of four residential structures located within the 100-year floodplain.

Fund Balance Policy

The Township has adopted GASB Statement No. 54, which redefined how fund balances of the Governmental Funds are presented in the financial statements. Fund balances are classified as follows: Nonspendable, Restricted, Committed, Assigned and Unassigned. In 2020, the Township rebalanced its fund balances in the General Fund and Open Space Fund by transferring \$1,229,206 from the General Fund 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

2020 saw the COVID-19 pandemic have a major impact on the global economy. Whitpain Township was not nearly affected as much as other municipalities in the area. All major revenue sources (Real Estate Taxes, Earned Income and Transfer Tax) reached their 2020 budget. Earned Income Tax earned its highest ever recording. Some departments that were affected were Code Enforcement and Parks and Recreation. However, these departments typically spend what they bring in, meaning that they also had less expenses.

Prior to COVID-19, the economic growth in the Township had been driven in large part by business and commercial development as well as new residential construction. At the end of 2020, when restrictions were lifted, this growth had picked up again and the Township is hopeful that this will continue into 2021. 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 27% of the workforce in 2020. There continues to be a greater diversity of employers in the Township providing more stability for the Township to weather downturns in the economy such as this past year. In 2020, the number of employees in the Township increased by 3,277. Much of this increase is likely due to remote workers unable to physically be present in their offices due to COVID-19.

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 2020, strong land development and subdivision activity continued. Several large land development projects continued construction in 2020, including the Ave Blue Bell project and the Normandy Farms Skilled Nursing Center Addition and Carriage Home project.

A more detailed analysis of the Township's overall financial condition during the fiscal year ended 2020 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 July 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 the Comprehensive Annual Financial Report submissions for consideration for award of a Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded this Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. As previously noted, Whitpain was awarded the Certificate for Excellence in Financial Reporting by GFOA for the Township's 2019 Comprehensive Annual Financial Report.

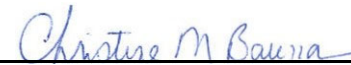
Preparation of this report would have been impossible without the hard work of the Finance Department staff, not just in the compilation of information at year-end, but in maintaining the Township's financial records and fiscal control system throughout the year. We also wish to thank our auditors, Maillie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

A handwritten signature in blue ink, appearing to read "Roman M. Pronczak", is written over a horizontal line.

Roman M. Pronczak
Township Manager

A handwritten signature in blue ink, appearing to read "Christine M. Bauman", is written over a horizontal line.

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, 2019

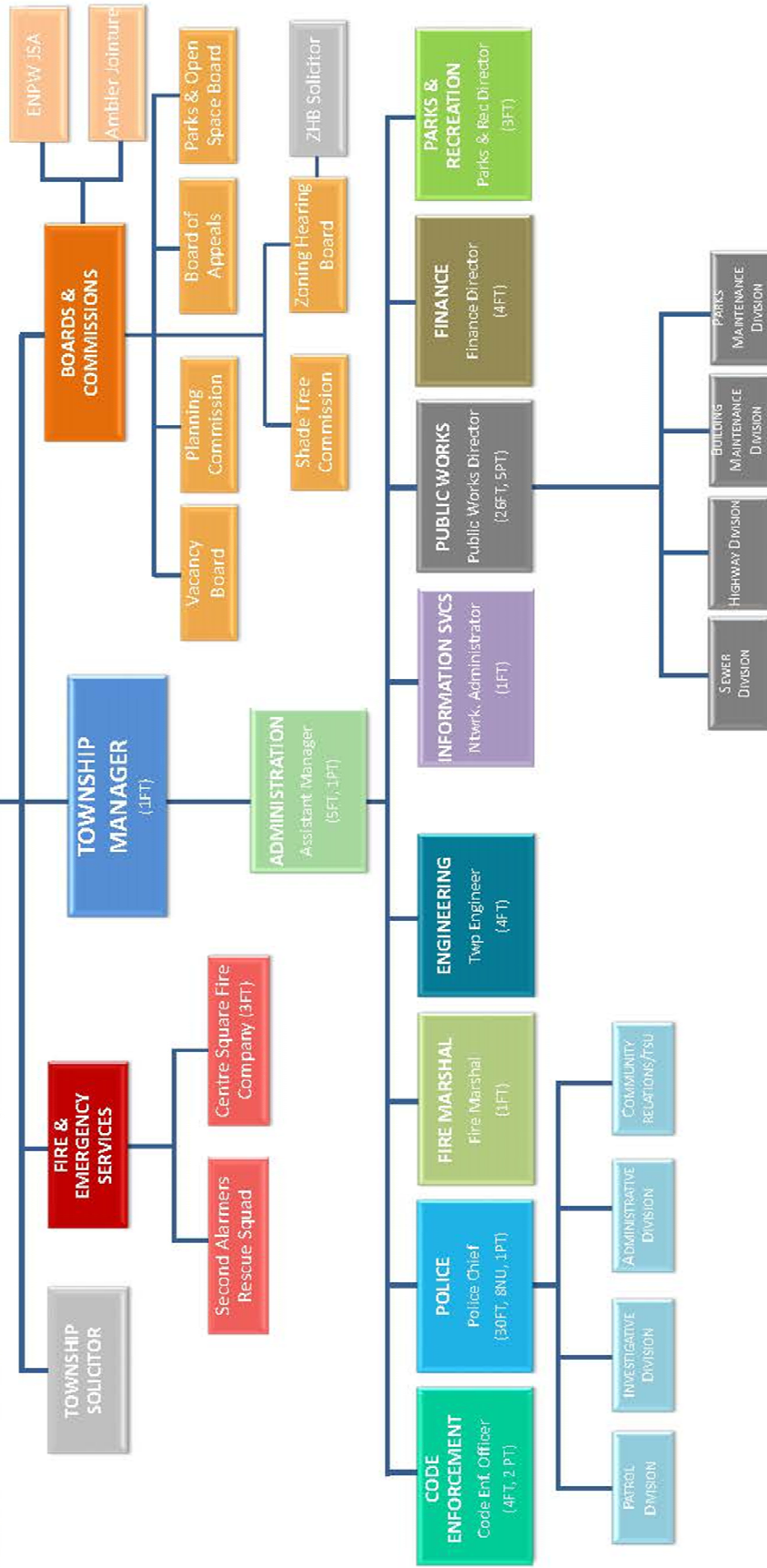
Christopher P. Morrell

Executive Director/CEO



CITIZENS

WHITPAIN TOWNSHIP BOARD OF SUPERVISORS



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

**WHITPAIN TOWNSHIP
LIST OF OFFICIALS
AS OF DECEMBER 31, 2020**

BOARD OF SUPERVISORS

Michele Minnick, Chairman
Kimberly J. Koch, Vice Chair
Frederick R. Conner, Jr. Secretary
Jeffrey Campolongo, Treasurer
Joyce M. Keller, Assistant Secretary

APPOINTED OFFICIALS

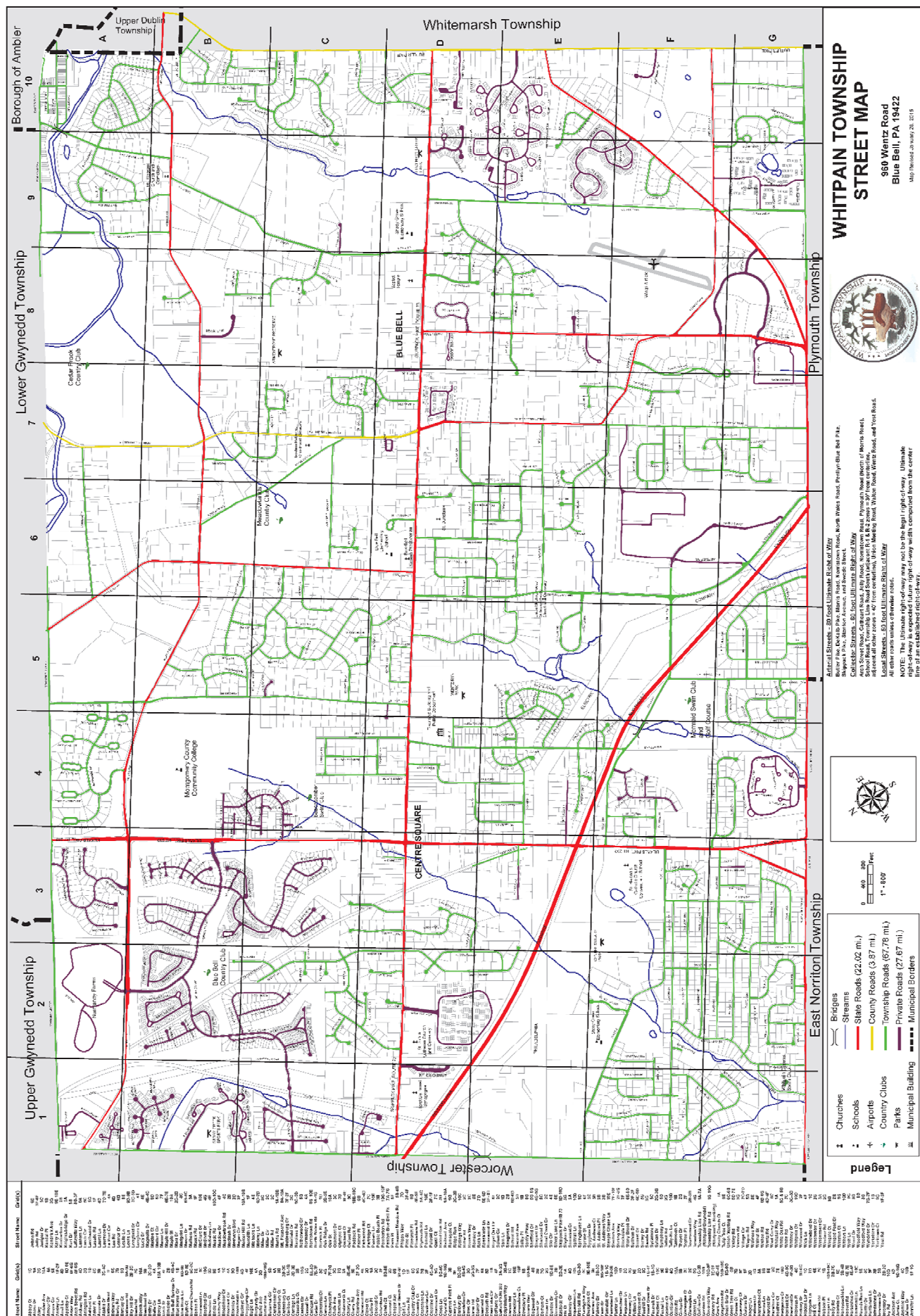
Roman M. Pronczak, Township Manager
Mickael P. Clarke, Township Solicitor
Robert L. Adshead, Zoning Hearing Board Solicitor

OTHER MANAGEMENT OFFICIALS

David J. Mrochko, Assistant Township Manager
Christine M. Bauman, Director of Finance
James E. Blanch, P.E. Township Engineer
Kenneth Lawson, Chief of Police
David M. Camarda, Fire Marshal
N. Lee Miller, Fire Chief
Michael E. McAndrew, Code Enforcement Officer
Thomas Farzetta, Director of Public Works
Kurt W. Baker, Parks & Recreation Director
Kathleen Yackin, Human Resources Director
Nicole M. Leininger, IT 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
Obermayer, Rebmann, Maxwell & Hippel LLP, 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, 2020, 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, 2020, 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

As discussed in Note M, the spread of the COVID-19 coronavirus is affecting the United States and global economies and may have an impact on Whitpain Township's operational and financial performance. At this point, Whitpain Township cannot reasonably estimate the impact on its operations or financial results. 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 78 and 79, pension plan information on pages 80 through 85 and postemployment benefits other than pension information on page 86 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.



Limerick, Pennsylvania
June 15, 2021

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) YEAR ENDED DECEMBER 31, 2020

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, 2020

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.

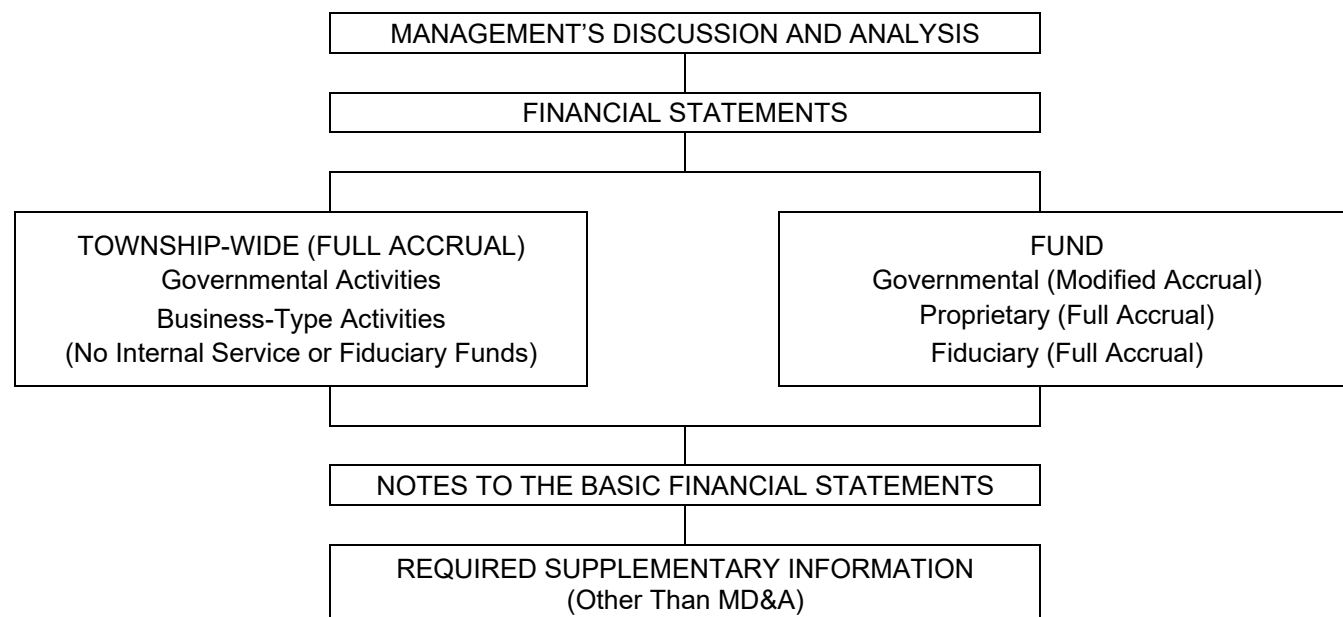
WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2020

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, 2020. 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	
	2019	2020	2019	2020	2019	2020
ASSETS						
Current and other assets	\$ 23,665	\$ 21,970	\$ 3,697	\$ 4,519	\$ 27,362	\$ 26,489
Capital assets, net	46,498	57,282	1,377	1,376	47,875	58,658
TOTAL ASSETS	70,163	79,252	5,074	5,895	75,237	85,147
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow s related to pensions/OPEB	1,489	1,220	242	179	1,731	1,399
LIABILITIES						
Long-term debt	16,650	23,786	732	1,852	17,382	25,638
Other liabilities	222	234	664	528	886	762
TOTAL LIABILITIES	16,872	24,020	1,396	2,380	18,268	26,400
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow s related to pensions/OPEB	2,546	2,188	338	285	2,884	2,473
NET POSITION						
Net investment in capital assets	36,312	38,569	1,377	1,376	37,689	39,945
Restricted	4,470	4,401	262	405	4,732	4,806
Unrestricted	11,452	11,294	1,943	1,628	13,395	12,922
TOTAL NET POSITION	\$ 52,234	\$ 54,264	\$ 3,582	\$ 3,409	\$ 55,816	\$ 57,673

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2020

Condensed Statements of Activities (In Thousands of Dollars)

Figure I-3

	Governmental Activities		Business-Type Activities		Totals	
	2019	2020	2019	2020	2019	2020
REVENUES						
Program revenues						
Charges for services	\$ 1,238	\$ 567	\$ 3,689	\$ 3,632	\$ 4,927	\$ 4,199
Operating grants and contributions	1,578	1,578	-	-	1,578	1,578
Capital grants and contributions	474	1,224	38	122	512	1,346
General revenues						
Real estate taxes	6,389	6,443	-	-	6,389	6,443
Other taxes	9,550	9,660	-	-	9,550	9,660
Investment earnings	271	109	52	16	323	125
Gain on sale of assets	22	-	6	1	28	1
Miscellaneous	994	819	88	105	1,082	924
TOTAL REVENUES	<u>20,516</u>	<u>20,400</u>	<u>3,873</u>	<u>3,876</u>	<u>24,389</u>	<u>24,276</u>
EXPENSES						
General government	4,521	3,954	-	-	4,521	3,954
Public safety						
Police	6,502	6,391	-	-	6,502	6,391
Fire	1,194	1,103	-	-	1,194	1,103
Code enforcement	535	438	-	-	535	438
Zoning	102	71	-	-	102	71
Public works	5,050	4,047	-	-	5,050	4,047
Culture and recreation	1,658	1,795	-	-	1,658	1,795
Interest on long-term debt	466	603	-	-	466	603
Sewer	-	-	3,922	4,017	3,922	4,017
TOTAL EXPENSES	<u>20,028</u>	<u>18,402</u>	<u>3,922</u>	<u>4,017</u>	<u>23,950</u>	<u>22,419</u>
TRANSFERS	<u>(5)</u>	<u>32</u>	<u>5</u>	<u>(32)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	483	2,030	(44)	(173)	439	1,857
BEGINNING NET POSITION	<u>51,751</u>	<u>52,234</u>	<u>3,626</u>	<u>3,582</u>	<u>55,377</u>	<u>55,816</u>
ENDING NET POSITION	<u>\$ 52,234</u>	<u>\$ 54,264</u>	<u>\$ 3,582</u>	<u>\$ 3,409</u>	<u>\$ 55,816</u>	<u>\$ 57,673</u>

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) YEAR ENDED DECEMBER 31, 2020

General Revenues and Other Changes in Net Position

Figure I-4

	2019	2020	Percent Change
REVENUES			
Real estate taxes	\$ 6,388,811	\$ 6,443,052	1%
Transfer taxes	1,104,418	1,009,342	-9%
Earned income taxes	7,553,631	7,760,395	3%
Local services taxes	892,393	890,768	0%
Investment income	271,283	108,527	-60%
Gain on sale of assets	21,688	-	-100%
Miscellaneous	993,918	818,721	-18%
Charges for services	1,237,599	567,017	-54%
Operating grants and contributions	1,577,613	1,577,731	0%
Capital grants and contributions	474,459	1,224,383	158%
TOTAL REVENUES	20,515,813	20,399,936	-1%
EXPENSES			
General government	4,520,935	3,954,347	-13%
Police	6,501,549	6,391,274	-2%
Fire	1,193,760	1,102,665	-8%
Code enforcement	534,938	437,533	-18%
Zoning	102,441	70,655	-31%
Public works	5,050,323	4,047,156	-20%
Parks and recreation	1,658,077	1,794,986	8%
Debt service	465,831	602,992	29%
TOTAL EXPENSES	20,027,854	18,401,608	-8%
CHANGE IN NET POSITION	\$ 487,959	\$ 1,998,328	310%

FINANCIAL HIGHLIGHTS

- The Township's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$57,673,202 (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 \$39,945,095, 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 \$4,806,124, 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, 2020

3. Unrestricted Net Position of \$12,921,983, which is available to fund the continued operations of the Township.
 - The Township's Governmental Funds fund balance at the end of 2020 was \$19,602,027. This compares to the fund balance at the end of 2019 of \$21,290,808. The decrease of \$1,688,781 was primarily due the first payment of Mermaid Lakes that was for a total of \$7,241,422. Which was funded by a \$9,675,000 bond issue. Another reason is due to an increase in capital projects such as the Yost Road Bridge project which totaled \$1,234,657 and the increased purchases of vehicles and equipment for \$809,830.
 - Earned Income Taxes (EIT) collections increased by \$206,764 from 2020 (or 3%). The forecast for EIT revenues is expected to increase around 2% for the foreseeable future.
 - Transfer Taxes decreased by \$95,076 (or -9%) from 2019. Transfer Tax revenue in 2020 was lower due to less larger properties being sold. In 2019 Centre Square Commons was sold. 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 increased by \$1,396,181 in 2020. The reason for the increase in expenses is that in 2020 the Township, as mentioned before, completed the Yost Road Bridge project for \$1,234,657. There were also upgrades to the Administration HVAC system for \$343,435 and a new fire suppression system installed for \$224,000.
 - Open Space expenses increased by \$4,720,341. The main expense in the Open Space Fund was for the first payment of Mermaid Lakes for \$7,241,422. The final payment will be made before June of 2021. This purchase was financed through a bond that totaled \$9,675,000.
 - For the Sewer Fund, Cash and Cash Equivalents decreased by \$461,298 primarily due to making a transfer to the Sewer Capital Fund to fund capital projects when the past few years the Township had not. Commercial billing was also down in 2020 due to the Pandemic and offices being empty for most of the year. Sewer revenues over all decreased by \$56,719. Again, this is due to commercial billing decreasing due to empty offices during the Pandemic. Capital Assets represent \$209,094 in depreciation expense..

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2020

- The Sewer Fund Net Position at the end of 2020, compared with 2019, decreased by \$315,827, primarily due to making a transfer to the Sewer Capital Fund of \$625,000. The decrease in sewer usage also factored in. Sewer operating expenses decreased in 2020 by \$34,783 due to a decrease in the ENPWJSA treatment plant expenses.
- The Sewer Capital Fund Net Position at the end of 2020, compared with 2019, increased by \$142,880. This was due to the \$625,000 transfer from the Sewer Fund.
- Total General Obligation Bonds and Notes Outstanding increased by \$9,090,013 from 2019. This increase was due to the 2020 bond issue of \$9,675,000 for capital, open space, and sewer projects. Retirement of the principal portion of the debt service is as follows: 2021 through 2026 (20.13%), 2027 through 2032 (25.24%), 2033 through 2038 (29.61%) and 2039 through 2044 (25.02%).

Governmental Revenue - 2020

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 remained relatively flat in 2020. Transfer Taxes decreased by \$95,076 (or 9%). This was due to larger properties being sold in 2019 as compared to 2020. Earned Income Tax (EIT) increased by 3% while Local Services Tax (LST) remained relatively unchanged. The increase in EIT was due to an increase in employment in the Township in 2020. Investment income decreased by \$162,756 (or -60%). This was due to a decrease in interest rates during 2020. Charges for services decreased \$670,582 (or -54%). This was due to the impact that the Pandemic had on programs, development and building activities. In 2020 Capital grants and contributions increased by \$749,924 (or 158%). In 2020 the Township received nearly \$900,000 in PEMA grants for improvements that were made to West Ambler.

Governmental Expenses - 2020

As indicated in the Condensed Statements of Activities (Figure I-3) and displayed in Figure I-4, the Township's largest functional service, Police, decreased by 2% in 2020, primarily due to a reduction in personnel expenses. General Government expenses decreased by 13%. This was due to less expenses going towards healthcare. Code Enforcement (-18%), Zoning (-31%), and Public Works (-20%) all decreased due to the Pandemic and needing to put projects and developing activities on hold. Parks and Recreation increased by 8% due to an increase in expenses towards trails and open space projects.

Governmental Net Position - 2020

As a result of the 2020 Governmental Activities, Whitpain recognized a \$1,998,328 increase in Net Position.

Business-Type Activities

The Township's only business-type activity is its sewer operation. Charges for services in fiscal year 2020 were \$3,632,612 or \$56,719 less than charges for services in fiscal year 2019. This was due to the decrease in commercial billing for the year due to the Pandemic. The sewer operation reported a decrease in net position of \$315,827. Much of this decrease was due to having a transfer to the Sewer Capital Fund of \$625,000.

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2020

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 \$19,602,027. Of this year-end total, \$1,000,000 is committed to tax rate stabilization, \$4,431,772 is committed to capital reserve and open space projects, \$2,800,000 is assigned to an Operating Reserve Fund, \$4,617,948 is assigned for capital acquisition, construction, and improvement, and \$510,212 is assigned for highway and street projects. Restricted fund balances include: \$2,817,238 for capital acquisition, construction, and improvement, \$1,038,840 for fire protection, \$1,620,726 for open space acquisition and improvement, \$70,845 for debt service, \$349,574 for fire hydrants, \$98,838 for storm water detention facilities, \$160,247 for highway and street projects, and \$62,329 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 \$8,255,230. The General Fund balance increased by \$340,486 from 2019. In 2020, the General Fund transferred a large amount to The Open Space (\$1,229,206) fund.

The Capital Projects Fund is a reserve fund for various capital purchases and improvements. The ending fund balance at fiscal year-end for the Capital Projects Fund was \$7,373,901. This is a decrease of \$2,162,310 over the ending fund balance for 2019. The decrease was the result of projects such as the Yost Road Bridge and Administration HVAC projects. The Capital Projects Fund has a Strategic Financial Plan for the years 2021 through 2025 totaling \$17,616,605. These additional funds will be used to finance a portion of the Strategic Financial Plan.

The Open Space Fund is a reserve fund used for the purchase and maintenance of open space. The ending fund balance at fiscal year-end for the Open Space Fund was \$1,620,726. This is a decrease of \$143,663. The main reason for this decrease was the first payment for Mermaid Lake, which was for \$7,241,422. Other projects such as trail construction and playground upgrades attributed to the decrease. The Open Space Fund has a Strategic Financial Plan for the years 2021 through 2026 2025 totaling \$8,212,450. These additional funds will be used to finance a portion of the Strategic Financial Plan.

The Debt Service Fund accounts for principal and interest debt payments. The ending fund balance at fiscal year-end for the Debt Service Fund was \$70,845. The Debt Service Fund decreased by \$63,998 from 2019. This decrease was from taking on additional principal and interest payments from the 2020 bond issue of (\$9,675,000) that was not originally budgeted for.

Proprietary Funds

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

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2020

GENERAL FUND BUDGETARY HIGHLIGHTS

- General Fund actual revenues were higher than General Fund budgeted revenues by \$374,293. Earned Income Taxes continued to be a very strong revenue source for the Township with earning \$359,979 more than expected. Other significant revenues over budget were Transfer Taxes which exceeded budget by \$159,342, Other state grants which exceeded budget by \$474,887 and Real Estate Taxes which exceeded the budget by \$63,723.
- General Fund functional services' actual expenses were lower than budgeted expenses by \$762,332. This was primarily due to Culture and Recreation expenses being \$282,025 under budget. The other services that had significant favorable variances were as follows:

Streets	\$248,681
Solicitor.....	\$230,559
Police.....	\$195,340
Snow removal.....	\$88,879
Supervisors	\$78,811

CAPITAL ASSETS - NET OF DEPRECIATION

Capital Assets, net of depreciation, increased in 2020 by \$10,782,998 to \$58,658,205, primarily due to the first payment of Mermaid Lakes for \$7,241,422. 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	
	2019	2020	2019	2020	2019	2020
Land	\$ 16,108	\$ 24,194	\$ -	\$ -	\$ 16,108	\$ 24,194
Conservation easements	1,052	1,052	-	-	1,052	1,052
Construction in progress	1,869	1,825	67	92	1,936	1,917
Land improvements	5,957	6,731	-	-	5,957	6,731
Buildings and improvements	4,098	5,032	-	-	4,098	5,032
Machinery and equipment	3,916	4,181	556	602	4,472	4,783
Infrastructure	13,498	14,268	754	682	14,252	14,950
	<u>\$ 46,498</u>	<u>\$ 57,283</u>	<u>\$ 1,377</u>	<u>\$ 1,376</u>	<u>\$ 47,875</u>	<u>\$ 58,659</u>

LONG-TERM DEBT

Long-term debt consists of debt incurred for the purchase and development of open space for active and passive recreation, purchase of Mermaid Lake for land preservation, construction of the Pulaski Road Bridge, a new Public Works Garage, various sewer projects, 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 2020, long-term debt increased by \$8,256,140. This is due to the issue of the 2020 General obligation bond for \$9,675,000 and a large reduction in net pension liability. For more information on long-term debt please see Note G in the report.

WHITPAIN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2020

Outstanding Long-Term Debt (In Thousands of Dollars)

Figure I-6

	Governmental Activities		Business-Type Activities		Totals	
	2019	2020	2019	2020	2019	2020
General obligation notes	\$ 2,678	\$ 2,402	\$ -	\$ 1,274	\$ 2,678	\$ 3,676
General obligation bonds	9,815	17,926	430	425	10,245	18,351
Bond premium	216	203	11	10	227	213
Total OPEB liability	1,973	2,120	94	96	2,067	2,216
Net pension liability	1,886	1,027	192	43	2,078	1,070
Compensated absences	82	108	5	4	87	112
	<u>\$ 16,650</u>	<u>\$ 23,786</u>	<u>\$ 732</u>	<u>\$ 1,852</u>	<u>\$ 17,382</u>	<u>\$ 25,638</u>

NEXT YEAR'S BUDGETS AND RATES

The general outlook for the economy of Whitpain Township is beginning to become clearer as restrictions from the Pandemic are lifted. Whitpain Township did not suffer economically much as once feared at the beginning of the Pandemic. EIT saw its best year and is expected to be the Township's highest revenue source. In 2020, Parks and Recreation as well as Code Enforcement and Zoning saw their revenues fall off greatly. There is great confidence that these revenues will rebound in 2021, knowing restrictions will be eased. The sewer system is also looking to rebound from the Pandemic. Commercial revenue is expected to still be down from pre-pandemic levels due to office buildings not being fully filled the whole year. The Manor House is also expected to rebound and should be able to host as many events as normal. Overall, moderate growth equivalent to pre-pandemic levels is expected. EIT is expected to increase at the rate it has been over the past several years. Transfer Tax revenues are expected to increase with the hope of large properties being sold in 2021.

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 again assigned Whitpain a AAA rating in 2020. The Township has maintained its AAA bond rating since it was first assigned in 2012. Moody's summarized its opinion indicating that Whitpain has "a very strong tax base with a large commercial component, very high wealth levels, and significant diversity of revenue sources. It also reflects a light debt burden that is likely to shrink over time, stable finances with sizeable reserves, and conservative budgeting practices that have ensured structural balance throughout the downturn."

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

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

WHITPAIN TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 17,997,269	\$ 4,007,635	\$ 22,004,904
Investments	12,930	297,915	310,845
Receivables	2,741,785	272,470	3,014,255
Notes receivable	1,131,509	-	1,131,509
Internal balances	62,662	(62,662)	-
Deposits	-	350	350
Prepaid items	23,458	4,103	27,561
Capital assets			
Land	24,194,098	-	24,194,098
Conservation easements	1,052,009	-	1,052,009
Construction in progress	1,825,182	92,498	1,917,680
Other capital assets	86,760,008	14,662,832	101,422,840
Accumulated depreciation	(56,548,757)	(13,379,665)	(69,928,422)
TOTAL ASSETS	<u>79,252,153</u>	<u>5,895,476</u>	<u>85,147,629</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,004,468	167,962	1,172,430
Deferred outflows related to OPEB	215,737	10,774	226,511
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,220,205</u>	<u>178,736</u>	<u>1,398,941</u>
LIABILITIES			
Accounts payable	105,254	38,195	143,449
Interest payable	49,671	-	49,671
Other current liabilities	79,100	490,195	569,295
Long-term liabilities			
Portion due or payable within one year			
Bonds payable	300,000	5,000	305,000
Notes payable	291,000	-	291,000
Compensated absences	10,846	419	11,265
Portion due or payable after one year			
Bonds payable	17,828,539	1,704,445	19,532,984
Notes payable	2,111,000	-	2,111,000
Total OPEB liability	2,119,959	95,592	2,215,551
Net pension liability	1,026,968	42,487	1,069,455
Compensated absences	97,610	3,769	101,379
TOTAL LIABILITIES	<u>24,019,947</u>	<u>2,380,102</u>	<u>26,400,049</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,772,926	282,380	2,055,306
Deferred outflows related to OPEB	415,190	2,823	418,013
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,188,116</u>	<u>285,203</u>	<u>2,473,319</u>
NET POSITION			
Net investment in capital assets	38,569,430	1,375,665	39,945,095
Restricted			
Fire protection	1,038,840	-	1,038,840
Open space acquisition and improvement	1,620,726	-	1,620,726
Debt service	70,845	-	70,845
Fire hydrants	349,574	-	349,574
Highway and street projects	160,247	-	160,247
Stormwater detention facilities	98,838	-	98,838
Outfall water drainage	62,329	-	62,329
Capital improvements	999,809	404,916	1,404,725
Unrestricted	11,293,657	1,628,326	12,921,983
TOTAL NET POSITION	<u>\$ 54,264,295</u>	<u>\$ 3,408,907</u>	<u>\$ 57,673,202</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 3,954,347	\$ -	\$ 558,233	\$ 1,124,083
Police	6,391,274	42,211	-	-
Fire	1,102,665	-	168,234	-
Code enforcement	437,533	312,031	-	-
Zoning	70,655	109,480	-	-
Public works	4,047,156	-	805,806	-
Culture and recreation	1,794,986	103,295	45,458	100,300
Debt service	602,992	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	18,401,608	567,017	1,577,731	1,224,383
BUSINESS-TYPE ACTIVITIES				
Sewer	4,017,259	3,632,612	-	122,422
TOTAL TOWNSHIP ACTIVITIES	\$ 22,418,867	\$ 4,199,629	\$ 1,577,731	\$ 1,346,805
GENERAL REVENUES				
Taxes				
Real estate taxes				
Transfer taxes				
Earned income taxes				
Local services taxes				
Investment earnings				
Gain on sale of capital assets				
Miscellaneous				
TRANSFERS				
TOTAL GENERAL REVENUES				
CHANGE IN NET POSITION				
NET POSITION AT BEGINNING OF YEAR				
NET POSITION AT END OF YEAR				

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (2,272,031)	\$ -	\$ (2,272,031)
(6,349,063)	-	(6,349,063)
(934,431)	-	(934,431)
(125,502)	-	(125,502)
38,825	-	38,825
(3,241,350)	-	(3,241,350)
(1,545,933)	-	(1,545,933)
(602,992)	-	(602,992)
(15,032,477)	-	(15,032,477)
-	(262,225)	(262,225)
(15,032,477)	(262,225)	(15,294,702)
6,443,052	-	6,443,052
1,009,342	-	1,009,342
7,760,395	-	7,760,395
890,768	-	890,768
108,527	15,857	124,384
-	980	980
818,721	104,786	923,507
32,345	(32,345)	-
17,063,150	89,278	17,152,428
2,030,673	(172,947)	1,857,726
52,233,622	3,581,854	55,815,476
\$ 54,264,295	\$ 3,408,907	\$ 57,673,202

WHITPAIN TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Capital Projects Fund	Open Space Fund
ASSETS			
Cash and cash equivalents	\$ 7,846,923	\$ 6,056,619	\$ 1,675,877
Investments	7,338	-	-
Receivables	673,121	-	-
Notes receivable	-	1,131,509	-
Prepaid items	23,458	-	-
Due from other funds	119,563	196,517	2,800
TOTAL ASSETS	\$ 8,670,403	\$ 7,384,645	\$ 1,678,677
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 54,419	\$ -	\$ 29,105
Accrued salaries and benefits	79,100	-	-
Due to other funds	195,910	10,744	28,846
Unearned revenue	-	-	-
TOTAL LIABILITIES	329,429	10,744	57,951
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, property taxes	85,744	-	-
FUND BALANCES			
Nonspendable			
Prepaid items	23,458	-	-
Restricted			
Capital acquisition, construction and improvement	-	2,817,238	-
Fire protection	-	-	-
Open space acquisition and improvement	-	-	1,620,726
Debt service	-	-	-
Fire hydrants	-	-	-
Highway and street projects	-	-	-
Stormwater detention facilities	-	-	-
Outfall water drainage	-	-	-
Committed			
Capital reserve and open space projects	4,431,772	-	-
Tax rate stabilization	1,000,000	-	-
Assigned			
Operating Reserve Fund	2,800,000	-	-
Highway and street projects	-	-	-
Capital acquisition, construction and improvement	-	4,556,663	-
TOTAL FUND BALANCES	8,255,230	7,373,901	1,620,726
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,670,403	\$ 7,384,645	\$ 1,678,677

See accompanying notes to the basic financial statements.

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 93,332	\$ 2,324,518	\$ 17,997,269
-	5,592	12,930
7,521	7,567	688,209
-	-	1,131,509
-	-	23,458
-	-	318,880
<u>\$ 100,853</u>	<u>\$ 2,337,677</u>	<u>\$ 20,172,255</u>

\$ -	\$ 21,730	\$ 105,254
-	-	79,100
108	20,610	256,218
29,900	14,012	43,912
<u>30,008</u>	<u>56,352</u>	<u>484,484</u>

-	-	85,744
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-	-	23,458
---	---	--------

-	-	2,817,238
---	---	-----------

-	1,038,840	1,038,840
---	-----------	-----------

-	-	1,620,726
---	---	-----------

70,845	-	70,845
--------	---	--------

-	349,574	349,574
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-	160,247	160,247
---	---------	---------

-	98,838	98,838
---	--------	--------

-	62,329	62,329
---	--------	--------

-	-	4,431,772
---	---	-----------

-	-	1,000,000
---	---	-----------

-	-	2,800,000
---	---	-----------

-	510,212	510,212
---	---------	---------

-	61,285	4,617,948
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<u>70,845</u>	<u>2,281,325</u>	<u>19,602,027</u>
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<u>\$ 100,853</u>	<u>\$ 2,337,677</u>	<u>\$ 20,172,255</u>
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WHITPAIN TOWNSHIP

RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2020

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 19,602,027
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. These assets consist of:	
Cost of capital assets	113,831,297
Accumulated depreciation	(56,548,757)
Deferred charges used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Deferred inflows and outflows related to pension and OPEB activities	(967,911)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Interest payable	(49,671)
Bonds payable	(17,925,802)
Notes payable	(2,402,000)
Total OPEB liability	(2,119,959)
Net pension liability	(1,026,968)
Compensated absences	(108,456)
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.	(202,737)
Receivables in the statement of net position that do not provide current financial resources are not reported in the Governmental Funds.	2,053,576
Some of the Township's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	<u>129,656</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>54,264,295</u></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, 2020**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Open Space Fund</u>
REVENUES			
Taxes			
Real estate taxes	\$ 4,632,097	\$ -	\$ -
Transfer taxes	1,009,342	-	-
Earned income taxes	7,759,979	-	-
Local services taxes	890,768	-	-
Fees, licenses and permits	905,610	-	-
Investment income and rent	212,351	67,462	5,621
Intergovernmental revenues	1,074,818	601,517	100,300
Fines and forfeitures	43,312	-	-
Charges for services	103,324	-	-
Contributions	-	-	45,458
Other	77,176	-	-
TOTAL REVENUES	<u>16,708,777</u>	<u>668,979</u>	<u>151,379</u>
EXPENDITURES			
General government	4,549,519	1,066,167	-
Public safety	7,199,708	45,661	-
Highways and streets	2,263,929	3,072,172	-
Culture and recreation	1,125,929	-	8,631,807
Debt service			
Principal	-	-	-
Interest	-	15,800	77,443
TOTAL EXPENDITURES	<u>15,139,085</u>	<u>4,199,800</u>	<u>8,709,250</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,569,692</u>	<u>(3,530,821)</u>	<u>(8,557,871)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	1,329,206
Transfers out	(1,229,206)	-	-
Issuance of debt	-	1,315,800	7,085,002
Sale of general capital assets	-	52,711	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,229,206)</u>	<u>1,368,511</u>	<u>8,414,208</u>
NET CHANGE IN FUND BALANCES	340,486	(2,162,310)	(143,663)
FUND BALANCES AT BEGINNING OF YEAR	<u>7,914,744</u>	<u>9,536,211</u>	<u>1,764,389</u>
FUND BALANCES AT END OF YEAR	<u>\$ 8,255,230</u>	<u>\$ 7,373,901</u>	<u>\$ 1,620,726</u>

See accompanying notes to the basic financial statements.

<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 905,614	\$ 905,341	\$ 6,443,052
-	-	1,009,342
-	-	7,759,979
-	-	890,768
-	-	905,610
1,263	133,803	420,500
-	756,203	2,532,838
-	-	43,312
-	-	103,324
-	217,837	263,295
-	28,925	106,101
<u>906,877</u>	<u>2,042,109</u>	<u>20,478,121</u>
-	40,055	5,655,741
-	896,204	8,141,573
-	597,142	5,933,243
-	-	9,757,736
566,000	-	566,000
505,224	-	598,467
<u>1,071,224</u>	<u>1,533,401</u>	<u>30,652,760</u>
<u>(164,347)</u>	<u>508,708</u>	<u>(10,174,639)</u>
105,349	81,996	1,516,551
(5,000)	(250,000)	(1,484,206)
-	-	8,400,802
-	-	52,711
<u>100,349</u>	<u>(168,004)</u>	<u>8,485,858</u>
(63,998)	340,704	(1,688,781)
<u>134,843</u>	<u>1,940,621</u>	<u>21,290,808</u>
<u>\$ 70,845</u>	<u>\$ 2,281,325</u>	<u>\$ 19,602,027</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, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (1,688,781)
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 capital outlays (\$13,043,267) exceeds depreciation (\$2,151,538) in the current period.	10,891,729
Because some property taxes will not be collected for several months after the Township's fiscal year ends, they are not considered as "available" revenues in the Governmental Funds. Deferred tax revenues decreased by this amount this year.	416
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(107,599)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(7,821,456)
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).	(26,716)
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.	(17,871)
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	832,510
OPEB plan expense	(31,559)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>2,030,673</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

	Sewer Fund	Sewer Capital Fund	Total Proprietary Funds
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,345,095	\$ 2,662,540	\$ 4,007,635
Investments	297,915	-	297,915
Receivables	272,470	-	272,470
Deposits	350	-	350
Prepaid items	4,103	-	4,103
Due from other funds	-	-	-
TOTAL CURRENT ASSETS	1,919,933	2,662,540	4,582,473
CAPITAL ASSETS			
Construction in progress	92,498	-	92,498
Sewer system and improvements	12,476,980	-	12,476,980
Other capital assets	2,185,852	-	2,185,852
Accumulated depreciation	(13,379,665)	-	(13,379,665)
TOTAL CAPITAL ASSETS	1,375,665	-	1,375,665
TOTAL ASSETS	3,295,598	2,662,540	5,958,138
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	167,962	-	167,962
Deferred outflows related to OPEB	10,774	-	10,774
TOTAL DEFERRED OUTFLOWS OF RESOURCES	178,736	-	178,736
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	8,984	29,211	38,195
Accrued salaries and benefits	8,232	-	8,232
Compensated absences	419	-	419
Due to other governments	-	481,963	481,963
Due to other funds	25,657	37,005	62,662
Bonds payable	-	5,000	5,000
TOTAL CURRENT LIABILITIES	43,292	553,179	596,471
NONCURRENT LIABILITIES			
Total OPEB liability	95,592	-	95,592
Net pension liability	42,487	-	42,487
Compensated absences	3,769	-	3,769
Bonds payable	-	1,704,445	1,704,445
TOTAL NONCURRENT LIABILITIES	141,848	1,704,445	1,846,293
TOTAL LIABILITIES	185,140	2,257,624	2,442,764
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	282,380	-	282,380
Deferred inflows related to OPEB	2,823	-	2,823
TOTAL DEFERRED INFLOWS OF RESOURCES	285,203	-	285,203
NET POSITION			
Investment in capital assets	1,375,665	-	1,375,665
Restricted for capital improvements	-	404,916	404,916
Unrestricted	1,628,326	-	1,628,326
TOTAL NET POSITION	\$ 3,003,991	\$ 404,916	\$ 3,408,907

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, 2020**

	Sewer Fund	Sewer Capital Fund	Total Proprietary Funds
OPERATING REVENUES			
Sewer service	\$ 3,621,612	\$ -	\$ 3,621,612
Connection fees	11,000	-	11,000
Other revenues	64,302	40,484	104,786
TOTAL OPERATING REVENUES	<u>3,696,914</u>	<u>40,484</u>	<u>3,737,398</u>
OPERATING EXPENSES			
Salaries, wages and benefits	1,094,190	-	1,094,190
Contracted services	1,913,908	-	1,913,908
Maintenance	230,635	-	230,635
Other	122,314	12,609	134,923
Depreciation	209,094	-	209,094
TOTAL OPERATING EXPENSES	<u>3,570,141</u>	<u>12,609</u>	<u>3,582,750</u>
OPERATING INCOME	<u>126,773</u>	<u>27,875</u>	<u>154,648</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and investment revenue	10,803	5,054	15,857
Interest expense	-	(14,557)	(14,557)
Contributions to others	-	(419,952)	(419,952)
Gain on sale of property	980	-	980
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>11,783</u>	<u>(429,455)</u>	<u>(417,672)</u>
LOSS BEFORE CONTRIBUTIONS TRANSFERS	138,556	(401,580)	(263,024)
CAPITAL CONTRIBUTIONS FROM DEVELOPERS	-	122,422	122,422
TRANSFERS IN	207,962	630,000	837,962
TRANSFERS OUT	<u>(662,345)</u>	<u>(207,962)</u>	<u>(870,307)</u>
CHANGE IN NET POSITION	(315,827)	142,880	(172,947)
NET POSITION AT BEGINNING OF YEAR	<u>3,319,818</u>	<u>262,036</u>	<u>3,581,854</u>
NET POSITION AT END OF YEAR	<u>\$ 3,003,991</u>	<u>\$ 404,916</u>	<u>\$ 3,408,907</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP**STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS****YEAR ENDED DECEMBER 31, 2020**

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,673,362	\$ -	\$ 3,673,362
Cash paid to employees	(793,582)	-	(793,582)
Cash paid to suppliers	(2,378,089)	(96,874)	(2,474,963)
Cash paid for employee benefits	(310,744)	-	(310,744)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>190,947</u>	<u>(96,874)</u>	<u>94,073</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from issuance of bonds	-	1,259,000	1,259,000
Purchase of property, plant and equipment	(207,962)	-	(207,962)
Principal paid on capital debt	-	(5,000)	(5,000)
Proceeds from sales of assets	980	-	980
Capital contributions from developers	-	122,422	122,422
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(206,982)</u>	<u>1,376,422</u>	<u>1,169,440</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(1,683)	-	(1,683)
Earnings on investments	10,803	5,054	15,857
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>9,120</u>	<u>5,054</u>	<u>14,174</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(662,345)	(207,962)	(870,307)
Transfers from other funds	207,962	630,000	837,962
Capital contributions to others	-	(548,487)	(548,487)
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(454,383)</u>	<u>(126,449)</u>	<u>(580,832)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(461,298)</u>	<u>1,158,153</u>	<u>696,855</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,806,393</u>	<u>1,504,387</u>	<u>3,310,780</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,345,095</u>	<u>\$ 2,662,540</u>	<u>\$ 4,007,635</u>

WHITPAIN TOWNSHIP**STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS****YEAR ENDED DECEMBER 31, 2020**

	<u>Sewer Fund</u>	<u>Sewer Capital Fund</u>	<u>Total Proprietary Funds</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 126,773	\$ 27,875	\$ 154,648
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	209,094	-	209,094
Pension and OPEB expense	(137,402)	-	(137,402)
(Increase) decrease in			
Receivables	(23,552)	-	(23,552)
Due from other funds	11,561	-	11,561
Increase (decrease) in			
Payables	7,592	(5,483)	2,109
Accrued salaries and benefits	(10,136)	-	(10,136)
Due to other funds	7,017	(119,266)	(112,249)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>190,947</u>	\$ <u>(96,874)</u>	\$ <u>94,073</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP**STATEMENT OF FIDUCIARY NET POSITION****FIDUCIARY FUNDS****DECEMBER 31, 2020**

	<u>Pension Trust Funds</u>	<u>Custodial Fund</u>
ASSETS		
Cash and cash equivalents	\$ 4,183	\$ 4,037,377
Investments		
Mutual funds	8,285,586	-
Mortgage-backed securities	1,730,750	-
Money market funds	1,502,011	-
U.S. Government notes	2,155,863	-
Corporate bonds	814,967	-
Equity stocks and options	23,132,743	-
Due from Township	44,929	-
Prepaid expenses	569,836	-
	<u>38,240,868</u>	<u>4,037,377</u>
TOTAL ASSETS	\$ <u>38,240,868</u>	\$ <u>4,037,377</u>
NET POSITION		
Restricted for pensions	\$ 38,240,868	\$ -
Restricted for custodial fund	-	4,037,377
	<u>38,240,868</u>	<u>4,037,377</u>
TOTAL NET POSITION	\$ <u>38,240,868</u>	\$ <u>4,037,377</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION****FIDUCIARY FUNDS****YEAR ENDED DECEMBER 31, 2020**

	Pension Trust Funds	Custodial Fund
ADDITIONS		
Contributions		
Member contributions	\$ 257,451	\$ -
Employer contributions	803,277	-
State contributions	571,165	-
Developer contributions	-	2,582,247
TOTAL CONTRIBUTIONS	<u>1,631,893</u>	<u>2,582,247</u>
Investment income		
Net increase in fair value of investments	2,305,322	-
Dividends	673,997	-
Investment income	146,561	8,877
TOTAL INVESTMENT INCOME	<u>3,125,880</u>	<u>8,877</u>
Investment expense	(234,149)	-
INVESTMENT INCOME, net	<u>2,891,731</u>	<u>8,877</u>
TOTAL ADDITIONS	<u>4,523,624</u>	<u>2,591,124</u>
DEDUCTIONS		
Benefits	1,603,707	-
Actuary fees	10,950	-
Payments to developers	-	475,810
TOTAL DEDUCTIONS	<u>1,614,657</u>	<u>475,810</u>
CHANGE IN NET POSITION	2,908,967	2,115,314
NET POSITION HELD IN TRUST AT BEGINNING OF YEAR	<u>35,331,901</u>	<u>1,922,063</u>
NET POSITION HELD IN TRUST AT END OF YEAR	<u>\$ 38,240,868</u>	<u>\$ 4,037,377</u>

See accompanying notes to the basic financial statements.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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:

Excluded from the 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.

Pension Plans

The Police and Non-Uniformed Employees' Pension Plans are single employer defined benefit that provides pensions for all full-time employees and police officers. Although the plans are separate legal entities they are reported as if they are part of the government as they are governed by a board comprised of members appointed by the Board of the Township and the Township is responsible for funding the plan. The plans are reported as a fiduciary fund and issue separate financial statements.

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.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 *Capital Projects Fund* is used to account for various capital projects.

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The *Open Space Fund* accounts for the purchases and maintenance of open space.
- The *Debt Service Fund* accounts for principal and interest debt payments.

The Township reports the following major Proprietary Funds:

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

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 *Custodial Fund* is used to account for monies held by the Township for developer escrow deposits.

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:

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Budgets are legally adopted on an annual basis for most Township funds, which is consistent with generally accepted accounting principles. The operating budget includes proposed expenditures and the means of financing them.
2. During November and December, the Township holds budget hearings for the purpose of receiving oral and written comments from interested parties in regard to the proposed budget for the following year. The Township makes available to the public its proposed operating budget for all funds.
3. No later than December 31, the budget is legally adopted through the passage of a resolution.
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, 2020.

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.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2020, was in excess of the minimum requirements just described.

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, 2020, 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.

For 2020, to provide relief during the Covid-19 pandemic, the discount deadline was extended to July 31, 2020, and the deadline for the face amount was extended to July 31, 2020.

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

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

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

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 three 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 and differences between projected and actual investment earnings. The deferred inflow of resources related to OPEB is reported in the government-wide and proprietary fund statement of net position and is the result of differences between expected and actual experience, and changes of assumptions.

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.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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:

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Nonspendable Fund Balance** - Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- **Restricted Fund Balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation.
- **Committed Fund Balance** - Amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority (the Board of Supervisors). To be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest level action to remove or change the constraint.
- **Assigned Fund Balance** - Amounts the Township intends to use for a specific purpose. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board of Supervisors delegates the authority. As of December 31, 2020, 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 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. In the event that funds other than the General Fund include an unassigned fund balance, it would be a deficit.

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.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

NOTE B - DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. As of December 31, 2020, of the total bank balance of \$26,774,760, \$250,000 was insured by the Federal Depository Insurance Corporation and \$4,183 was insured by the Securities Investor Protection Corporation. Of the remaining bank balance of \$26,520,577, \$25,994,880 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 \$525,697 was invested in state investment pools, which is uninsured and uncollateralized.

Investments

As of December 31, 2020, 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	\$ 12,930	\$ -	\$ 12,930	\$ -	\$ -
PROPRIETARY ACTIVITIES					
Externally pooled investments	\$ 297,915	\$ -	\$ 297,915	\$ -	\$ -
PENSION ACTIVITIES					
Mutual funds	\$ -	\$ 8,285,586	\$ 8,285,586	\$ -	\$ -
Mortgage-backed securities	-	1,730,750	-	-	1,730,750
U.S. Government notes	-	2,155,863	152,492	448,983	1,554,388
Corporate bonds	-	814,967	-	102,151	712,816
Equity stocks and options	-	23,132,743	23,132,743	-	-
Money market funds	-	1,502,011	1,502,011	-	-
TOTAL PENSION ACTIVITIES	\$ 310,845	\$ 37,621,920	\$ 33,072,832	\$ 551,134	\$ 3,997,954

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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, 2020, the Township's deposits in the state investment pool was rates AAAM 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 \$525,697 invested in PLGIT/Plus Class accounts which incurs a penalty if funds are withdrawn within 30 days of deposit.

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, 2020:

Investments in mutual funds of \$8,285,586, mortgage-backed securities of \$1,730,750, U.S. Government notes of \$2,155,863, corporate bonds of \$814,967, equity stocks and options of \$23,132,743 and money market funds of \$1,502,011 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 Moodys. 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, 2020, \$4,037,377 represents the balance of these monies held in escrow.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE C - CAPITAL ASSETS

Changes in capital asset activity for the year ended December 31, 2020, were as follows:

	Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 16,108,463	\$ 8,085,635	\$ -	\$ 24,194,098
Conservation easements	1,052,009	-	-	1,052,009
Construction in progress	1,868,701	3,723,115	(3,766,634)	1,825,182
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	19,029,173	11,808,750	(3,766,634)	27,071,289
Capital assets being depreciated				
Land improvements	7,398,417	1,128,527	-	8,526,944
Buildings and improvements	7,307,982	1,168,648	-	8,476,630
Machinery and equipment	8,328,118	1,098,648	(524,947)	8,901,819
Infrastructure	59,249,287	1,605,328	-	60,854,615
TOTAL CAPITAL ASSETS BEING DEPRECIATED	82,283,804	5,001,151	(524,947)	86,760,008
Accumulated depreciation				
Land improvements	(1,440,992)	(354,580)	-	(1,795,572)
Buildings and improvements	(3,210,331)	(234,250)	-	(3,444,581)
Machinery and equipment	(4,412,369)	(726,128)	417,348	(4,721,149)
Infrastructure	(45,750,875)	(836,580)	-	(46,587,455)
TOTAL ACCUMULATED DEPRECIATION	(54,814,567)	(2,151,538)	417,348	(56,548,757)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	27,469,237	2,849,613	(107,599)	30,211,251
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	\$ 46,498,410	\$ 14,658,363	\$ (3,874,233)	\$ 57,282,540

Depreciation expense was charged to governmental functions as follows:

GOVERNMENTAL ACTIVITIES	
Administrative	\$ 115,764
Codes	6,330
Police and emergency services	394,857
Public works, highways and streets	1,231,624
Parks	402,963
	<u>402,963</u>
	\$ 2,151,538

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE C - CAPITAL ASSETS (Continued)

	Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020
BUSINESS-TYPE ACTIVITIES				
Capital assets, not being depreciated				
Construction in progress	\$ 66,873	\$ 25,625	\$ -	\$ 92,498
Capital assets being depreciated				
Buildings and improvements	180,684	-	-	180,684
Machinery and equipment	1,906,092	142,001	(42,925)	2,005,168
Infrastructure	12,436,644	40,336	-	12,476,980
TOTAL CAPITAL ASSETS				
BEING DEPRECIATED	14,523,420	182,337	(42,925)	14,662,832
Accumulated depreciation				
Buildings and improvements	(180,684)	-	-	(180,684)
Machinery and equipment	(1,350,033)	(96,637)	42,925	(1,403,745)
Infrastructure	(11,682,779)	(112,457)	-	(11,795,236)
TOTAL ACCUMULATED				
DEPRECIATION	(13,213,496)	(209,094)	42,925	(13,379,665)
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, net	\$ 1,376,797	\$ (1,132)	\$ -	\$ 1,375,665

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at December 31, 2020, are as follows:

	Due from Other Funds	Due to Other Funds
GOVERNMENTAL FUNDS		
General Fund	\$ 119,563	\$ 195,910
Capital Projects Fund	196,517	10,744
Open Space Fund	2,800	28,846
Debt Service Fund	-	108
Other Governmental Funds	-	20,610
BUSINESS-TYPE ACTIVITIES		
Sewer Capital Fund	-	37,005
Sewer Fund	-	25,657
	<u>\$ 318,880</u>	<u>\$ 318,880</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, 2020**

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

Interfund transfers at December 31, 2020, are as follows:

	<u>Transfer Out</u>	<u>Transfer In</u>
General Fund	\$ 1,229,206	\$ -
Open Space Fund	-	1,329,206
Debt Service Fund	5,000	105,349
Other Governmental Funds	250,000	81,996
Sewer Fund	662,345	207,962
Sewer Capital Fund	<u>207,962</u>	<u>630,000</u>
	<u>\$ 2,354,513</u>	<u>\$ 2,354,513</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, 2020, are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>
RECEIVABLES		
Taxes	\$ 370,628	\$ 7,521
Accounts	302,493	-
Special assessments	<u>-</u>	<u>-</u>
	<u>\$ 673,121</u>	<u>\$ 7,521</u>

Other Governmental Funds	Sewer Fund	Totals
\$ 7,567	\$ -	\$ 385,716
-	-	302,493
-	272,470	272,470
\$ 7,567	\$ 272,470	\$ 960,679

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020, the outstanding balance of the note receivable is \$1,131,509. Future repayments are scheduled as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
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	<u>90,807</u>	<u>3,146</u>
	<u>\$ 1,131,509</u>	<u>\$ 371,746</u>

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE G - LONG-TERM DEBT

Long-term liability for the year ended December 31, 2020, is as follows:

	Balance January 1, 2020
GOVERNMENTAL ACTIVITIES	
General Obligation Notes	
Series A of 1999	\$ 2,678,000
General Obligation Bonds	
Series of 2012	2,460,000
Series of 2019	7,355,000
Series of 2020	-
TOTAL GENERAL OBLIGATION NOTES AND BONDS	12,493,000
Bond premium	216,083
Total OPEB liability	1,973,227
Net pension liability	1,885,534
Compensated absences	81,740
TOTAL GOVERNMENTAL ACTIVITIES LONG-TERM LIABILITIES	\$ 16,649,584
 BUSINESS-TYPE ACTIVITIES	
General Obligation Bonds	
Series of 2019	\$ 430,000
Series of 2020	-
Bond premium	10,888
Total OPEB liability	93,945
Net pension liability	192,427
Compensated absences	4,650
TOTAL BUSINESS-TYPE ACTIVITIES LONG-TERM LIABILITIES	\$ 731,910

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 liabilities and total other postemployment benefit liabilities 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.

<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2020</u>	<u>Due Within One Year</u>
\$ -	\$ (276,000)	\$ 2,402,000	\$ 291,000
-	(280,000)	2,180,000	290,000
-	(10,000)	7,345,000	10,000
<u>8,400,802</u>	<u>-</u>	<u>8,400,802</u>	<u>-</u>
8,400,802	(566,000)	20,327,802	591,000
-	(13,346)	202,737	-
146,732	-	2,119,959	-
-	(858,566)	1,026,968	-
<u>36,441</u>	<u>(9,725)</u>	<u>108,456</u>	<u>10,846</u>
\$ <u>8,583,975</u>	\$ <u>(1,447,637)</u>	\$ <u>23,785,922</u>	\$ <u>601,846</u>
\$ -	\$ (5,000)	\$ 425,000	\$ 5,000
1,274,198	-	1,274,198	-
-	(641)	10,247	-
1,647	-	95,592	-
-	(149,940)	42,487	-
<u>1,465</u>	<u>(1,927)</u>	<u>4,188</u>	<u>419</u>
\$ <u>1,277,310</u>	\$ <u>(157,508)</u>	\$ <u>1,851,712</u>	\$ <u>5,419</u>

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE G - LONG-TERM DEBT (Continued)

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.

General Obligation Bonds, Series of 2019 - General Obligation Bonds, Series of 2019, were issued on May 15, 2019, in the amount of \$7,800,000 for the purpose of financing the capital program and to pay the costs of issuing the bonds.

General Obligation Bonds, Series of 2020 - General Obligation Bonds, Series of 2020, were issued on August 27, 2020, in the amount of \$9,675,000 for the purpose of financing the costs of various public improvements including, but not limited to: the acquisition of approximately 65 acres of land with improvements currently used as a private recreational facility and open space purposes; upgrades and improvements to the Public Works garage; and certain improvements to the Township's sewer system; and to pay the costs of issuing the bonds.

Total Scheduled Annual Debt Service

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

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2021	\$ 591,000	\$ 602,620
2022	694,489	580,727
2023	721,489	557,293
2024	747,830	531,720
2025	776,172	504,944
2026	805,172	475,845
2027	828,928	445,256
2028	858,660	412,880
2029	881,685	389,619
2030	904,051	365,669
2031	897,734	341,096
2032	898,905	316,438
2033	923,247	292,720
2034	951,271	267,670
2035	971,930	241,891
2036	1,000,613	215,906
2037	1,028,637	186,955
2038	1,061,662	157,673
2039	746,738	127,463
2040	759,763	108,540
2041	785,812	89,288
2042	807,519	67,883
2043	833,568	45,885
2044	850,927	23,182
	<u>\$ 20,327,802</u>	<u>\$ 7,349,163</u>

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE G - LONG-TERM DEBT (Continued)

Year Ending December 31,	Business-type Activities	
	Principal	Interest
2021	\$ 5,000	\$ 42,944
2022	17,512	42,794
2023	17,512	42,557
2024	18,170	42,305
2025	18,829	42,027
2026	18,829	41,727
2027	31,072	41,396
2028	31,340	40,798
2029	33,316	40,237
2030	35,950	39,616
2031	67,267	38,924
2032	91,095	37,251
2033	91,754	35,011
2034	93,729	32,660
2035	98,071	30,267
2036	99,388	27,288
2037	101,363	24,986
2038	103,339	22,185
2039	113,262	19,333
2040	115,238	16,463
2041	119,189	13,543
2042	122,481	10,296
2043	126,432	6,960
2044	129,060	3,513
	<u>\$ 1,699,198</u>	<u>\$ 735,081</u>

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

As of December 31, 2020, DeVal would have received a payment of nearly \$110 million if all the swap agreements were terminated. Therefore, no amounts are reflected on the Township's financial statements.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020, contributions of \$178,528 were made to this plan. There were no forfeitures reflected in the \$178,528 of current year expense, and there is no outstanding employer liability to the plan as of December 31, 2020.

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, 2020

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, 2020, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benfits	26
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>30</u>
	<u>57</u>

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

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

Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

The benefit provisions of the Township's Police Pension Plan are established by Township ordinances.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 2020, the MMO obligation for the Police Pension Plan was \$714,111 for the year 2020. Contributions of \$714,111 were made by the Township.

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, 2020:

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

Concentrations - There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the plan's investments.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

Rate of Return - For the year ended December 31, 2020, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 8.27%. 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, 2020, were as follows:

Total pension liability	\$ 21,389,606
Plan fiduciary net position	<u>(20,490,116)</u>
NET PENSION LIABILITY	\$ <u>899,490</u>

Plan fiduciary net position as a percentage of the total pension liability	<u>95.79%</u>
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Actuarial Assumptions - The total pension liability was determined as part of an actuarial valuation as of January 1, 2019. Update procedures were used to roll forward to the Township's fiscal year ending December 31, 2020, 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 PubS-2010 mortality table.

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

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2020 (see the plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	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, 2020

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, 2019	\$ 20,252,060	\$ 18,943,873	\$ 1,308,187
Changes for the year			
Service cost	502,685	-	502,685
Interest cost	1,522,872	-	1,522,872
Changes for experience	-	-	-
Changes of assumptions	-	-	-
Contributions			
Employer	-	714,111	(714,111)
Member	-	184,072	(184,072)
Net investment income	-	1,541,921	(1,541,921)
Benefit payments	(888,011)	(888,011)	-
Administrative expenses	-	(5,850)	5,850
Net changes	<u>1,137,546</u>	<u>1,546,243</u>	<u>(408,697)</u>
Balance at December 31, 2020	\$ <u>21,389,606</u>	\$ <u>20,490,116</u>	\$ <u>899,490</u>

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>3,429,095</u>	\$ <u>899,490</u>	\$ <u>(1,208,867)</u>

WHITPAIN TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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, 2020, the Township recognized pension expense of \$292,732 for the police pension plan, and \$404,904 in total for both the police pension plan and the non-uniformed employees' pension plan. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 374,212
Changes of assumptions	500,522	-
Net difference between projected and actual earnings on pension plan investments	-	551,475
Total	\$ 500,522	\$ 925,687

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,	
2021	\$ (117,815)
2022	40,104
2023	(373,037)
2024	695
2025	24,888
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, 2020

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, 2020, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benfits	27
Inactive plan members entitled to but not yet receiving benefits	13
Active plan members	<u>36</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, 2020

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 2020, the MMO obligation for the Non-Uniformed Employees' Pension Plan was \$660,331 for the year 2020. Contributions of \$660,331 were made by the Township.

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, 2020:

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

Concentrations – There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the plan's investments.

Rate of Return - For the year ended December 31, 2020, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 8.34%. 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, 2020

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, 2020, were as follows:

Total pension liability	\$ 17,920,717
Plan fiduciary net position	<u>(17,750,752)</u>
NET PENSION LIABILITY	<u>\$ 169,965</u>

Plan fiduciary net position as a percentage of the total pension liability	<u>99.05%</u>
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Actuarial Assumptions - The total pension liability was determined as part of an actuarial valuation as of January 1, 2019. Update procedures were used to roll forward to the Township's fiscal year ending December 31, 2020, 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 PubG-2010 mortality tables.

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, 2020 (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, 2020

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, 2019	\$ 12,868,730	\$ 12,291,382	\$ 577,348
Changes for the year			
Service cost	152,526	-	152,526
Interest cost	956,465	-	956,465
Contributions			
Employer	-	495,263	(495,263)
Member	-	55,036	(55,036)
Net investment income	-	1,012,388	(1,012,388)
Benefit payments	(536,788)	(536,788)	-
Administrative expenses	-	(3,825)	3,825
Net changes	572,203	1,022,074	(449,871)
Balance at December 31, 2020	\$ 13,440,933	\$ 13,313,456	\$ 127,478
	Business-Type Activities		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2019	\$ 4,289,072	\$ 4,096,645	\$ 192,427
Changes for the year			
Service cost	50,836	-	50,836
Interest cost	318,784	-	318,784
Contributions			
Employer	-	165,068	(165,068)
Member	-	18,343	(18,343)
Net investment income	-	337,423	(337,423)
Benefit payments	(178,908)	(178,908)	-
Administrative expenses	-	(1,275)	1,275
Net changes	190,712	340,651	(149,939)
Balance at December 31, 2020	\$ 4,479,784	\$ 4,437,296	\$ 42,487

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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	\$ 2,006,469	\$ 169,965	\$ (1,395,462)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2020, the Township recognized pension expense of \$112,172 for the non-uniformed employees' pension plan, and \$404,904 in total for both the police pension plan and the non-uniformed employees' pension plan. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 481,528
Changes of assumptions	503,946	-
Net difference between projected and actual earnings on pension plan investments	-	365,712
Total	\$ 503,946	\$ 847,239
	<u>Business-Type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 160,490
Changes of assumptions	167,962	-
Net difference between projected and actual earnings on pension plan investments	-	121,889
Total	\$ 167,962	\$ 282,380

WHITPAIN TOWNSHIP**NOTES TO THE BASIC FINANCIAL STATEMENTS**

DECEMBER 31, 2020

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 642,018
Changes of assumptions	671,908	-
Net difference between projected and actual earnings on pension plan investments	-	487,601
Total	\$ <u>671,908</u>	\$ <u>1,129,619</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,	Governmental Activities	Business-Type Activities
2021	\$ (84,680)	\$ (28,223)
2022	29,560	9,852
2023	(270,140)	(90,037)
2024	(18,033)	(6,010)

NOTE J - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**Plan Descriptions and Benefits Provided**

Police OPEB Plan – The plan is a single-employer defined benefit 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, 2020

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

Non-Uniformed OPEB Plan – The plan is a single-employer defined benefit 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, 2020, the Township reported Total OPEB liability measured as of January 1, 2019, and the total OPEB liability was determined based upon the January 1, 2019 actuarial valuation.

Plan Membership

At January 1, 2019, plan membership consisted of the following:

Police OPEB Plan

Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	30
	33

Non-Uniformed OPEB Plan

Inactive plan members or beneficiaries currently receiving benefits	10
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	47
	57

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 – 3.26%, based on S&P Municipal Bond 20 Year High Grade Rate Index at January 1, 2020.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 – 5.5% in 2019, and 5.5% in 2020 through 2021. Rates gradually decrease from 5.4% in 2022 to 3.8% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Mortality – For Police OPEB Plan, the PubS.H-2010 mortality table. For the Non-Uniformed OPEB Plan, the PubG.H-2010 mortality table.

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 2020 actuarial valuation, the discount rate was changed from 3.64% to 3.26%.

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2019	\$ 1,691,358
Changes for the year	
Service cost	91,296
Interest cost	63,469
Changes of assumptions	59,016
Benefit payments	(71,989)
Net changes	141,792
Balance at January 1, 2020	\$ 1,833,150

Non-Uniformed OPEB Plan

	Governmental Activities Total OPEB Liability (a)	Business-Type Activities Total OPEB Liability (a)
Balance at January 1, 2019	\$ 281,869	\$ 93,945
Changes for the year		
Service cost	6,905	2,301
Interest cost	10,139	3,379
Changes for experience	-	-
Changes of assumptions	6,797	2,266
Benefit payments	(18,901)	(6,299)
Net changes	4,940	1,647
Balance at January 1, 2020	\$ 286,809	\$ 95,592

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 (2.26 percent) or 1-percentage point higher (4.26 percent) than the current discount rate:

Police OPEB Plan

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB liability	\$ 1,975,991	\$ 1,833,150	\$ 1,701,464

Non-Uniformed OPEB Plan

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB liability	\$ 407,613	\$ 382,401	\$ 359,136

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

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	\$ 1,648,379	\$ 1,833,150	\$ 2,049,039

Non-Uniformed OPEB Plan

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	\$ 382,401	\$ 382,401	\$ 382,401

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020, the Township recognized OPEB expense of \$109,933 for the Police OPEB plan, and expense of \$23,387 for the Non-Uniformed OPEB plan, for a total expense of \$133,320. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Police OPEB Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 349,607
Changes of assumptions	106,163	57,113
Benefit payments subsequent to the measurement date	<u>77,248</u>	<u>-</u>
Total	<u>\$ 183,411</u>	<u>\$ 406,720</u>

Non-Uniformed OPEB Plan

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,982
Changes of assumptions	13,660	6,488
Benefit payments subsequent to the measurement date	<u>18,666</u>	<u>-</u>
Total	<u>\$ 32,326</u>	<u>\$ 8,470</u>

	Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 660
Changes of assumptions	4,553	2,163
Benefit payments subsequent to the measurement date	<u>6,221</u>	<u>-</u>
Total	<u>\$ 10,774</u>	<u>\$ 2,823</u>

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

\$102,135 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, 2021. 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,	
2021	\$ (44,832)
2022	(44,832)
2023	(44,832)
2024	(44,832)
2025	(44,832)
Thereafter	(76,397)

Non-Uniformed OPEB Plan

Year Ending December 31,	Governmental Activities	Business-Type Activities
2021	\$ 497	\$ 166
2022	497	166
2023	497	166
2024	497	166
2025	497	166
Thereafter	2,704	901

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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	\$ 1,923	\$ 2,260	\$ 4,183
Investments			
Mutual funds	3,850,016	4,435,570	8,285,586
Mortgage backed securities	795,259	935,491	1,730,750
Money market funds	728,258	773,753	1,502,011
US Government Notes	998,777	1,157,086	2,155,863
Corporate bonds	368,298	446,669	814,967
Equity stocks and options	10,684,852	12,447,891	23,132,743
Due from Township	13,393	31,536	44,929
Due from Non-Uniformed Pension Fund	-	20,925	20,925
Prepaid expenses	330,901	238,935	569,836
TOTAL ASSETS	17,771,677	20,490,116	38,261,793
LIABILITIES			
Due to Police Pension Fund	20,925	-	20,925
NET POSITION			
Restricted for pensions	\$ 17,750,752	\$ 20,490,116	\$ 38,240,868

WHITPAIN TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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	\$ 73,379	\$ 184,072	\$ 257,451
Employer contributions	384,596	418,681	803,277
State contributions	275,735	295,430	571,165
TOTAL CONTRIBUTIONS	<u>733,710</u>	<u>898,183</u>	<u>1,631,893</u>
Investment earnings			
Net increase in fair value of investments	1,078,999	1,226,323	2,305,322
Dividends	311,617	362,380	673,997
Investment income	67,633	78,928	146,561
TOTAL INVESTMENT INCOME	<u>1,458,249</u>	<u>1,667,631</u>	<u>3,125,880</u>
Investment expense	(108,439)	(125,710)	(234,149)
INVESTMENT INCOME, net	<u>1,349,810</u>	<u>1,541,921</u>	<u>2,891,731</u>
TOTAL ADDITIONS	<u>2,083,520</u>	<u>2,440,104</u>	<u>4,523,624</u>
DEDUCTIONS			
Benefits	715,696	888,011	1,603,707
Actuary fees	5,100	5,850	10,950
TOTAL DEDUCTIONS	<u>720,796</u>	<u>893,861</u>	<u>1,614,657</u>
CHANGE IN NET POSITION	1,362,724	1,546,243	2,908,967
NET POSITION HELD IN TRUST AT BEGINNING OF YEAR	<u>16,388,028</u>	<u>18,943,873</u>	<u>35,331,901</u>
NET POSITION HELD IN TRUST AT END OF YEAR	<u>\$ 17,750,752</u>	<u>\$ 20,490,116</u>	<u>\$ 38,240,868</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 \$1,374,996 during 2020. 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, 2020

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 \$285,000 in 2020. Also during 2020, the Township paid \$50,952 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 - RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the novel coronavirus ("COVID-19") outbreak a pandemic which has impacted the global economy. Although no significant financial impact has occurred thus far, the COVID-19 pandemic is still on-going and the duration and extent of the related financial impact on the Company's financial position, operations and cash flows is uncertain and cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

WHITPAIN TOWNSHIP
SCHEDULE OF REVENUES
GENERAL FUND
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Budget
REVENUES				
Taxes				
Real estate taxes	\$ 4,568,374	\$ 4,568,374	\$ 4,632,097	\$ 63,723
Transfer taxes	850,000	850,000	1,009,342	159,342
Earned income taxes	7,400,000	7,400,000	7,759,979	359,979
Local services taxes	880,000	880,000	890,768	10,768
TOTAL TAXES	13,698,374	13,698,374	14,292,186	593,812
Fees, licenses and permits				
Building	200,000	200,000	125,047	(74,953)
Zoning	14,000	14,000	7,890	(6,110)
Electrical	101,500	101,500	65,608	(35,892)
Engineering	50,000	50,000	61,976	11,976
Plumbing	65,000	65,000	38,937	(26,063)
Street	23,000	23,000	12,685	(10,315)
Energy	55,000	55,000	27,702	(27,298)
Use and occupancy	8,000	8,000	4,813	(3,187)
Flood plain	5,500	5,500	(69)	(5,569)
Heat, vent and air conditioning	70,000	70,000	46,773	(23,227)
Fire prevention	1,000	1,000	1,450	450
Hearing	30,000	30,000	27,500	(2,500)
Alcoholic beverage licensees	6,400	6,400	6,050	(350)
Cable television franchise fees	440,000	440,000	479,248	39,248
TOTAL FEES, LICENSES AND PERMITS	1,069,400	1,069,400	905,610	(163,790)
Intergovernmental revenues				
Public utility realty tax	17,289	17,289	15,554	(1,735)
State pension aid	542,312	542,312	536,698	(5,614)
Other state grants	47,679	47,679	522,566	474,887
TOTAL INTERGOVERNMENTAL REVENUES	607,280	607,280	1,074,818	467,538
Fines and forfeitures				
Police	67,000	67,000	42,211	(24,789)
Code	5,000	5,000	1,101	(3,899)
TOTAL FINES AND FORFEITURES	72,000	72,000	43,312	(28,688)
Charges for services				
Administrative	250	250	29	(221)
Police services	9,180	9,180	-	(9,180)
Culture and recreation	529,000	529,000	103,295	(425,705)
TOTAL CHARGES FOR SERVICES	538,430	538,430	103,324	(435,106)
Other				
Investment income and rent	235,000	235,000	212,351	(22,649)
Refunds of prior year expenditures	114,000	114,000	77,176	(36,824)
TOTAL OTHER	349,000	349,000	289,527	(59,473)
TOTAL REVENUES	\$ 16,334,484	\$ 16,334,484	\$ 16,708,777	\$ 374,293

WHITPAIN TOWNSHIP
**SCHEDULE OF FUNCTIONAL EXPENDITURES BY
 ACTIVITY AND OTHER FINANCING USES
 GENERAL FUND
 YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Budget
EXPENDITURES				
General government				
Supervisors	\$ 150,226	\$ 150,226	\$ 71,415	\$ (78,811)
Administration	1,895,983	1,895,983	1,884,566	(11,417)
Finance	395,674	395,674	360,849	(34,825)
Tax collection	151,502	151,502	149,310	(2,192)
Solicitor	430,000	430,000	199,441	(230,559)
Computer and information technology	318,928	318,928	290,827	(28,101)
Planning and engineering	498,038	498,038	1,083,288	585,250
Municipal buildings	484,784	484,784	509,823	25,039
TOTAL GENERAL GOVERNMENT	4,325,135	4,325,135	4,549,519	224,384
Public safety				
Police	6,666,144	6,666,144	6,470,804	(195,340)
Fire protection	238,417	238,417	230,174	(8,243)
Code enforcement	506,465	506,465	428,075	(78,390)
Planning and zoning	83,060	83,060	70,655	(12,405)
TOTAL PUBLIC SAFETY	7,494,086	7,494,086	7,199,708	(294,378)
Highways and streets				
Administration	950,616	950,616	1,035,226	84,610
Cleaning and trash removal	59,188	59,188	24,221	(34,967)
Snow removal	104,943	104,943	16,064	(88,879)
Traffic signals	118,000	118,000	46,833	(71,167)
Streets	873,607	873,607	624,926	(248,681)
Storm sewer maintenance	100,000	100,000	133,123	33,123
Equipment maintenance	347,124	347,124	313,586	(33,538)
Road and curb inspections	120,764	120,764	69,950	(50,814)
TOTAL HIGHWAYS AND STREETS	2,674,242	2,674,242	2,263,929	(410,313)
Culture and recreation	1,407,954	1,407,954	1,125,929	(282,025)
TOTAL EXPENDITURES	15,901,417	15,901,417	15,139,085	(762,332)
OTHER FINANCING USES				
Interfund transfers out, Capital Projects Fund	1,229,206	1,229,206	1,229,206	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 17,130,623	\$ 17,130,623	\$ 16,368,291	\$ (762,332)

WHITPAIN TOWNSHIP

SCHEDULE OF CHANGES IN THE NET POLICE PENSION PLAN LIABILITY AND RELATED RATIOS LAST SEVEN FISCAL YEARS

	2020	2019	2018
TOTAL PENSION LIABILITY			
Service cost	\$ 502,685	\$ 478,748	\$ 443,072
Interest	1,522,872	1,438,254	1,342,878
Differences between expected and actual experience	-	(235,348)	-
Changes of assumptions	-	409,563	-
Benefit payments	(888,011)	(725,828)	(685,867)
NET CHANGE IN TOTAL PENSION LIABILITY	1,137,546	1,365,389	1,100,083
TOTAL PENSION LIABILITY, BEGINNING	20,252,060	18,886,671	17,786,588
TOTAL PENSION LIABILITY, ENDING (a)	\$ 21,389,606	\$ 20,252,060	\$ 18,886,671
PLAN FIDUCIARY NET POSITION			
Contributions			
Employer	\$ 714,111	\$ 722,487	\$ 491,807
Member	184,072	178,085	182,053
Net investment income	1,541,920	3,057,020	(824,343)
Benefit payments, including refunds of member contributions	(888,011)	(725,828)	(685,867)
Administrative expense	(5,850)	(7,350)	(3,530)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	1,546,242	3,224,414	(839,880)
Plan fiduciary net position, beginning	18,943,874	15,719,460	16,559,340
PLAN FIDUCIARY NET POSITION, ENDING (b)	\$ 20,490,116	\$ 18,943,874	\$ 15,719,460
NET PENSION LIABILITY, ENDING (a)-(b)	\$ 899,490	\$ 1,308,186	\$ 3,167,211
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	95.79%	93.54%	83.23%
COVERED PAYROLL	\$ 3,148,335	\$ 3,451,893	\$ 3,513,277
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	28.57%	37.90%	90.15%

NOTES TO SCHEDULE

Changes of Assumptions - In 2019, mortality rates were based on the PubS-2010 mortality table. 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

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 421,973	\$ 370,944	\$ 353,280	\$ 360,026
1,269,372	1,195,917	1,124,212	1,091,052
(480,918)	-	(428,014)	-
485,277	-	-	-
<u>(830,221)</u>	<u>(528,992)</u>	<u>(716,180)</u>	<u>(420,906)</u>
865,483	1,037,869	333,298	1,030,172
<u>16,921,105</u>	<u>15,883,236</u>	<u>15,549,938</u>	<u>14,519,766</u>
<u>\$ 17,786,588</u>	<u>\$ 16,921,105</u>	<u>\$ 15,883,236</u>	<u>\$ 15,549,938</u>
\$ 515,514	\$ 489,202	\$ 529,276	\$ 410,503
141,994	159,872	147,294	129,756
1,896,281	773,789	(97,771)	651,924
(830,221)	(528,992)	(716,180)	(420,906)
<u>(13,050)</u>	<u>(4,150)</u>	<u>(10,930)</u>	<u>(10,882)</u>
1,710,518	889,721	(148,311)	760,395
<u>14,848,822</u>	<u>13,959,101</u>	<u>14,107,412</u>	<u>13,347,017</u>
<u>\$ 16,559,340</u>	<u>\$ 14,848,822</u>	<u>\$ 13,959,101</u>	<u>\$ 14,107,412</u>
<u>\$ 1,227,248</u>	<u>\$ 2,072,283</u>	<u>\$ 1,924,135</u>	<u>\$ 1,442,526</u>
<u>93.10%</u>	<u>87.75%</u>	<u>87.89%</u>	<u>90.72%</u>
<u>\$ 3,046,877</u>	<u>\$ 3,143,369</u>	<u>\$ 2,968,077</u>	<u>\$ 2,849,146</u>
<u>40.28%</u>	<u>65.93%</u>	<u>64.83%</u>	<u>50.63%</u>

WHITPAIN TOWNSHIP

SCHEDULE OF POLICE PENSION PLAN CONTRIBUTIONS LAST SEVEN FISCAL YEARS

	2020	2019	2018
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 714,111	\$ 722,487	\$ 491,807
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	714,111	722,487	491,807
CONTRIBUTION (EXCESS) DEFICIENCY	\$ -	\$ -	\$ -
COVERED PAYROLL	\$ 3,148,335	\$ 3,451,893	\$ 3,513,277
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	22.68%	20.93%	14.00%

NOTES TO SCHEDULE

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, 2019	January 1, 2017
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	9 years	9 years
Asset valuation method	Market value	Market value
Inflation	3%	3%
Salary increases	5% annual increase	5% annual increase
Investment rate of return	7.5%	7.5%
Retirement age	Normal retirement age	Normal retirement age
Mortality	PubS-2010 Mortality Table	IRS 2017 Static Combined Table for Small Plans

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 515,514	\$ 489,202	\$ 529,276	\$ 410,503
<u>515,514</u>	<u>489,202</u>	<u>529,276</u>	<u>410,503</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
\$ <u><u>3,046,877</u></u>	\$ <u><u>3,143,369</u></u>	\$ <u><u>2,968,077</u></u>	\$ <u><u>2,849,146</u></u>
<u><u>16.92%</u></u>	<u><u>15.56%</u></u>	<u><u>17.83%</u></u>	<u><u>14.41%</u></u>

January 1, 2015
 Entry age normal
 Level dollar, closed
 9 years
 Market value
 3%
 5% annual increase
 7.5%
 Normal retirement age
 RP 2000 Healthy Annuitant
 Mortality Table

January 1, 2013
 Entry age normal
 Level dollar, closed
 12 years
 Market value
 3%
 5% annual increase
 7.5%
 Normal retirement age
 RP 2000 Healthy Annuitant
 Mortality Table

WHITPAIN TOWNSHIP**SCHEDULE OF POLICE PENSION PLAN****INVESTMENT RETURNS****LAST SEVEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<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>8.27%</u>	<u>19.52%</u>	<u>-5.06%</u>	<u>11.55%</u>	<u>5.59%</u>	<u>-0.61%</u>	<u>4.17%</u>

NOTE TO SCHEDULE

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 NET NON-UNIFORMED EMPLOYEES' PENSION PLAN LIABILITY AND RELATED RATIOS LAST SEVEN FISCAL YEARS

	2020	2019	2018
TOTAL PENSION LIABILITY			
Service cost	\$ 203,362	\$ 194,605	\$ 315,384
Interest	1,275,249	1,220,401	1,169,917
Differences between expected and actual experience	-	(801,910)	-
Changes of assumptions	-	730,717	-
Benefit payments	(715,696)	(669,217)	(571,197)
NET CHANGE IN TOTAL PENSION LIABILITY	762,915	674,596	914,104
TOTAL PENSION LIABILITY, BEGINNING	17,157,802	16,483,206	15,569,102
TOTAL PENSION LIABILITY, ENDING (a)	\$ 17,920,717	\$ 17,157,802	\$ 16,483,206
PLAN FIDUCIARY NET POSITION			
Contributions			
Employer	\$ 660,331	\$ 679,078	\$ 537,675
Member	73,379	68,833	82,983
Net investment income	1,349,811	2,638,303	(704,956)
Benefit payments, including refunds of member contributions	(715,696)	(669,217)	(571,197)
Administrative expense	(5,100)	(15,150)	(4,710)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	1,362,725	2,701,847	(660,205)
Plan fiduciary net position, beginning	16,388,027	13,686,180	14,346,385
PLAN FIDUCIARY NET POSITION, ENDING (b)	\$ 17,750,752	\$ 16,388,027	\$ 13,686,180
NET PENSION LIABILITY, ENDING (a)-(b)	\$ 169,965	\$ 769,775	\$ 2,797,026
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	99.05%	95.51%	83.03%
COVERED PAYROLL	\$ 2,997,529	\$ 3,015,551	\$ 3,152,836
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	5.67%	25.53%	88.71%

NOTES TO SCHEDULE

Changes of Assumptions - In 2019, mortality rates were based on the PubG-2010 mortality table. 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.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 301,803	\$ 309,570	\$ 296,239	\$ 318,807
1,100,459	1,009,967	939,838	882,405
(442,032)	-	(94,696)	-
700,437	-	-	-
<u>(408,292)</u>	<u>(318,944)</u>	<u>(309,748)</u>	<u>(326,618)</u>
1,252,375	1,000,593	831,633	874,594
<u>14,316,727</u>	<u>13,316,134</u>	<u>12,484,501</u>	<u>11,609,907</u>
<u>\$ 15,569,102</u>	<u>\$ 14,316,727</u>	<u>\$ 13,316,134</u>	<u>\$ 12,484,501</u>
\$ 534,010	\$ 527,910	\$ 554,877	\$ 485,243
84,230	91,675	92,962	88,558
1,639,515	656,146	(60,774)	517,606
(408,292)	(318,944)	(309,748)	(326,618)
<u>(11,170)</u>	<u>(4,390)</u>	<u>(12,180)</u>	<u>(14,367)</u>
1,838,293	952,397	265,137	750,422
<u>12,508,092</u>	<u>11,555,695</u>	<u>11,290,558</u>	<u>10,540,136</u>
<u>\$ 14,346,385</u>	<u>\$ 12,508,092</u>	<u>\$ 11,555,695</u>	<u>\$ 11,290,558</u>
<u>\$ 1,222,717</u>	<u>\$ 1,808,635</u>	<u>\$ 1,760,439</u>	<u>\$ 1,193,943</u>
<u>92.15%</u>	<u>87.37%</u>	<u>86.78%</u>	<u>90.44%</u>
<u>\$ 3,427,878</u>	<u>\$ 3,400,345</u>	<u>\$ 3,316,530</u>	<u>\$ 3,342,885</u>
<u>35.67%</u>	<u>53.19%</u>	<u>53.08%</u>	<u>35.72%</u>

WHITPAIN TOWNSHIP
SCHEDULE OF NON-UNIFORMED EMPLOYEES'
PENSION PLAN CONTRIBUTIONS
LAST SEVEN FISCAL YEARS

	2020	2019	2018
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 660,331	\$ 679,078	\$ 537,675
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	660,331	679,078	537,675
CONTRIBUTION (EXCESS) DEFICIENCY	\$ -	\$ -	\$ -
COVERED PAYROLL	\$ 2,997,529	\$ 3,015,551	\$ 3,152,836
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	22.03%	22.52%	17.05%

NOTES TO SCHEDULE

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, 2019	January 1, 2017
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	6 years	6 years
Asset valuation method	Market value	Market value
Inflation	3%	3%
Salary increases	4.5% annual increase	4.5% annual increase
Investment rate of return	7.5%	7.5%
Retirement age	Normal retirement age	Normal retirement age
Mortality	PubG-2010 Mortality Table	IRS 2017 Static Combined Table for Small Plans

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 534,010	\$ 527,910	\$ 554,877	\$ 485,243
<u>534,010</u>	<u>527,910</u>	<u>554,877</u>	<u>485,243</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>3,427,878</u>	\$ <u>3,400,345</u>	\$ <u>3,316,530</u>	\$ <u>3,342,885</u>
<u>15.58%</u>	<u>15.53%</u>	<u>16.73%</u>	<u>14.52%</u>

January 1, 2015
 Entry age normal
 Level dollar, closed
 6 years
 Market value
 3%
 4.5% annual increase
 7.5%
 Normal retirement age
 RP 2000 Healthy Annuitant
 Mortality Table

January 1, 2013
 Entry age normal
 Level dollar, closed
 8 years
 Market value
 3%
 4.5% annual increase
 7.5%
 Normal retirement age
 RP 2000 Healthy Annuitant
 Mortality Table

WHITPAIN TOWNSHIP**SCHEDULE OF NON-UNIFORMED EMPLOYEES'
PENSION PLAN INVESTMENT RETURNS
LAST SEVEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<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>8.34%</u>	<u>19.42%</u>	<u>-4.97%</u>	<u>11.50%</u>	<u>5.60%</u>	<u>(0.39)%</u>	<u>4.24%</u>

NOTE TO SCHEDULE

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 THREE FISCAL YEARS

	2020	2019	2018
Police OPEB Plan			
TOTAL OPEB LIABILITY			
Service cost	\$ 91,296	\$ 110,770	\$ 101,030
Interest	63,469	68,912	74,031
Changes of benefit terms	-	1,392	-
Differences between expected and actual experience	-	(449,493)	-
Changes of assumptions	59,016	(73,431)	73,843
Benefit payments	(71,989)	(80,245)	(65,153)
NET CHANGE IN TOTAL OPEB LIABILITY	141,792	(422,095)	183,751
TOTAL OPEB LIABILITY, BEGINNING	1,691,358	2,113,453	1,929,702
TOTAL OPEB LIABILITY, ENDING	\$ 1,833,150	\$ 1,691,358	\$ 2,113,453
COVERED PAYROLL	\$ 3,461,670	\$ 3,461,670	\$ 3,289,984
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	52.96%	48.86%	64.24%
Non-Uniformed OPEB Plan			
TOTAL OPEB LIABILITY			
Service cost	\$ 9,206	\$ 15,111	\$ 13,575
Interest	13,518	12,273	13,547
Differences between expected and actual experience	-	(3,398)	-
Changes of assumptions	9,063	(11,123)	13,967
Benefit payments	(25,200)	(22,554)	(15,600)
NET CHANGE IN TOTAL OPEB LIABILITY	6,587	(9,691)	25,489
TOTAL OPEB LIABILITY, BEGINNING	375,814	385,505	360,016
TOTAL OPEB LIABILITY, ENDING	\$ 382,401	\$ 375,814	\$ 385,505
COVERED PAYROLL	\$ 3,399,564	\$ 3,399,564	\$ 3,929,503
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	11.25%	11.05%	9.81%

NOTES TO SCHEDULE

Changes of Assumptions - In 2020, the discount rate changed from 3.64% to 3.26%. In 2019, the discount rate changed from 3.16% to 3.64%, and the mortality table was changed from the IRS 2017 Small Plan Combined Static Mortality Table to the PubS.H-2010 mortality table for Police and the PubG.H-2010 mortality table for Non-Uniformed employees. In 2018, the discount rate changed from 3.71% to 3.16%. The trend assumption was updated.

Change of Benefit Terms - In 2019, spouses receive fully-paid coverage until Medicare age if officer is killed in service.

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 FUNDS

OTHER GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2020

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 Tax Fund* accounts for the collection of tax for fire services.
- The *Traffic Improvement Fund* accounts for various traffic improvement projects.
- The *Manor House Fund* accounts for rental revenues and maintenance and improvements of the Manor House property.
- 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.

Capital Projects 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 Capital Fund* accounts for capital purchases related to fire services.

WHITPAIN TOWNSHIP
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Capital Project Fund		
	Fire Capital Fund	Fire Tax Fund	Traffic Improvement Fund
ASSETS			
Cash and cash equivalents	\$ 326,405	\$ 752,382	\$ 510,212
Investments	-	5,592	-
Receivables	-	6,705	-
TOTAL ASSETS	\$ 326,405	\$ 764,679	\$ 510,212
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 21,670	\$ -
Due to other funds	-	17,186	-
Unearned revenue	-	13,388	-
TOTAL LIABILITIES	-	52,244	-
FUND BALANCES			
Restricted			
Fire protection	326,405	712,435	-
Fire hydrants	-	-	-
Highway and street projects	-	-	-
Stormwater detention facilities	-	-	-
Outfall water drainage	-	-	-
Assigned			
Highway and street projects	-	-	510,212
Capital acquisition, construction and improvement	-	-	-
TOTAL FUND BALANCES	326,405	712,435	510,212
TOTAL LIABILITIES AND FUND BALANCES	\$ 326,405	\$ 764,679	\$ 510,212

Special Revenue Funds					
Manor House Fund	Fire Hydrant Fund	Fee in Lieu of Stormwater Management Fund	Reserve for Outfall Stormwater Fund	Highway Aid Fund	Total Other Governmental Funds
\$ 61,345	\$ 349,353	\$ 98,838	\$ 62,329	\$ 163,654	\$ 2,324,518
-	-	-	-	-	5,592
-	862	-	-	-	7,567
<u>\$ 61,345</u>	<u>\$ 350,215</u>	<u>\$ 98,838</u>	<u>\$ 62,329</u>	<u>\$ 163,654</u>	<u>\$ 2,337,677</u>
\$ 60	\$ -	\$ -	\$ -	\$ -	\$ 21,730
-	17	-	-	3,407	20,610
-	624	-	-	-	14,012
<u>60</u>	<u>641</u>	<u>-</u>	<u>-</u>	<u>3,407</u>	<u>56,352</u>
-	-	-	-	-	1,038,840
-	349,574	-	-	-	349,574
-	-	-	-	160,247	160,247
-	-	98,838	-	-	98,838
-	-	-	62,329	-	62,329
-	-	-	-	-	510,212
61,285	-	-	-	-	61,285
<u>61,285</u>	<u>349,574</u>	<u>98,838</u>	<u>62,329</u>	<u>160,247</u>	<u>2,281,325</u>
<u>\$ 61,345</u>	<u>\$ 350,215</u>	<u>\$ 98,838</u>	<u>\$ 62,329</u>	<u>\$ 163,654</u>	<u>\$ 2,337,677</u>

WHITPAIN TOWNSHIP**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Capital Project Fund Fire Capital Fund	Fire Tax Fund	Traffic Improvement Fund
REVENUES			
Real estate taxes	\$ -	\$ 805,215	\$ -
Investment income and rent	891	2,891	1,216
Intergovernmental revenues	-	168,234	-
Contributions	-	-	180,500
Other	-	-	-
TOTAL REVENUES	<u>891</u>	<u>976,340</u>	<u>181,716</u>
EXPENDITURES			
General government	-	-	-
Public safety	28,639	813,976	-
Highways and streets	-	-	-
TOTAL EXPENDITURES	<u>28,639</u>	<u>813,976</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,748)	162,364	181,716
OTHER FINANCING SOURCES (USES)			
Transfers in	81,996	-	-
Transfers out	-	(150,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>81,996</u>	<u>(150,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	54,248	12,364	181,716
FUND BALANCES AT BEGINNING OF YEAR	<u>272,157</u>	<u>700,071</u>	<u>328,496</u>
FUND BALANCES AT END OF YEAR	<u>\$ 326,405</u>	<u>\$ 712,435</u>	<u>\$ 510,212</u>

Special Revenue Funds					
Manor House Fund	Fire Hydrant Fund	Fee in Lieu of Stormwater Management Fund	Reserve for Outfall Stormwater Fund	Highway Aid Fund	Total Other Governmental Funds
\$ -	\$ 100,126	\$ -	\$ -	\$ -	\$ 905,341
125,918	1,102	300	183	1,302	133,803
-	-	-	-	587,969	756,203
-	-	15,226	22,111	-	217,837
28,925	-	-	-	-	28,925
<u>154,843</u>	<u>101,228</u>	<u>15,526</u>	<u>22,294</u>	<u>589,271</u>	<u>2,042,109</u>
31,155	-	-	8,900	-	40,055
-	53,589	-	-	-	896,204
-	-	-	-	597,142	597,142
<u>31,155</u>	<u>53,589</u>	<u>-</u>	<u>8,900</u>	<u>597,142</u>	<u>1,533,401</u>
123,688	47,639	15,526	13,394	(7,871)	508,708
-	-	-	-	-	81,996
<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>
<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(168,004)</u>
23,688	47,639	15,526	13,394	(7,871)	340,704
<u>37,597</u>	<u>301,935</u>	<u>83,312</u>	<u>48,935</u>	<u>168,118</u>	<u>1,940,621</u>
<u>\$ 61,285</u>	<u>\$ 349,574</u>	<u>\$ 98,838</u>	<u>\$ 62,329</u>	<u>\$ 160,247</u>	<u>\$ 2,281,325</u>

WHITPAIN TOWNSHIP**BUDGETARY COMPARISON SCHEDULE****CAPITAL PROJECTS FUND****YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Budget
REVENUES				
Interest income	\$ 117,089	\$ 117,089	\$ 67,462	\$ (49,627)
Intergovernmental revenues	2,895,172	2,895,172	601,517	(2,293,655)
TOTAL REVENUES	3,012,261	3,012,261	668,979	(2,343,282)
EXPENDITURES				
General government				
Building and improvements	1,315,000	1,315,000	998,833	(316,167)
Furniture and office equipment	198,000	198,000	67,334	(130,666)
TOTAL GENERAL GOVERNMENT	1,513,000	1,513,000	1,066,167	(446,833)
Public safety				
Land and buildings	222,000	222,000	-	(222,000)
Furniture and office equipment	88,788	88,788	45,661	(43,127)
TOTAL PUBLIC SAFETY	310,788	310,788	45,661	(265,127)
Highways and streets				
Land and buildings	842,000	842,000	38,141	(803,859)
Automobiles, trucks and equipment	3,301,200	3,301,200	809,830	(2,491,370)
Other improvements	3,888,500	3,888,500	2,224,201	(1,664,299)
TOTAL HIGHWAYS AND STREETS	8,031,700	8,031,700	3,072,172	(4,959,528)
Debt Service				
Interest Expense	-	-	15,800	15,800
TOTAL EXPENDITURES	9,855,488	9,855,488	4,199,800	(5,655,688)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,843,227)	(6,843,227)	(3,530,821)	3,312,406
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	25,000	25,000	52,711	27,711
Proceeds from issuance of debt	-	-	1,315,800	1,315,800
TOTAL OTHER FINANCING SOURCES	25,000	25,000	1,368,511	1,343,511
NET CHANGE IN FUND BALANCE	(6,818,227)	(6,818,227)	(2,162,310)	4,655,917
FUND BALANCE AT BEGINNING OF YEAR	9,536,211	9,536,211	9,536,211	-
FUND BALANCE AT END OF YEAR	\$ 2,717,984	\$ 2,717,984	\$ 7,373,901	\$ 4,655,917

WHITPAIN TOWNSHIP**BUDGETARY COMPARISON SCHEDULE****FIRE CAPITAL FUND****YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
REVENUES				
Interest income	\$ 1,850	\$ 1,850	\$ 891	\$ (959)
EXPENDITURES				
Public safety				
Fire company				
Capital expenditures	145,000	145,000	28,639	(116,361)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(143,150)	(143,150)	(27,748)	115,402
OTHER FINANCING SOURCES				
Transfers in	81,996	81,996	81,996	-
NET CHANGE IN FUND BALANCE	(61,154)	(61,154)	54,248	115,402
FUND BALANCE AT BEGINNING OF YEAR	272,157	272,157	272,157	-
FUND BALANCE AT END OF YEAR	\$ 211,003	\$ 211,003	\$ 326,405	\$ 115,402

WHITPAIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Budget
REVENUES				
Real estate taxes	\$ 907,986	\$ 907,986	\$ 905,614	\$ (2,372)
Interest income	5,500	5,500	1,263	(4,237)
TOTAL REVENUES	<u>913,486</u>	<u>913,486</u>	<u>906,877</u>	<u>(6,609)</u>
EXPENDITURES				
Debt service				
Principal	571,000	571,000	566,000	(5,000)
Interest	445,362	445,362	505,224	59,862
Other	2,000	2,000	-	(2,000)
TOTAL EXPENDITURES	<u>1,018,362</u>	<u>1,018,362</u>	<u>1,071,224</u>	<u>54,862</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(104,876)	(104,876)	(164,347)	(61,471)
OTHER FINANCING SOURCES				
Interfund transfers	<u>85,904</u>	<u>85,904</u>	<u>100,349</u>	<u>14,445</u>
NET CHANGE IN FUND BALANCE	(18,972)	(18,972)	(63,998)	(47,026)
FUND BALANCE AT BEGINNING OF YEAR	<u>134,843</u>	<u>134,843</u>	<u>134,843</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 115,871</u>	<u>\$ 115,871</u>	<u>\$ 70,845</u>	<u>\$ (47,026)</u>

WHITPAIN TOWNSHIP**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES--BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Fire Tax Fund		Traffic Improvement Fund	
	Budget	Actual	Budget	Actual
REVENUES				
Real estate taxes	\$ 810,319	\$ 805,215	\$ -	\$ -
Interest income	10,000	2,891	2,000	1,216
Intergovernmental revenues	176,078	168,234	-	-
Contributions	-	-	250,000	180,500
TOTAL REVENUES	<u>996,397</u>	<u>976,340</u>	<u>252,000</u>	<u>181,716</u>
EXPENDITURES				
General government				
Engineering services	-	-	10,000	-
Construction services	-	-	-	-
TOTAL GENERAL GOVERNMENT	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Public safety				
Fire company				
Operating	721,318	607,363	-	-
Workers' compensation	17,000	38,379	-	-
Fireman's Relief Fund	176,079	168,234	-	-
Fire hydrant rental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL PUBLIC SAFETY	<u>914,397</u>	<u>813,976</u>	<u>-</u>	<u>-</u>
Highways and streets				
Storm sewer materials	-	-	-	-
TOTAL EXPENDITURES	<u>914,397</u>	<u>813,976</u>	<u>10,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	82,000	162,364	242,000	181,716
OTHER FINANCING USES				
Interfund transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(68,000)	12,364	242,000	181,716
FUND BALANCES AT BEGINNING OF YEAR	<u>700,071</u>	<u>700,071</u>	<u>328,496</u>	<u>328,496</u>
FUND BALANCES AT END OF YEAR	<u>\$ 632,071</u>	<u>\$ 712,435</u>	<u>\$ 570,496</u>	<u>\$ 510,212</u>

Fire Hydrant Fund		Fee in Lieu of Stormwater Management Fund		Reserve for Outfall Stormwater Fund	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 100,400	\$ 100,126	\$ -	\$ -	\$ -	\$ -
3,300	1,102	600	300	400	183
-	-	-	-	-	-
-	-	6,500	15,226	10,000	22,111
<u>103,700</u>	<u>101,228</u>	<u>7,100</u>	<u>15,526</u>	<u>10,400</u>	<u>22,294</u>
-	-	5,000	-	15,500	8,900
-	-	50,000	-	-	-
-	-	<u>55,000</u>	<u>-</u>	<u>15,500</u>	<u>8,900</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
313,000	53,589	-	-	-	-
1,000	-	-	-	-	-
<u>314,000</u>	<u>53,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	15,000	-
<u>314,000</u>	<u>53,589</u>	<u>55,000</u>	<u>-</u>	<u>30,500</u>	<u>8,900</u>
(210,300)	47,639	(47,900)	15,526	(20,100)	13,394
-	-	-	-	-	-
(210,300)	47,639	(47,900)	15,526	(20,100)	13,394
<u>301,935</u>	<u>301,935</u>	<u>83,312</u>	<u>83,312</u>	<u>48,935</u>	<u>48,935</u>
\$ <u>91,635</u>	\$ <u>349,574</u>	\$ <u>35,412</u>	\$ <u>98,838</u>	\$ <u>28,835</u>	\$ <u>62,329</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place.

Operation Information

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

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

WHITPAIN TOWNSHIP												Table 1
Net Assets by Component												
Last Ten Fiscal Years (unaudited)												
(accrual basis of accounting)												
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011		
Governmental activities												
Invested in capital assets, net of related debt	\$ 38,569,430	\$ 36,311,712	\$ 37,083,369	\$ 36,961,616	\$ 36,088,994	\$ 35,526,462	\$ 35,222,073	\$ 35,890,662	\$ 35,102,166	\$ 37,304,102		
Restricted	4,401,208	4,470,194	2,603,155	3,013,177	2,986,672	2,785,382	3,111,790	2,805,303	2,756,114	2,408,151		
Unrestricted	11,293,657	11,451,716	12,064,139	12,296,661	12,135,747	12,664,717	14,171,841	13,767,750	11,850,824	10,475,089		
Total governmental activities net assets	54,264,295	52,233,622	51,750,663	52,271,454	51,211,413	50,976,561	52,505,704	52,463,715	49,709,104	50,187,342		
Business-type activities												
Invested in capital assets, net of related debt	1,375,665	1,376,797	1,375,202	1,521,278	1,647,790	1,853,876	2,112,972	2,368,208	2,617,476	2,678,775		
Restricted	404,916	262,036	-	-	-	-	-	698,547	698,547	500,638		
Unrestricted	1,628,326	1,943,021	2,250,577	1,735,556	1,859,560	1,268,517	1,232,373	374,455	689,845	1,193,857		
Total business-type activities net assets	3,408,907	3,581,854	3,625,779	3,256,834	3,507,350	3,122,393	3,345,345	3,441,210	4,005,868	4,373,270		
Primary government												
Invested in capital assets, net of related debt	39,945,095	37,688,509	38,458,571	38,482,894	37,736,784	37,380,338	37,335,045	38,258,870	37,719,642	39,982,877		
Restricted	4,806,124	4,732,230	2,603,155	3,013,177	2,986,672	2,785,382	3,111,790	3,503,850	3,454,661	3,203,054		
Unrestricted	12,921,983	13,394,737	14,314,716	14,032,217	13,995,307	13,933,234	15,404,214	14,142,205	12,540,669	11,371,319		
Total primary government net assets	\$ 57,673,202	\$ 55,815,476	\$ 55,376,442	\$ 55,528,288	\$ 54,718,763	\$ 54,098,954	\$ 55,851,049	\$ 55,904,925	\$ 53,714,972	\$ 54,557,250		

Source: Whitpain Township Annual Financial Statements

Table 2										
WHITPAIN TOWNSHIP										
Changes in Net Assets										
Last Ten Fiscal Years (unaudited)										
(modified accrual basis of accounting)										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
GOVERNMENTAL ACTIVITIES										
General Government	\$ 3,954,347	\$ 4,520,935	\$ 4,202,791	\$ 4,478,023	\$ 4,273,971	\$ 3,411,205	\$ 3,549,349	\$ 2,979,731	\$ 2,590,875	\$ 2,564,470
Police	6,391,274	6,501,549	6,721,640	6,090,261	6,416,077	6,013,806	5,709,171	5,311,095	5,277,387	5,198,584
Fire	1,102,665	1,193,760	1,212,188	1,041,022	1,098,944	1,053,958	1,053,936	153,808	1,988,166	1,217,449
Code Enforcement	437,533	534,938	511,162	553,157	579,285	580,521	513,548	489,983	492,710	484,018
Zoning	70,655	102,441	59,294	62,619	66,782	51,920	33,694	33,344	51,719	45,738
Public Works	4,047,156	5,050,323	4,835,686	4,601,427	4,659,268	4,490,907	4,534,001	4,306,726	4,324,700	3,459,781
Parks and Recreation	1,794,986	1,658,077	1,795,353	1,301,820	1,593,612	1,262,000	1,169,045	1,152,522	1,198,356	1,061,263
Debt Service	602,592	465,831	249,292	338,908	338,908	373,699	411,298	446,335	583,177	551,996
TOTAL GOVERNMENTAL ACTIVITIES	19,401,608	20,027,854	19,547,406	18,416,707	19,026,847	17,250,016	16,980,042	14,873,544	16,507,090	14,583,299
BUSINESS-TYPE ACTIVITIES										
Sewer	4,017,259	3,922,486	3,752,476	3,840,001	3,265,892	3,633,015	3,571,415	3,989,727	3,839,592	3,950,853
TOTAL TOWNSHIP ACTIVITIES	22,418,867	23,950,340	23,299,882	22,256,708	22,292,739	20,883,031	20,551,457	18,863,271	20,346,682	18,534,152
Program Revenues										
Governmental Activities										
Charges for Services										
Police	42,211	79,929	69,622	77,882	107,439	104,717	110,174	142,592	129,601	15,152
Fire	-	-	-	-	-	-	-	-	-	121,517
Code Enforcement	312,031	455,561	742,230	491,976	499,552	657,666	377,503	294,031	357,653	311,570
Zoning	109,480	189,835	95,669	108,042	145,836	117,145	81,111	81,078	64,724	95,161
Public Works	103,295	512,274	489,138	495,325	425,142	410,486	414,237	367,087	344,301	315,216
Parks and Recreation	-	-	-	-	-	-	-	-	-	-
Debt Service	1,577,731	1,577,613	1,762,738	1,500,901	1,404,029	1,470,464	1,305,752	1,202,145	1,121,517	1,512,804
Capital Grants and Contributions	1,224,383	474,459	175,000	105,410	10,000	-	19,794	-	-	261,845
Total governmental activities program revenues	3,369,131	3,289,671	3,334,397	2,779,536	2,591,998	2,760,478	2,311,571	2,086,933	2,017,796	2,633,265
Business-Type Activities										
Charges for Services										
Sewer	3,632,612	3,689,331	3,414,798	3,403,872	3,413,586	3,417,423	3,322,377	3,323,797	3,364,370	3,505,089
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	122,422	37,605	598,181	102,913	162,955	215,602	72,703	32,481	36,215	45,313
Total business type activities program revenues	3,755,034	3,726,936	4,012,979	3,506,785	3,576,541	3,633,025	3,395,080	3,356,278	3,400,585	3,550,402
Total primary government program revenues	7,124,165	7,016,607	7,347,376	6,286,321	6,168,539	6,393,503	5,706,651	5,443,211	5,418,381	6,183,667
Net (expense)/revenue	(15,032,477)	(16,738,183)	(16,213,009)	(15,637,171)	(16,434,849)	(14,489,538)	(14,668,471)	(12,786,611)	(14,489,294)	(11,950,034)
Governmental activities	(262,225)	(195,550)	260,503	(333,216)	310,649	10	(176,335)	(633,449)	(439,007)	(400,451)
Business-Type Activities	(15,294,702)	(16,933,733)	(15,952,506)	(15,970,387)	(16,745,498)	(14,489,538)	(14,844,806)	(13,420,060)	(14,928,301)	(12,350,485)
General Revenues and other Changes in Net Assets										
Governmental Activities										
Grants	6,443,052	6,388,811	6,417,438	6,310,809	6,332,205	6,332,749	6,284,353	6,243,018	5,957,187	6,213,830
Real Estate Taxes	9,660,505	9,550,442	8,772,665	8,816,787	9,386,496	8,100,393	7,538,681	8,285,388	7,078,505	6,788,978
Other Local Taxes	108,527	271,283	213,893	86,293	36,783	118,771	152,739	139,129	79,790	149,191
Investment Income	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of fixed assets	818,721	993,918	935,873	964,931	878,912	765,540	718,615	880,059	17,515	57,384
Miscellaneous	32,345	(5,000)	-	-	-	-	-	-	(12,000)	583,738
Transfers	17,063,150	17,221,142	16,384,209	16,198,820	16,669,701	15,336,350	14,710,460	15,541,222	14,011,056	13,793,121
Total Government Activities	15,837	52,200	103,911	13,116	5,197	1,956	1,720	1,663	6,445	6,295
Business-Type Activities	980	6,586	665,158	69,584	69,111	1,7829	78,750	67,128	13,690	15,824
Investment Income	104,786	87,839	-	-	-	55,712	-	-	4,2832	-
Miscellaneous	(82,945)	5,000	-	-	-	-	-	-	12,000	-
Transfers	89,278	151,625	170,429	82,700	74,308	75,497	80,470	68,791	78,997	22,119
Total business type activities	17,152,426	17,372,767	16,554,656	16,281,520	16,744,009	15,411,647	14,790,630	15,610,013	14,086,602	13,815,249
Total Change in Net Assets	2,020,673	482,959	171,200	561,649	234,852	846,812	41,989	2,754,611	(478,238)	1,843,087
Government Activities	(172,947)	(43,925)	430,932	(250,516)	384,957	75,507	(95,865)	(564,658)	(364,040)	(978,322)
Business-Type Activities	1,857,726	439,034	602,132	311,133	619,809	922,319	(53,876)	2,189,953	(84,278)	1,464,755
Total primary government	\$ 1,857,726	\$ 439,034	\$ 602,132	\$ 311,133	\$ 619,809	\$ 922,319	\$ (53,876)	\$ 2,189,953	\$ (84,278)	\$ 1,464,755

Source: Whitpain Township Annual Financial Statements

WHITPAIN TOWNSHIP											Table 3
Fund Balances Of Governmental Funds											
Last Ten Fiscal Years (unaudited)											
(modified accrual basis of accounting)											
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	
General Fund											
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Unreserved	-	-	-	-	-	-	-	-	-	-	
Nonspendable	23,458	24,355	25,253	25,253	23,485	24,410	25,335	22,560	22,560	22,560	
Committed	5,431,772	5,090,389	5,957,213	3,447,696	3,940,071	2,194,594	1,982,701	1,775,071	1,775,071	2,044,000	
Assigned	2,800,000	2,800,000	2,700,000	2,500,000	2,400,000	3,800,000	2,700,000	1,888,043	1,947,775	1,947,775	
Unassigned	-	-	-	1,747,522	-	-	-	1,792,953	1,943,150	3,031,071	
Total General Fund	\$ 8,255,230	\$ 7,914,744	\$ 8,682,466	\$ 7,720,471	\$ 6,363,556	\$ 6,019,004	\$ 4,708,036	\$ 5,478,627	\$ 5,688,556	\$ 7,045,406	
All other governmental funds											
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Unreserved, reported in :											
Special revenue funds	-	-	-	-	-	-	-	-	-	-	
Capital projects funds	-	-	-	-	-	-	-	-	-	-	
Nonspendable, reported in:											
Capital projects fund	-	-	1,236,230	1,236,230	23,788	-	-	-	-	-	
Restricted, reported in:											
Capital acquisition, construction and improvement											
Fire Protection	2,817,238	3,518,819	-	-	-	-	-	-	-	-	
Fire Capital	1,038,840	972,228	709,422	800,600	852,311	715,450	589,171	1,123,173	1,123,069	772,721	
Open Space acquisition and improvement	-	-	162,046	671,683	653,702	668,146	742,181	-	-	-	
Debt Service	1,620,726	1,764,389	925,937	838,822	819,424	875,943	1,254,489	1,394,948	1,428,887	1,486,384	
Other governmental funds	70,845	134,843	246,617	228,187	253,171	212,666	159,497	81,093	11,613	22,598	
Committed, reported in:	670,988	602,300	559,133	473,885	408,064	313,177	366,452	290,157	192,545	126,448	
Other governmental funds	-	-	309,583	408,509	399,080	470,562	586,276	887,826	-	-	
Assigned, reported in:											
Capital acquisition, construction and improvement	4,617,948	6,054,989	4,901,185	4,748,308	7,004,782	7,317,843	7,588,327	5,748,109	4,430,232	1,390,562	
Other governmental funds	510,212	328,496	-	-	-	-	-	-	755,313	574,342	
Total all other governmental funds	\$ 11,346,797	\$ 13,376,064	\$ 9,050,153	\$ 9,406,224	\$ 10,414,322	\$ 10,573,787	\$ 11,286,393	\$ 9,525,306	\$ 7,941,659	\$ 4,373,055	
Total all Governmental funds	\$ 19,602,027	\$ 21,290,808	\$ 17,732,619	\$ 17,126,695	\$ 16,777,878	\$ 16,592,791	\$ 15,994,429	\$ 15,003,933	\$ 13,630,215	\$ 11,418,461	
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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	\$ 16,103,141	\$ 15,846,250	\$ 15,155,751	\$ 15,206,170	\$ 15,948,334	\$ 14,501,467	\$ 13,942,078	\$ 13,846,367	\$ 13,319,613	\$ 12,930,511
Fees, licenses and permits	905,610	1,151,628	1,269,963	968,411	1,001,465	1,123,688	790,614	682,276	740,613	626,633
Interest income and rent	420,500	632,693	587,578	502,465	461,837	430,255	450,698	417,569	387,456	243,498
Intergovernmental revenues	2,532,838	1,997,115	1,467,950	1,416,644	1,300,555	1,113,896	1,119,488	1,093,342	1,055,266	1,705,999
Fines and Forfeitures	43,312	79,435	73,215	80,365	106,179	105,145	97,888	130,477	115,737	108,503
Charges for Services	103,324	518,517	489,355	500,484	434,472	415,839	428,779	382,627	363,388	350,739
Contributions	263,295	43,585	459,786	178,070	103,321	344,576	195,018	100,138	58,649	-
Other	106,101	131,899	136,316	184,321	99,864	112,390	124,272	299,989	266,536	330,822
Total Revenues	20,478,121	20,401,122	19,639,914	19,036,930	19,456,027	18,147,256	17,148,835	16,952,785	16,307,258	16,296,705
Expenditures										
Current										
General Government	4,655,741	4,422,878	3,699,184	3,632,623	3,414,647	3,335,067	3,390,456	2,814,141	2,470,294	2,461,792
Public Safety	7,641,573	8,171,819	8,322,861	7,639,232	7,723,771	7,334,704	6,988,265	6,840,167	7,551,027	6,726,013
Highways and Streets	2,933,243	2,948,960	2,401,686	2,660,526	2,813,342	3,050,658	2,531,798	2,376,634	2,315,121	2,110,806
Parks and Recreation	1,214,469	1,464,635	1,742,046	1,616,413	2,065,012	1,518,831	1,226,808	1,028,382	1,096,967	1,006,683
Debt Service										
Principal	566,000	547,000	524,000	1,223,000	1,191,000	1,150,000	941,000	884,000	3,753,000	908,000
Interest and other charges	598,467	460,890	252,850	292,300	335,734	377,556	414,410	449,387	558,828	550,926
Capital Outlay	13,043,267	6,538,234	2,135,703	2,122,411	1,764,970	806,467	697,149	1,208,916	331,087	441,561
Total Expenditures	30,652,760	24,554,416	19,078,330	19,186,505	19,308,476	17,573,303	16,189,886	15,601,627	18,076,324	14,205,781
Excess (deficiency) of revenues over expenditures	(10,174,639)	(4,153,294)	561,584	(149,575)	147,551	573,953	958,949	1,351,158	(1,769,066)	2,090,924
Other Financing Sources (Uses)										
Proceeds from debt	8,400,802	7,365,000	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	52,711	154,458	44,340	-	37,536	24,409	31,547	22,560	19,816	57,384
Refund of prior years' expenditures	-	-	-	-	-	-	-	-	-	-
Interfund transfers in	1,516,551	3,250,628	1,522,068	1,384,025	2,550,000	818,004	3,333,423	2,500,000	3,344,945	500,000
Interfund Transfers out	(1,484,206)	(3,255,628)	(1,522,068)	(1,384,025)	(2,550,000)	(818,004)	(3,333,423)	(2,500,000)	(3,356,945)	(500,000)
Issuance of refunding bonds	-	-	-	-	-	-	-	-	3,925,000	-
Premiums on debt issuances	-	197,025	-	-	-	-	-	-	48,004	-
Total Other Financing Sources (Uses)	8,485,858	7,711,483	44,340	-	37,536	24,409	31,547	22,560	3,980,820	57,384
Net change in fund balance	(1,688,781)	3,558,189	605,924	(149,575)	185,087	598,362	990,496	1,373,718	2,211,754	2,148,308
Fund balance at beginning of year	21,290,808	17,732,619	17,126,695	17,276,270	16,592,791	15,994,429	15,003,933	13,630,215	11,418,461	9,270,153
Fund balance at end of year	\$ 19,602,027	\$ 21,290,808	\$ 17,732,619	\$ 17,126,695	\$ 16,777,878	\$ 16,592,791	\$ 15,994,429	\$ 15,003,933	\$ 13,630,215	\$ 11,418,461
Debt Service as a percentage of non-capital expenditures	6.61%	5.59%	4.59%	8.88%	8.70%	9.11%	8.75%	9.28%	24.30%	10.60%

Source: Whitpain Township Annual Financial Statements

WHITPAIN TOWNSHIP General Government Tax Revenues by Source Last Ten Years (unaudited) (modified accrual basis of accounting)						Table 5
Year Ended 31-Dec	Real Estate Tax (1)	Realty Transfer Tax	Earned Income Tax	Local Services Tax (2)	Total	
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	
2019	6,398,347	1,104,418	7,451,092	892,393	15,846,250	
2020	6,443,052	1,009,342	7,759,979	890,768	16,103,141	
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						

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

Fiscal Year Ended	Total Taxable Assessed Value (1)	Estimated Actual Value (2)	Ratio of Total Assessed Value to Estimated Actual Value	Total Township Tax Rate (3)
31-Dec				
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
2019	2,029,031,515	3,078,955,258	.659	3.20
2020	2,032,585,345	3,195,888,907	.636	3.20

Source: (1) Montgomery County Board of Assessments

Notes: (2) Estimated actual value is calculated by dividing assessed value by the common level ratio provided by the PA State Tax Equalization Board
In year 2020, the common level ratio for 2019 was used since the common level ratio for 2020 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	General Purpose Millage(1)	Whitpain Township			Debt Service Millage	Total Township Millage	Overlapping Rates				Total Millage
		Fire Protection Millage	Fire Hydrant Millage	Montgomery County Millage			Wissahickon School District Millage				
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	
2019	2.39	0.40	0.05	0.36	3.20	3.849	20.590			27.639	
2020	2.30	0.40	0.05	0.45	3.20	3.849	21.120			28.169	

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	2020			2011			% of Total Assessment	% of Total Assessment
		Assessed Value (1)	Rank	% of Total Assessment	Assessed Value	Rank	% of Total Assessment		
Spear Tower STE (721-751 Arbor Way)	Office Complex	\$ 39,870,260	1	1.96%	31,142,900	1	1.55%		
Normandy Farm Estates (9000 Twin Silo Dr)	Residential	33,494,080	2	1.65%	19,642,080	2	0.98%		
Whitpain Associates (1350 Jolly Road)	Office Complex	19,774,080	3	0.97%	18,335,580	3	0.91%		
Townline Associates (1269 Township Line Rd)	Apartment Complex	18,335,580	4	0.90%	16,025,150	5	0.80%		
Spear Tower STE (801 Lakeview Dr)	Office Building	16,025,150	5	0.79%	17,960,260	4	0.89%		
Sentry KPG III LP (1777 Sentry Pkwy West)	Office Complex	14,443,770	6	0.71%	14,443,770	7	0.72%		
Sentry Park West LLC (1787 Sentry Pkwy West)	Office Complex	14,362,000	7	0.71%	13,970,000	8	0.70%		
Plymouth Rock Associates (470 Norristown Rd)	Office Buildings	13,440,800	8	0.66%	14,634,450	6	0.73%		
Aetna Life Ins. Co. (1425 Union Meeting Rd)	Office Buildings	11,141,030	9	0.55%					
BPG Office LP (1400 Union Meeting RD)	Office Buildings	10,903,370	10	0.54%					
TOTAL		\$ 191,790,120		9.44%	\$ 146,154,190		7.28%		
Source: Montgomery County Board of Assessments									
Note: (1) 2020 Total Taxable Assessed Value		\$ 2,032,585,345			\$ 2,007,303,070				

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		Adjusted Levy for the Fiscal Year		Total Collections to Date	
		Amount (1)(2)	Percentage of Levy	Amount	Amount	Amount	Amount	Amount	Percentage of Levy
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%		
2019	6,494,718	6,349,436	97.76%	49,751	6,544,469	6,399,187	97.78%		
2020	6,504,273	6,390,110	98.24%	52,942	6,557,215	6,443,052	98.26%		
Source:	Whitpain Township Tax Collector								
Notes:	(1) Taxpayers are entitled to a 2% discount for payment of taxes by April 30th. (2) In 2020, due to the Pandemic, the Township extended it's discount period to May 31st Historically, about 90% of taxpayers pay during the discount period.								

Table 10 WHITPAIN TOWNSHIP Sewer Billing Data Last Five Fiscal Years (unaudited)					
DESCRIPTION	2020	2019(1)	2018	2017	2016
RATES:					
Residential	\$95/quarter(+ \$23.75 > 20 GAL)	\$95/quarter(+ \$23.75 > 20 GAL)	\$85/quarter(+ \$21.25 > 20 GAL)	\$85/quarter(+ \$21.25 > 20 GAL)	\$150 + \$7.30/1000gal
Commercial	\$168 + \$8.00/1000gal	\$168 + \$8.00/1000gal	\$150 + \$7.30/1000gal	\$150 + \$7.30/1000gal	\$150 + \$7.30/1000gal
ACCOUNTS (in units):					
Residential	5,929	5,929	5,910	5,898	5,877
Commercial	262	263	263	264	266
BILLING (annual amount in \$)					
Residential	\$ 2,838,624	\$ 2,737,285	\$ 2,513,939	\$ 2,512,898	\$ 2,503,208
Commercial	\$ 752,688	\$ 906,710	\$ 867,234	\$ 857,999	\$ 854,568
TOTAL	\$ 3,591,312	\$ 3,643,995	\$ 3,381,173	\$ 3,370,897	\$ 3,357,776
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 \$23.75. (1) In the 2nd Quarter of 2019 residential and commercial rates were increased by 10%. Source: Whitpain Township Records					

Table 11	
WHITPAIN TOWNSHIP Computation of Legal Debt Margin December 31, 2020 (unaudited)	
Borrowing base revenues (1):	
2018	23,682,674
2019	23,886,641
2020	23,051,530
Total Revenues	\$ 70,620,845
Debt limit for General Obligation Debt:	
Average borrowing base revenues	
Debt limit percent	\$ 23,540,282
Debt limit	250%
Total amount of debt applicable to debt limit	58,850,704
Legal debt margin	22,239,984
	\$ 36,610,720
Debt limit for General Obligation bonds and lease rental debt:	
Average borrowing base revenues	
Debt limit percent	\$ 23,540,282
Debt limit	350%
Total amount of debt applicable to debt limit	\$ 82,390,986
Legal debt margin	22,239,984
	\$ 60,151,002
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.	

WHITPAIN TOWNSHIP Legal Debt Margin Information Last Ten Years (unaudited)					
Year Ended	Debt	Gross General	Legal	Total Debt Applicable	
31-Dec	Limit (1)	Obligation	Debt	as a	Percentage of
		Debt	Margin		Debt Limit
2011	46,013,301	11,416,000	34,597,301		24.81%
2012	48,753,916	11,588,000	37,165,916		23.77%
2013	50,463,779	10,704,000	39,759,779		21.21%
2014	50,879,341	9,805,004	41,074,337		19.27%
2015	52,796,796	8,652,604	44,144,192		16.39%
2016	54,346,233	7,459,204	46,887,029		13.73%
2017	56,071,449	6,233,804	49,837,645		11.12%
2018	57,635,886	5,707,404	51,928,482		9.90%
2019	58,447,630	13,149,971	45,297,659		22.50%
2020	58,850,704	22,239,984	36,610,720		37.79%
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	General Obligation Sewer Bond				
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
2019	10,031,083	2,678,000	440,888		13,149,971	1.10%	697
2020	18,128,539	2,402,000	1,709,445		22,239,984	1.75%	1,178

Notes

(1) Details regarding the Township's outstanding debt can be found in the notes to the financial statements.

(2) Personal Income calculated by multiplying the median income per capita per 2010 Census, or subsequent estimate, times current year population projection.

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

Year Ended 31-Dec	Population	Percentage of					
		Net General		Net General		Net General Obligation Debt per Capita	
		Assessed Value	Gross General Obligation Debt	Debt Service Fund Balance	Net General Obligation Debt		
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
2019	18,875	2,029,031,515	13,149,971	134,843	13,015,128	0.64%	\$690
2020	18,875	2,032,585,345	22,239,984	70,845	22,169,139	1.09%	\$1,175

Source:

Population 2010 - Bureau of Census - 2010 Census; 2020 Data not available

Assessed Value - Montgomery County Board of Assessments

Debt - Whitpain Township Annual Financial Reports

WHITPAIN TOWNSHIP				Table 15
Computation of Direct and Overlapping Debt December 31, 2020 (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)	\$ 20,530,539	100.00%	\$ 20,530,539
Overlapping				
	County of Montgomery	427,967,420	3.42%	14,652,822
	Wissahickon School District	19,990,000	55.11%	11,016,794
	Total Overlapping Debt	447,957,420		25,669,616
	Total Direct and Overlapping Debt	\$ 468,487,959		\$ 46,200,155
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, 2020 is based on the ratio of Whitpain's assessed value to Montgomery County's and Wissahickon School District's assessed value, respectively.				
Sources: Whitpain Township, County of Montgomery and Wissahickon School District				

WHITPAIN TOWNSHIP							Table 16
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		
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%		
2019	547,000	460,890	1,007,890	24,554,416	4.10%		
2020	566,000	598,467	1,164,467	30,652,760	3.80%		
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)	
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	
2019	63,290	18,875	1,194,598,750	3.4	
2020	67,515	18,875	1,274,345,625	5.3	
Source: (1) 2010 - 2019 - U. S. Bureau of Census - American Community Survey (2020 data for Whitpain population not available) (2) U. S. Depart of Labor - Bureau of Labor Statistics for Montgomery County					

Table 18 WHITPAIN TOWNSHIP Census Statistics December 31, 2020 (unaudited)							
<u>Age Group Comparisons:</u>		<u>Township</u>		<u>State</u>		<u>US</u>	
		2019 (1)	2010	2019 (1)	2010	2019 (1)	2010
% Under 18		26.0%	24.5%	26.1%	24.9%	28.3%	26.9%
% 18-64		52.2%	57.0%	55.2%	59.5%	55.2%	60.0%
% 65 and over		21.8%	18.5%	18.7%	15.6%	16.5%	13.1%
<u>Population Density</u>		<u>Township</u>		<u>State</u>		<u>US</u>	
		2019 (1)	2010	2019 (1)	2010	2019 (1)	2010
(persons/sq. mile)		1,436.3	1,473.5	284.0	283.4	92.9	87.3
<u>Average Household Size (persons):</u>		2019 (1)		2010			
Whitpain Township		2.58		2.51			
Montgomery County		2.53		2.53			
Pennsylvania		2.45		2.45			
U.S.		2.62		2.58			
<u>Percentage of Owner-Occupied Housing Units</u>		2019 (1)		2009			
Whitpain Township		78.0%		77.3%			
Montgomery County		71.8%		73.1%			
Pennsylvania		68.9%		69.6%			
U.S.		64.0%		65.1%			
<u>Median Household Income:</u>		2019 (1)		2009			
Whitpain Township		\$ 128,828		\$ 106,689			
Montgomery County		91,546		75,728			
Pennsylvania		61,744		49,737			
U.S.		62,843		51,425			
<u>Per Capita Income:</u>		2019 (1)		2009			
Whitpain Township		\$ 67,515		\$ 56,928			
Montgomery County		48,845		39,511			
Pennsylvania		34,352		26,678			
U.S.		34,103		27,041			

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

(1) Source: U.S. Census Bureau Quickfacts, July 1 2019

Note: Most of the 2020 Census has not been completed

WHITPAIN TOWNSHIP Principal Employers Current and Nine Years Ago (unaudited)										Table 19
Employer	Description	2020			2011			% of Total Township Employment	% of Total Township Employment	
		Employees	Rank	% of Total Township Employment	Employees	Rank	% of Total Township Employment			
Aetna Resources LLC	Insurance	1,088	1	5.10%	2,323	1	18.38%			
Henkels & McCoy Inc	Engineering/Construction	840	2	3.93%	1,316	2	10.41%			
M C C	Community College	812	3	3.80%	-	-	0.00%			
Pharmaceutical Research Associates	Pharmaceuticals	732	4	3.43%	-	-	0.00%			
Corporate Call Center	Teleservices	658	5	3.08%						
Unisys Corporation	IT Consulting	446	6	2.09%	394	4	3.12%			
W Bar E Inc	Investment Corporation	406	7	1.90%	-	-	0.00%			
Kencrest Services	Health Services	305	8	1.43%	-	-	0.00%			
ACTS, Inc.	Assisted Living	278	9	1.30%	213	8	1.69%			
Siemens Industry Inc	Multinational Conglomerate	264	10	1.24%	170	-	1.35%			
The Carney Group	Job Placement	-	-	0.00%	482	3	3.81%			
Wissahickon School District	K-12 Schools	-	-	0.00%	242	5	1.92%			
Hansen Properties	Property Management	-	-	0.00%	240	6	1.90%			
Kohls Department Stores Inc	Retail	-	-	0.00%	214	7	1.69%			
Merck Sharp & Dohme	Pharmaceuticals	-	-	0.00%	207	9	1.64%			
Brokerage Concepts Inc	Consulting	-	-	0.00%	199	10	1.57%			
Subtotals		5,829		27.30%	6,000		47.48%			
TOTAL number employed in the Township		21,348			12,636					

Source: Berkheimer Tax Administrator

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Admin., Finance, Engineering, I.T.	13.0	13.0	15.5	15.5	14.5	16.0	16.5	17.0	17.0	15.5
Police										
Officers	29.0	30.0	29.0	29.0	31.0	30.0	30.0	30.0	30.0	29.0
Civilians	8.0	8.0	8.5	8.5	8.5	8.5	8.0	8.0	8.5	8.5
Fire										
Officers	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire Marshal's Office	2.0	2.0	1.5	1.0	1.5	1.5	1.5	1.5	1.5	1.5
Code Enforcement & Zoning										
	4.0	4.0	4.0	4.0	4.0	4.5	4.5	4.5	4.5	3.0
Public Works										
Highway, Facilities and Parks	17.5	17.5	18.0	17.0	19.0	19.5	19.5	19.5	20.0	20.0
Culture and Recreation										
	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Sewer										
	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Totals:	<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>	<u>94.50</u>	<u>90.50</u>

Source: Whitpain Township, Montgomery County, Pennsylvania Records

WHITPAIN TOWNSHIP											Table 21
Operating Indicators by Function											
Last Ten Fiscal Years (unaudited)											
	<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>	<u>2019</u>	<u>2020 (2)</u>	
Planning & Engineering											
Land Developments	1	2	4	2	7	6	2	1	7	7	
Subdivisions	4	2	3	4	4	2	6	5	5	2	
Police											
Part I Crimes	290	283	287	278	224	169	291	187	156	143	
Part II Crimes	362	410	413	381	482	392	341	429	410	318	
Total Calls for Service	21,589	23,340	22,875	24,519	25,018	25,487	25,422	24,488	29,630	21,207	
Fire											
Alarm	223	221	195	195	219	201	240	233	210	202	
Structure	54	51	33	45	32	48	26	21	21	18	
Vehicle	20	21	25	28	23	18	19	25	18	11	
Other	368	327	265	372	271	314	303	309	341	344	
Total Incidents	665	620	518	640	545	581	588	588	590	575	
Code Enforcement & Zoning											
Building Permits	404	466	372	399	468	436	781	441	341	289	
Electrical Permits	265	261	261	364	369	371	388	368	308	332	
Fire Protection Permits	31	31	24	42	97	74	87	78	49	41	
Mechanical Permits	157	194	204	315	299	298	312	325	271	314	
Occupancy Permits	158	152	158	174	237	229	229	204	173	166	
Plumbing Permits	261	186	176	218	359	302	258	231	235	185	
Conditional Use Applications	1	-	-	2	6	2	-	2	5	-	
Zoning Hearing Board Applications	47	39	35	33	30	31	40	35	54	37	
Zoning Permits	-	449	294	502	483	478	800	442	358	333	
Highway and Streets											
Streets Resurfaced (miles)	5.29	6.18	9.95	9.24	9.11	9.20	8.63	7.01	7.09	7.51	
Culture and Recreation											
Program Registration	500	500	625	625	615	621	633	641	661	N/A	
Concert Series Attendance	2,500	2,500	2,800	2,800	2,800	2,827	2,811	3,152	3,037	N/A	
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.											
(2) In 2020, the Township went through the COVID-19 Pandemic. Many programs and projects were cancelled for the year.											
Source: Whitpain Township, Montgomery County, Pennsylvania Records											

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

Function	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</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	22	22	22	22	22	21	20
Fire (1)										
Stations	1	1	1	1	1	1	1	1	1	1
Apparatus	12	9	8	9	9	9	10	10	10	9
Highway and Streets										
Street Miles	67.78	67.78	67.28	67.96	67.78	67.78	67.78	67.86	67.86	67.96
Traffic Signals	28	28	27	27	27	27	27	29	30	31
Stormwater Detention Basins	8	8	8	8	13	14	14	14	14	14
Parks and Recreation										
Parks	10	10	10	11	11	11	11	11	11	12
Acres	350	350	350	425	425	425	425	425	425	500
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	9	9	9	9	10	10
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	1	1	1	1	1	1

Source: Whitpain Township, Montgomery County, Pennsylvania
Records

SCHEDULE OF INSURANCE COVERAGES 12/31/2020

PROPERTY COVERAGE DECLARATIONS

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

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

gg. Flood		\$150,000,000	Annual Aggregate for All Participants Combined
hh. Flood - Zones A, AE, V and all other 100 year floodplains		\$1,000,000	Annual Aggregate
ii. Flood - Zones A, AE, V and all other 100 year floodplains		\$75,000,000	Annual Aggregate for All Participants
jj. Mold/Fungus Resultant Damage as more fully defined in the Coverage Document's PEPiP form		\$100,000	Each Occurrence
kk. Mold/Fungus Resultant Damage as more fully defined in the Coverage Document's PEPiP form			Annual Aggregate for All Participants Combined
ll. 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 (<i>PEPiP USA</i>) . Per occurrence and aggregate limits of the <i>PEPiP USA</i> 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 \$25,000,000 terrorism limit applies on a stand-alone basis and is dedicated to Delaware Valley Insurance Trust membership only and is not shared with other public entities covered by the <i>PEPiP USA</i> 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 & MACHINERY COVERAGE DECLARATIONS

1	Limit of Liability The following Limit of Liability applies: All Coverages Combined (Property Damage and Business Interruption and Extra Expense)	\$100,000,000	Each Accident
2	Sublimits of Liability The following Sublimits of Liability apply. These are part of and not in addition to the Limit of Liability: a. Expediting Expense b. Errors and Omissions c. Hazardous Substances and Pollutants (including Ammonia) d. Water Damage e. Consequential Damage, Spoilage f. Ordinance or Law - Increased Cost of Construction Due to Ordinance or Law (no sublimits for Value of Undamaged Portion of Building and for Demolition Costs) g. EDP Media and Data Restoration h. Earthquake Resultant Damage i. Utility Interruption for Utilities Owned by Others and For Covered Objects and Covered Perils j. Automatic Acquisitions	\$50,000,000 \$50,000,000 \$10,000,000 Included Included \$25,000,000	Each Accident Each Accident Each Accident Each Accident Each Accident Each Accident
3	Deductibles a. Property Damage b. Business Interruption and Extra Expense c. Off Premises Service Interruption (Property Damage and Time Element)	\$10,000,000 \$2,000,000 \$10,000,000 \$25,000,000	Each Accident Annual Aggregate Each Accident Each Accident
		\$1,000	Each Accident 24 Hours Waiting Period 24 Hours Waiting Period

CRIME COVERAGE DECLARATIONS

1	Limits of Liability	
	a. Public Employee Dishonesty Coverage	\$3,000,000 Each Loss
	With Faithful Performance of Duty Sublimit	
	b. Forgery or Alteration Coverage	\$100,000 Each Loss
	c. Theft, Disappearance and Destruction Coverage (Inside and Outside for Money and Securities excluding checks)	\$3,000,000 Each Loss
	d. Theft, Disappearance and Destruction Coverage (Inside and Outside for Money and Securities - Checks)	\$250,000 Each Loss
	e. Computer Fraud Coverage	\$1,000,000 Each Loss
	f. Funds Transfer Fraud Coverage	\$3,000,000 Each Loss
	g. Money Orders and Counterfeit Currency Coverage	\$3,000,000 Each Loss
	h. Social Engineering Fraud	\$200,000 Each Loss
	i. Investigate Expense Coverage Sublimit	\$25,000 Each Loss
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. Funds Transfer Fraud Coverage	\$1,000 Each Loss
	g. Money Orders and Counterfeit Currency Coverage	\$1,000 Each Loss
	h. Social Engineering Fraud	\$1,000 Each Loss
	i. Investigate Expense Coverage	
	Above deductibles apply to combined total of loss and investigative expense	

LIABILITY COVERAGE DECLARATIONS

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 Fire Companies	\$1,000,000	Each Occurrence
Limited Pollution Liability - Covered 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	
Autos with Reported Replacement Cost Value over \$75,000 - Valued on a Replacement Cost Basis	Limit Per Unit As Reported to Trust	
Autos Subject to a Written Loan or Lease Requirement that the Covered Entity Arrange Replacement Cost Coverage - Valued on a Replacement Cost Basis	Limit Per Unit As Reported to Trust	
Speed Camera and Signage Trailers Titled and Registered (Tagged) as Autos - Valued on a Replacement Cost Basis	Limit Per Unit As Reported to Trust	
All Other Autos	Actual Cash Value	
Auto Loan or Lease "GAP" Coverage	\$50,000	Each Accident
Auto Loan or Lease "GAP" Coverage	\$100,000	Annual Aggregate
Loss of Use - Hired Autos	\$500	Each Day
Loss of Use - Hired Autos	\$2,500	Each Accident
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	\$9,000,000	Each Occurrence
k	Excess Business Auto Liability	\$9,000,000	Each Accident
l	Excess Public Officials and Employees Liability	\$9,000,000	Each Claim
m	Excess Public Officials and Employees Liability	\$9,000,000	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 (Should Section VI. Cyber Coverage not apply)	\$100,000	Annual Aggregate
q	Sexual Abuse or Molestation Liability	\$5,000,000	Each Claim
r	Sexual Abuse or Molestation Liability	\$5,000,000	Each Perpetrator
s	Sexual Abuse or Molestation Liability	\$5,000,000	Annual Aggregate
2	Deductibles		
a	General Liability	\$0	Each Occurrence
	General Liability arising out of Skateboarding, Hockey 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 (Should Section VI. Cyber Coverage not apply)	\$2,500	Each Claim
i	Sexual Abuse or Molestation Liability	\$10,000	Each Claim
j	Sexual Abuse or Molestation Liability	\$20,000	Annual Aggregate
3	Retroactive Date for Public Officials and Employees Liability:	None	
4	Retroactive Date for Privacy Liability: (Should Section VI. Cyber Coverage not apply):	May 1, 2009 or the effective date upon which The Participant joined The Trust, whichever is later.	

5 **Retroactive Date for Sexual Abuse or Molestation Liability:**

January 1, or the effective date
upon which The Participant joined
The Trust, whichever is later.

CYBER COVERAGE DECLARATIONS

1 **Limits of Liability**

The following shared limits of Liability apply:

Primary

- a. Data and Network Liability
- b. For all **Participants of The Trust**
- c. For all Alliant Property/Cyber Insurance Program
Members Combined

\$2,000,000 Each Claim
\$2,000,000 Annual Aggregate
\$45,000,000 Annual Aggregate

Excess (First Layer)*

- a. Data and Network Liability
- b. For each **Participant of The Trust**
- c. For all **Participants of The Trust** combined
- d. For all Alliant Property/Cyber Insurance Program
Members Combined

\$3,000,000 Each Claim
\$3,000,000 Annual Aggregate
\$10,000,000 Annual Aggregate
N/A* Annual Aggregate

Excess (Second Layer)*

- a. Data and Network Liability
- b. For each **Participant of The Trust**
- c. For all **Participants of The Trust** combined
- d. For all Alliant Property/Cyber Insurance Program
Members Combined

\$2,000,000 Each Claim
\$2,000,000 Annual Aggregate
\$10,000,000 Annual Aggregate
N/A* Annual Aggregate

2 **Sublimits of Liability - Primary**

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

- a. Breach Response Costs
- b. Breach Response Costs **if Beazley Approved Vendors Used**
- c. Regulatory Defense and Penalties - Violation of Privacy Law
- d. Payment Card Liabilities and Costs
- e. Media

\$500,000 Annual Aggregate
\$1,000,000 Annual Aggregate
\$2,000,000 Annual Aggregate
\$2,000,000 Annual Aggregate
\$2,000,000 Annual Aggregate

First Party Coverages:

- f. Cyber Extortion
- g. Data Recovery Costs

\$2,000,000 Annual Aggregate
\$2,000,000 Annual Aggregate

3	h. Business Interruption and Extra Expense from Security Breach			
	i. Forensic Expenses (sublimit of Business Interruption above; not in addition to)	\$2,000,000	Annual Aggregate	
	ii. Dependent Business Loss from Dependent Security Breach (sublimit of Business Interruption above; not in addition to)	\$100,000	Annual Aggregate	
		\$750,000	Annual Aggregate	
	i. Business Interruption and Extra Expense from System Failure	\$500,000	Annual Aggregate	
	i. Dependent Business Loss from Dependent System Failure (sublimit of Business Interruption above; not in addition to)	\$100,000	Annual Aggregate	
	j. Fraudulent Instruction	\$50,000	Annual Aggregate	
	k. Funds Transfer Fraud	\$50,000	Annual Aggregate	
	l. Telecommunications Fraud	\$50,000	Annual Aggregate	
	m. Criminal Reward	\$25,000	Annual Aggregate	
Sublimits of Liability - Excess (First Layer)				
<i>The following shared Sublimits of Liability apply. These are part of and not in addition to the Limits of Liability:</i>				
	a. Breach Response (must use Beazley)	<u>Sublimit</u>		<u>Attachment Point</u>
		\$1,000,000		\$1,000,000
	Approved Vendors			
	b. Telephone Fraud	\$75,000		\$75,000
	c. Business Interruption - Dependent System Failure	\$100,000		\$100,000
	d. Business Interruption - System Failure	\$500,000		\$500,000
	e. Dependent Business Interruption - Security Breach	\$750,000		\$750,000
	f. Funds Transfer Fraud	\$75,000		\$75,000
	g. Fraudulent Instruction	\$75,000		\$75,000
	h. Computer Hardware Replacement	\$75,000		\$75,000
	i. Consequential Reputational Loss	\$50,000		\$50,000
	j. Invoice Manipulation	\$100,000		\$100,000
Sublimits of Liability - Excess (Second Layer)				
<i>The following shared Sublimits of Liability apply. These are part of and not in addition to the Limits of Liability:</i>				
4		<u>Sublimit</u>		<u>Attachment Point</u>

a. Breach Response (must use Beazley Approved Vendors)	\$2,000,000	\$2,000,000
b. Telephone Fraud	\$150,000	\$150,000
c. Business Interruption - Dependent System Failure	\$200,000	\$200,000
d. Business Interruption - System Failure	\$1,000,000	\$1,000,000
e. Dependent Business Interruption - Security Breach	\$1,500,000	\$1,500,000
f. Funds Transfer Fraud	\$150,000	\$150,000
g. Fraudulent Instruction	\$150,000	\$150,000
h. Computer Hardware Replacement	\$150,000	\$150,000
i. Consequential Reputational Loss	\$100,000	\$100,000

* The aggregate limits of the **primary** Alliant Cyber Coverage policy with Beazley are shared by the **Participants of The Trust** and other public entity group self-insurance pools and public entity insureds of the Alliant Cyber Coverage Program throughout the United States. Additional aggregate limit protection has been arranged with Crum and Forster (\$10,000,000 part of \$20,000,000) and Certain Underwriters at Lloyd's London (\$10,000,000 part of \$20,000,000). The **excess** Cyber Coverage policies (first layer and second layer) are dedicated only to the **Participants of The Trust** and are not shared with other public entities or pools covered by the primary Alliant Cyber Coverage policy with Beazley

5

Deductibles	\$5,000	Each Claim
a. Each Cyber Coverage Agreement	\$10,000	Each Incident
b. Combined, Any One Incident, Should Multiple Coverages Apply		

6

Retroactive Date for Cyber Coverage:
a. July 1, 2017 or the date that the **Participant** joined the Trust or the date that property coverage from **The Trust** began for the **Covered Entity**.
b. For the Second Layer Excess policy with Greenwich Insurance Company, July 1, 2019 or the date that the **Participant** joined the Trust or the date that property coverage from **The Trust** began for the **Covered Entity**.

ACTIVE SHOOTER AND MALICIOUS ATTACK PROPERTY AND LIABILITY COVERAGE DECLARATIONS

¹ CRISIS MANAGEMENT - In the event of an active shooter/malicious attack incident, call Unity Advisory Response at (410) 571 2628 or email respond@unityadvisory.com for crisis management assistance.

2	Coverage is managed by Miller Insurance Services LLP for the underwriting syndicate Houston Casualty Company (UK Branch). The Lloyd's policy number is B0621MDELA000421.			
3	Limits of Liability			
	a.	Active Shooter and Malicious Attack Property and Liability	\$2,000,000	Each Occurrence for All Participants Combined
	b.	Active Shooter and Malicious Attack Property and Liability	\$4,000,000	Policy Aggregate for All Participants Combined
4	Sublimits of Liability			
	<i>The following shared Sublimits of Liability apply. These are part of and not in addition to the Limits of Liability:</i>			
	a.	Additional Security Measures	\$500,000	Each Occurrence
	b.	Counseling	\$500,000	Each Occurrence
	c.	Public Relations	\$500,000	Each Occurrence
	d.	Miscellaneous Crisis Management Expenses	\$500,000	Each Occurrence
	e.	Medical Payments and Funeral Expenses	\$250,000	Each Occurrence
5	Deductible		\$0	
6	Waiting Period		0 Hours	
7	Covered Locations - Coverage applies <u>ONLY</u> at scheduled locations on file with Lloyd's (locations scheduled for property coverage with The Trust).			

WHITPAIN TOWNSHIP							Table 24
Police Pension Plan							
Last Ten Years (unaudited)							
Year Ended 31-Dec	Number of Active Members	Contributions			State	Total	Number of Retirees & Beneficiaries (1)
		Members	Township				
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	
2019	30	\$ 178,085	\$ 410,137	\$ 312,350	\$ 900,572	26	
2020	30	\$ 184,072	\$ 418,681	\$ 295,430	\$ 898,183	27	
Source: Whitpain Township Records							
Notes: (1) Includes Officers participating in DROP.							

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			State			Total	Number of Retirees & Beneficiaries
		Members	Township		Members				
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
2019	38	\$	68,833	\$	382,089	\$	296,989	\$ 747,911	38
2020	36	\$	73,379	\$	384,596	\$	275,735	\$ 733,710	40

Source: Whitpain Township Records

WHITPAIN TOWNSHIP
Miscellaneous Statistics
December 31, 2020 (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	67.96	
Fire Protection	Combination department with three career and thirty volunteer firefighters one (1) station with nine (9) apparatus	
Police Protection	Thirty officers Including chief of police. Eight civilian support/dispatch staff.	
Recreation	12 Parks with 500 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 2020)	Public	Nonpublic
Elementary	3	1
Middle	0	0
Secondary	0	0
College	1	0
Township Employees:	2020	
Full Time	91	
Part Time	10	
Seasonal	15	
Population:	2020	2010
	18,875	18,875