
EXHIBIT J1

EAST WHITELAND TOWNSHIP
ANNUAL FINANCIAL REPORT FOR 2019

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**EAST WHITELAND TOWNSHIP
CHESTER COUNTY
PENNSYLVANIA**



For the Year Ended December 31, 2019
East Whiteland Township Finance Department



Certified Public Accountants and Business Consultants

**EAST WHITELAND TOWNSHIP
CHESTER COUNTY
PENNSYLVANIA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2019

**East Whiteland Township Finance Department
John B. Nagel, Township Manager**

INTRODUCTORY SECTION

EAST WHITELAND TOWNSHIP
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2019

	Page
Introductory Section	
Table of Contents	1
Transmittal Letter	5
Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting	11
Organization Chart	12
List of Officials	13
Financial Section	
Independent Auditors' Report	14
Management's Discussion and Analysis (Unaudited)	17
Basic Financial Statements	
<i>Government-Wide Financial Statements</i>	
Statement of Net Position	28
Statement of Activities	29
<i>Fund Financial Statements</i>	
<i>Governmental Funds</i>	
Balance Sheet	30
Reconciliation of Total Governmental Funds Balances to Net Position of Governmental Activities	31
Statement of Revenues, Expenditures and Changes in Fund Balances	32
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	33
<i>Proprietary Funds</i>	
Statement of Net Position	34
Statement of Revenues, Expenses and Changes in Net Position	35
Statement of Cash Flows	36

EAST WHITELAND TOWNSHIP
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2019

	Page
<i>Fiduciary Funds</i>	
Statement of Fiduciary Net Position	38
Statement of Changes in Fiduciary Net Position	39
Notes to the Basic Financial Statements	40
Required Supplementary Information	
Budgetary Comparison Schedules	
<i>General Fund</i>	
Schedule of Revenues and Other Financing Sources	87
Schedule of Functional Expenditures by Activities and Other Financing Uses	88
Police Pension Plan	
Schedule of Changes in the Net Police Pension Plan Liability and Related Ratios	89
Schedule of Police Pension Plan Contributions	90
Schedule of Police Pension Plan Investment Returns	91
Non-Uniformed Pension Plan	
Schedule of Changes in the Net Non-Uniformed Pension Plan Liability and Related Ratios	92
Schedule of Non-Uniformed Pension Plan Contributions	93
Schedule of Non-Uniformed Pension Plan Investment Returns	94
Firefighter Pension Plan	
Schedule of Changes in the Net Firefighter Pension Plan Liability and Related Ratios	95
Schedule of Firefighter Pension Plan Contributions	96
Schedule of Firefighter Pension Plan Investment Returns	97
Other Post-Employment Benefit Plan	
Schedule of Changes in the Net OPEB Plan Liability and Related Ratios	98
Schedule of OPEB Plan Contributions	99

EAST WHITELAND TOWNSHIP
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2019

	Page
Schedule of OPEB Plan Investment Returns	100
Supplementary Information Section	
<i>Other Governmental Funds</i>	
Description of Nonmajor Funds	101
Combining Balance Sheet	102
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	103
<i>Budgetary Comparison Schedules</i>	
Capital Improvement Fund	104
<i>Nonmajor Funds</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual	105
Statistical Section (Unaudited)	
Net Position by Component Position - Last Ten Fiscal Years	106
Changes in Net Position - Last Ten Fiscal Years	107
Fund Balances of Governmental Funds - Last Ten Fiscal Years	109
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	110
General Government Tax Revenues by Source - Last Ten Fiscal Years	111
Major Revenue Source Earned Income Tax - Last Ten Fiscal Years	112
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	113
Property Tax Rates, Direct and Overlapping Governments - Last Ten Fiscal Years	114
Principal Property Taxpayers - Current Year and Nine Years Ago	115
Property Tax Levies and Collections - Last Ten Fiscal Years	116

EAST WHITELAND TOWNSHIP
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2019

	Page
Sewer Billing Rates, Revenue and Fees - Last Six Fiscal Years	117
Computation of Legal Debt Margin at December 31, 2019	118
Legal Debt Margin Information - Last Ten Years	119
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	120
Ratio of Net General Obligation Debt to Assessed Value of Real Estate and Net General Obligation Debt per Capita - Last Ten Years	121
Computation of Direct and Overlapping Debt as of December 31, 2019	122
Demographic and Economic Statistics - Last Ten Years	123
Census Statistics at December 31, 2019	124
Principal Employers - Current Year and Nine Years Ago	125
Full Time Equivalent Township Government Employees by Function - Last Ten Fiscal Years	126
Operating Indicators by Function - Last Ten Years	127
Capital Asset Statistics by Function - Last Ten Years	128
Fiduciary Funds Obligations - Last Six Fiscal Years	129
Police Pension Plan Liability History - Last Ten Fiscal Years	130
Non-Uniformed Pension Plan Liability History - Last Ten Fiscal Years	131
Firefighter Pension Plan Liability History - Last Ten Fiscal Years	132



EAST WHITELAND TOWNSHIP

THE HEART OF GREAT VALLEY

209 Conestoga Road
Frazer, Pennsylvania 19355-1699
Telephone: 610-648-0600
www.eastwhiteland.org

Board of Supervisors: Susan Drummond • Scott Lambert • Richard Orlow **Township Manager:** John Nagel

June 3, 2020

To the Board of Supervisors and Citizens of East Whiteland Township:

We are pleased to present to you the Comprehensive Annual Financial Report of East Whiteland Township for the fiscal year ended December 31, 2019. 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 East Whiteland 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 East Whiteland Township. All disclosures necessary to enable the reader to gain an understanding of East Whiteland Township's financial activities have been included.

East Whiteland 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 East Whiteland Township for the fiscal year ending December 31, 2019, 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 East Whiteland Township's financial statements for the fiscal year ended December 31, 2019, 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. East Whiteland Township's MD&A can be found immediately following the report of the independent auditors.

Profile of the Township

East Whiteland Township is located in the middle of the Chester Valley in east-central Chester County, about 25 miles west of central Philadelphia. With about 11 square miles of land area, the Township measures slightly more than four miles in an east-west direction and 2.8 miles from north to south.

East Whiteland Township is located in a diverse and dynamic suburban area traversed by several important highways, 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 Great Valley School District, East Whiteland houses the middle and senior schools as well as the K.D. Markley Elementary School. East Whiteland is also home for Immaculata University and has campuses for the Drexel University Lebow College of Business and Penn State University Great Valley.

Whiteland Township was part of the Welsh Tract purchased from William Penn in 1684 by a group of Quakers. In 1704, part of the tract became Whiteland Township. In 1765, by decree of the County Court the Township was divided into East and West Whiteland Townships. Historically, East Whiteland Township was predominantly agricultural, with several crossroad villages strung along Lancaster Pike and mills along Valley Creek. The arrival of railroads in the mid 1800's led to the development of several mineral extraction businesses followed by construction materials processing, steel fabricating, petroleum and natural gas storage and transmission, and disposal of waste materials. With the completion of route 202 through the Township in the 1960's, East Whiteland evolved into a major office employment center, and some of the previously dominant businesses ceased operation while others continue to function in a community that has changed a great deal over the years. In 1950 the Township population was 1,740. The current estimated resident population is 11,000, however, the number of people that work in the municipality on a daily basis is more than 30,000.

East Whiteland Township is governed by a three 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. East Whiteland Township operates under the auspices of the Pennsylvania Second Class Township Code. The Board of Supervisors is empowered to appoint professionals to assist in the operation of the Township and to furnish advice and counsel on technical matters. Additionally, the Board appoints all the members of the various boards and commissions, including the Planning Commission and Zoning Hearing Board. The Tax Collector and three member Board of Auditors are elected positions. Levying taxes and authorizing appropriations are the responsibility of the Board of Supervisors.

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. East Whiteland Township partners with the East Whiteland Township Volunteer Fire Association to provide emergency services. The countless hours spent by the volunteers 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 Township buildings and park facilities. The Township owns and maintains numerous community and neighborhood parks and nature areas and supports the Friends of Summer Stage to provide free summer concerts in Valley Creek Park.

Major Initiatives

Following are some of the major initiatives undertaken by the Township in 2019:

- **Commercial and Residential Development** continue to be a major focus in East Whiteland Township. Our staff works with the developers to ensure the Township interests are protected and the Comprehensive Plan goals are met.

- **Traffic issues** - In 2014, the Township secured an ARLE grant of \$445,000 to upgrade traffic signals in the Township to reduce traffic congestion. This project began in 2018 and was fully implemented in 2019. The Route 30 Corridor Master Plan for the widening of Rt. 30, land use, and pedestrian traffic was completed during 2018. In addition, the Act 209 Transportation Study was completed and a transportation impact fee to be imposed upon new subdivision and new development to fund transportation capital improvements in accordance with a transportation capital improvements plan and a roadway sufficiency analysis.
- **Multi-year Financial Management Plan** - In 2018, with a grant from the Commonwealth of Pennsylvania Department of Community and Economic Development and its Early Intervention Program, the Township worked with consultants to develop a multi-year financial management plan that included an assessment of operations and financial condition. The Township had recently relied on non-recurring revenues to cover recurring operating costs, pension costs are increasing and unfunded liabilities are growing. A baseline projection showed a deficit of \$1.5 million in 2019 with deficits continuing through 2023 absent corrective action. Ultimately, to close the deficit, an increase to the local earned income tax rate was passed for 2019. For 2019 the earned income tax rate was increased to 0.75% from 0.50%. The five year forecast was rolled forward and updated in 2019 and utilized as a tool for planning and budgeting.

Controlling health insurance costs continues to be a primary focus and the Township's AFSCME and Police employees moved to a plan with design changes that reduced current costs and cost growth while still providing quality coverage for its employees in May 2019 and in February 2020, respectively.

Fund Balance Policy

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

Long-Term Debt Activity

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

Capital Asset Activity

For more detailed information on capital asset activity, please see the Notes to the Basic Financial Statements (Note C, Capital Assets).

Local Economy

Located in east-central Chester County with its highly trained and educated workforce, desirable quality of life, competitive tax structure and close proximity to Philadelphia, PA, East Whiteland Township has a diverse and dynamic economy, boasting over 1,000 businesses.

Due to the coronavirus (SARS-CoV-2) pandemic and associated societal and business closures ordered by the Commonwealth of Pennsylvania, the general outlook for the economy of East Whiteland Township is uncertain. Locally planned continues to move into production in 2020. However, the Township's economy and large tax base is expected to slow in the near term as a decrease in earned income tax revenue in the range of 6.3% - 12.6% is anticipated before continuing to grow, driven in large part by business and commercial development, and by new residential construction. East Whiteland Township is home to the Great Valley Corporate Center and serves as U.S headquarters and Regional Headquarters to several national and international firms including Saint-Gobain, Vishay and Cerner Corporation. Vanguard has plans to add 500,000 square feet of office space and new jobs are expected over the next several years. Although there are major employers in the Township, the employment base is not dominated by one business or industry. The Township's business base consists of software development and application firms, telecommunication firms, e-commerce companies, design and manufacturing businesses, and pharmaceutical research firms. As noted, the Township hosts corporate and regional headquarters operations as well as trade and professional associations, retail firms, wholesale distributors, and business and financial services. Noting the list of Principal Employers in the Statistical Section of this report, the top employers comprised approximately 32% of the workforce in 2019. This diversity would provide stability to weather downturns in the economy.

During 2019, land development and subdivision activity continued. A number of mixed use developments including over 1,000 units of housing are expected to be completed over the next five years. There is also approximately 800,000 square feet of commercial properties under construction or pending development. The Township has updated and will continue to update some aspects of the zoning for the Route 30 Corridor to encourage redevelopment.

A more detailed analysis of the Township's overall financial condition during the fiscal year ended 2019 is included as part of Management's Discussion and Analysis section of this report.

Long-Term Financial Planning

The Board of Supervisors and Township staff is committed to providing value to the taxpayers by maintaining quality service levels and offering new benefits whenever the opportunity presents itself and the Township's fiscal position permits. To accomplish this, the Township regularly evaluates its revenue generating strategy. The Township has also developed and maintains a multi-year financial management plan and multi-year financing plans for replacement of capital assets and infrastructure improvements.

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. Due to the uncertainty associated with the coronavirus pandemic, the Board of Supervisors assigned \$4,050,000 of fund balance to tax rate stabilization.

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 or November. 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

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to East Whiteland Township for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a 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.

A certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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,



John B. Nagel
Township Manager



Catherine A. Kleponis
Director of Finance



Government Finance Officers Association

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

Presented to

**East Whiteland Township
Pennsylvania**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

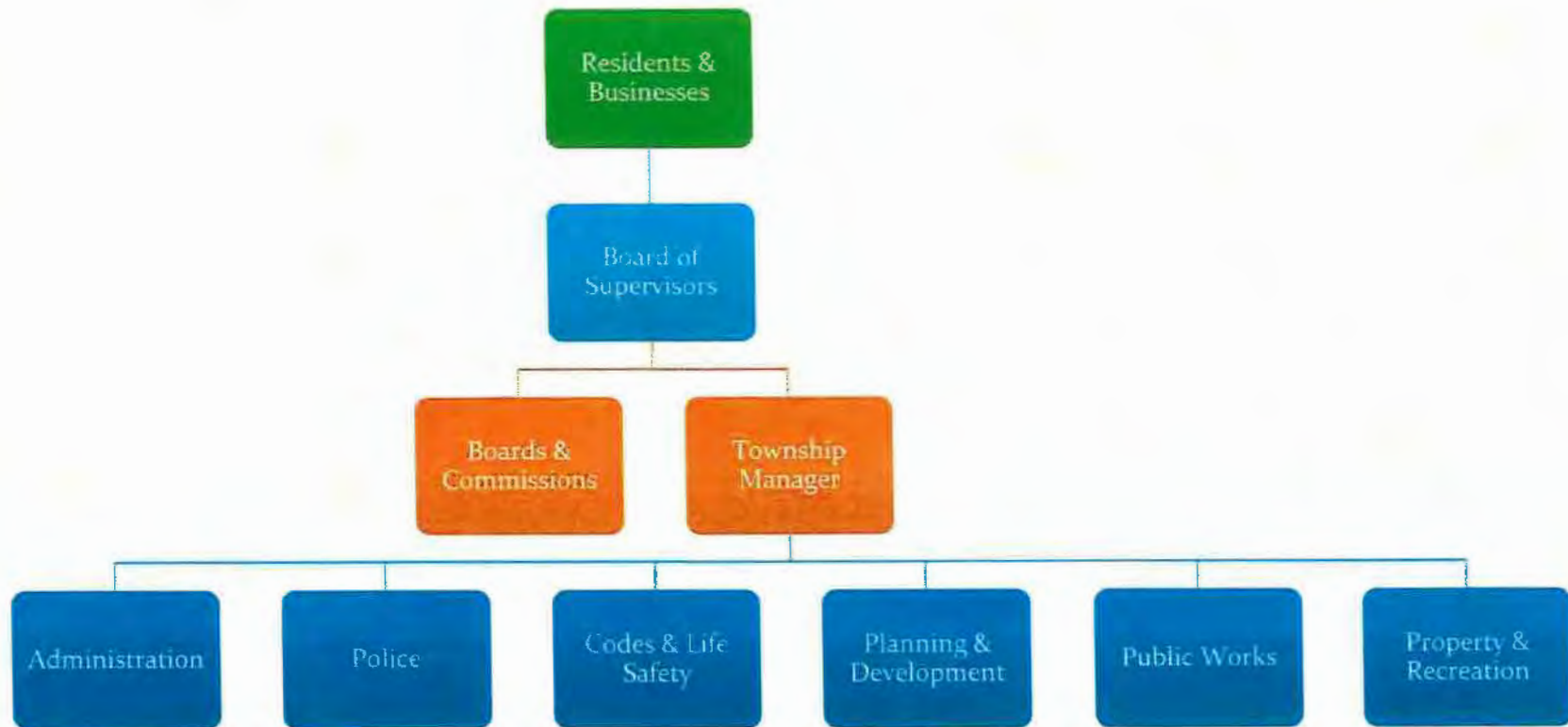
Christopher P. Morrill

Executive Director/CEO

East Whiteland Township

64 FT & 7.3 PT = 71.3 FTE

Revised January 2020



**EAST WHITELAND TOWNSHIP
LIST OF OFFICIALS
AS OF DECEMBER 31, 2019**

SUPERVISORS

Chairman: Susan Drummond
Vice Chairman: Scott Lambert
Member: Richard Orlow
Treasurer: John Nagel

APPOINTED OFFICIALS

John Nagel, Township Manager
Hamburg, Rubin, Mullin, Maxwell & Lupin, Solicitor
Unruh, Turner, Burke & Frees, Zoning Hearing Board Solicitor

OTHER MANAGEMENT OFFICIALS

Cathy Kleponis, Director of Finance
Darrell Becker, Arro Consulting, Township Engineer
Chris Yeager, Police Chief
Stephen Miller, Deputy Director of Codes & Life Safety, Codes Division, Chief Fire Marshall
Matthew Fink, Deputy Director of Codes & Life Safety, Fire & EMS Division
Mark Koenig, Volunteer Fire Chief
Loren Nafziger, Emergency Management Coordinator
Steven Brown, Assistant Township Manager, Director of Property and Recreation, Director of Codes & Life Safety, Zoning Officer
William Steele, Assistant Township Manager, Director of Public Works
Zachary Barner, Director of Planning
Donna Wikert, Township Secretary
Roseann McGrath, Township Human Resources Consultant

OTHERS

Betsy Blackburn Goslin - Tax Collector (elected)
Keystone Collection Group, Local Income Tax Collector
ARRO, Civil Engineer
Pennoni Associates Inc, Sewer Engineer
McMahon Associates, Transportation Engineer
Campbell, Durrant, Beatty, Palombo & Miller PC, Labor Attorney
Girard, Municipal Pension Services
Conrad Siegel, Actuary
Thomas Comitta Associates, Comprehensive (Land Use) Plan Consultant
KeyBank, Primary Depository

FINANCIAL SECTION

Independent Auditors' Report

To the Township Supervisors
East Whiteland Township
Frazer, 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 East Whiteland Township as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise East Whiteland Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

East Whiteland 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.

To the Township Supervisors
East Whiteland Township
Frazer, Pennsylvania

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 as of December 31, 2019, 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).

Emphasis of Matter

For the year ended December 31, 2019, East Whiteland Township adopted new accounting guidance, implementing Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

As discussed in Note Q to the financial statements, subsequent to year end, a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. The pandemic has resulted in economic uncertainties which have the potential to have a significant impact on all Township operations. 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 17 through 27, budgetary comparison information on pages 87 and 88, pension plan information on pages 89 through 97 and post-employment benefits other than pension plan information on pages 98 through 100 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 East Whiteland 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.

To the Township Supervisors
East Whiteland Township
Frazer, Pennsylvania

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.

A handwritten signature in black ink, appearing to read "Mailli LL".

Oaks, Pennsylvania
June 3, 2020

EAST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

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.

EAST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

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.

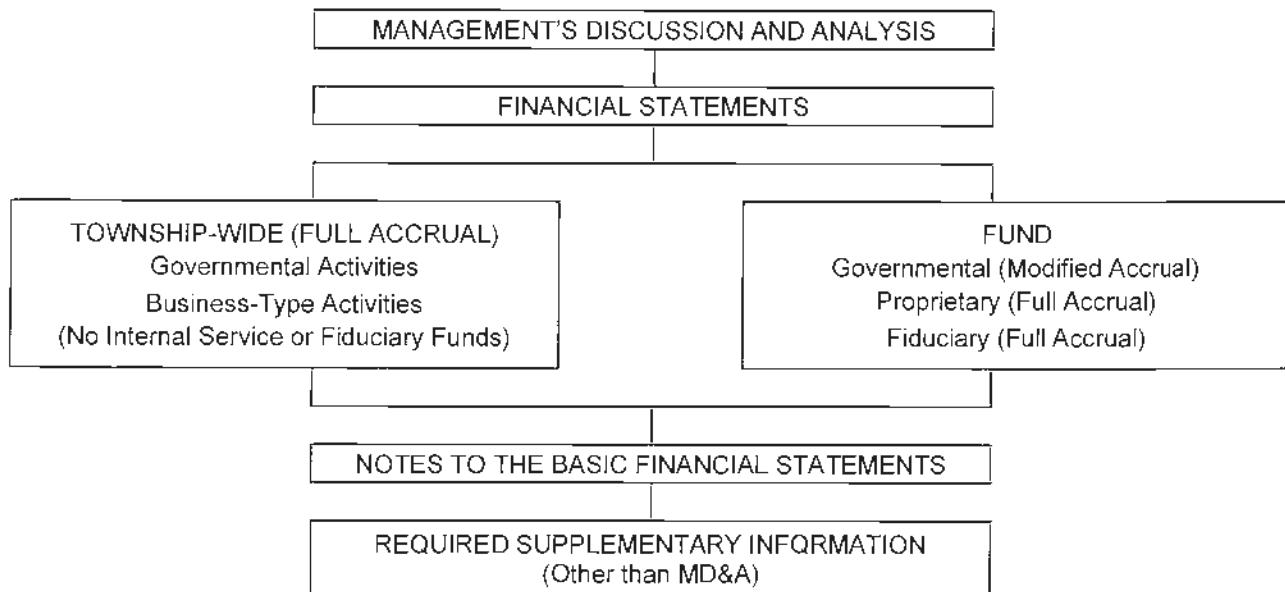
- Some funds are required by state law or bond covenants.
- The Township establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

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. The Township's Fiduciary Funds are the Police Pension Fund, the Non-Uniformed Pension Fund, the Firefighter Pension Fund, and the OPEB Trust Fund. The Township also has a Custodial Fund used for deposits the Township holds as prepayments for engineering reviews and other developer costs paid by the Township. When the projects are completed, any balances are returned to the developer.

EAST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

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



Narrative Discussion and Analysis

Within this section of East Whiteland 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, 2019. 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	
	2018	2019	2018	2019	2018	2019
ASSETS						
Current and other assets	\$ 14,599	\$ 18,091	\$ 10,563	\$ 11,217	\$ 25,162	\$ 29,308
Capital assets, net	18,100	17,393	33,997	34,144	52,097	51,537
TOTAL ASSETS	<u>32,699</u>	<u>35,484</u>	<u>44,560</u>	<u>45,361</u>	<u>77,259</u>	<u>80,845</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,233</u>	<u>3,664</u>	<u>377</u>	<u>384</u>	<u>3,610</u>	<u>4,048</u>
LIABILITIES						
Long-term debt	25,226	25,255	18,367	17,199	43,593	42,454
Other liabilities	710	599	1,228	1,589	1,938	2,188
TOTAL LIABILITIES	<u>25,936</u>	<u>25,854</u>	<u>19,595</u>	<u>18,788</u>	<u>45,531</u>	<u>44,642</u>
DEFERRED INFLOWS OF RESOURCES	<u>733</u>	<u>1,556</u>	<u>66</u>	<u>509</u>	<u>799</u>	<u>2,065</u>
NET POSITION						
Net investment in capital assets	10,385	9,959	17,401	18,218	27,786	28,177
Restricted	407	625	-	-	407	625
Unrestricted	(1,529)	1,154	7,875	8,230	6,346	9,384
TOTAL NET POSITION	<u>\$ 9,263</u>	<u>\$ 11,738</u>	<u>\$ 25,276</u>	<u>\$ 26,448</u>	<u>\$ 34,539</u>	<u>\$ 38,186</u>

EAST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

Condensed Statements of Activities (In Thousands of Dollars)

Figure I-3

	Governmental Activities		Business-Type Activities		Totals	
	2018	2019	2018	2019	2018	2019
REVENUES						
Program revenues						
Charges for services	\$ 3,685	\$ 1,996	\$ 5,116	\$ 4,746	\$ 8,801	\$ 6,742
Operating grants and contributions	1,216	1,223	-	-	1,216	1,223
Capital grants and contributions	-	503	2,058	182	2,058	685
General revenues						
Real estate taxes	730	757	-	-	730	757
Other taxes	10,775	12,265	-	-	10,775	12,265
Investment earnings	55	118	28	137	83	255
Gain on sale of assets	24	43	-	-	24	43
Miscellaneous	250	258	1,563	682	1,813	940
TOTAL REVENUES	16,735	17,163	8,765	5,747	25,500	22,910
EXPENSES						
General government	1,992	1,799	-	-	1,992	1,799
Public safety	9,895	9,312	-	-	9,895	9,312
Public works						
Highways and streets	3,315	3,245	-	-	3,315	3,245
Sanitation	18	20	-	-	18	20
Culture and recreation	198	244	-	-	198	244
Community development	4	12	-	-	4	12
Other	7	-	-	-	7	-
Interest on long-term debt	214	222	-	-	214	222
Sewer	-	-	3,705	4,409	3,705	4,409
TOTAL EXPENSES	15,643	14,854	3,705	4,409	19,348	19,263
CHANGE IN NET POSITION BEFORE TRANSFERS	1,092	2,309	5,060	1,338	6,152	3,647
TRANSFERS	166	166	(166)	(166)	-	-
CHANGE IN NET POSITION	1,258	2,475	4,894	1,172	6,152	3,647
BEGINNING NET POSITION	8,005	9,263	20,382	25,276	28,387	34,539
ENDING NET POSITION	\$ 9,263	\$ 11,738	\$ 25,276	\$ 26,448	\$ 34,539	\$ 38,186

EAST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

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

	2018	2019	Percent Change
REVENUES			
Real estate taxes	\$ 729,661	\$ 757,124	4%
Transfer taxes	2,991,303	1,199,970	-60%
Earned income taxes	6,520,525	9,741,890	49%
Local services taxes	1,262,897	1,322,836	5%
Investment income	55,487	118,032	113%
Gain on sale of assets	23,529	43,207	84%
Miscellaneous	250,281	258,162	3%
Charges for services	3,684,814	1,995,593	-46%
Operating grants and contributions	1,216,177	1,222,679	1%
Capital grants and contributions	-	503,494	0%
TOTAL REVENUES	16,734,674	17,162,987	3%
EXPENSES			
General government	1,992,639	1,799,326	-10%
Public safety	9,895,357	9,312,035	-6%
Public works-highways and streets	3,314,877	3,244,902	-2%
Public works-sanitation	17,702	20,190	14%
Culture and recreation	197,842	244,324	23%
Community development	3,578	12,197	241%
Other	6,947	-	133%
Debt service	213,653	221,448	4%
TOTAL EXPENSES	15,642,595	14,854,422	-5%
CHANGE IN NET POSITION BEFORE TRANSFERS	\$ 1,092,079	\$ 2,308,565	111%

FINANCIAL HIGHLIGHTS

- **Total Net Position** - Assets and Deferred Outflows of Resources exceeded liabilities by \$38,186,021 for the fiscal year reported. This total includes both governmental and business-type (Sewer) activities. Capital Assets total \$28,177,298, which includes property and equipment net of accumulated depreciation and reduced for outstanding debt related to the purchase or construction of capital assets. The balance is unrestricted assets of \$9,384,062 and restricted assets of \$624,661 for highway and street projects. Total liabilities include \$7.7 million in outstanding debt for GOB governmental bonds and \$16.1 million for GOB sewer bonds. Although the Township's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.
- **Cash and Investments** - Total Township assets included \$24,953,117 in cash and cash equivalents and \$252,052 in financial investments, \$15,121,394 in the Governmental Funds and \$10,083,775 in the Sewer Fund.

EAST WHITELAND TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) YEAR ENDED DECEMBER 31, 2019

- **Governmental Fund Balances** - At the end of 2019, the Township's governmental funds' combined ending fund balance was \$17,489,068, an increase of \$3,611,243 from the prior year primarily due to an increase in the earned income tax (EIT) rate from 0.5% to 0.75% resulting in revenues that were \$3,221,000 higher than the prior year. Of the current balance, \$624,661 is restricted for highway and street projects, and \$16,864,407 is assigned for the various purposes on the face of the balance sheet.
- **Total General Obligation Bonds Outstanding** decreased by \$1,010,000 from 2018 due to principal reductions in the four current general obligation bond issues.

Governmental Activities

Governmental Revenue - 2019

As indicated in the Condensed Statements of Activities (Figure I-3) and displayed in Figure I-4, the primary source of revenue for the township is local taxes which include Earned Income Taxes, Local Services Taxes, and Real Estate (Property and Transfer) Taxes.

- Earned Income Taxes (EIT) totaling \$9,741,890 and Local Services Taxes (LST) totaling \$1,322,836 were 57% and 8% of revenue respectively. EIT exceeded 2018 reported collections by \$3,221,365 (49%) and LST increased by \$59,939 (5%). The increase in EIT is attributed to an increase in the EIT rate to 0.75% from 0.50%.
- Real Estate Taxes totaled \$757,124 (4% of revenue), an increase of \$27,463 (4%) in 2019 related to new construction and reassessments.
- Transfer Taxes totaled \$1,199,970 (7% of revenue), a decrease of \$1,791,333 (-60%) from 2018 as there were several large commercial properties that transferred ownership in 2018 that were non-recurring in 2019

Service Revenue mostly related to permits, public safety fees, engineering reviews, grants and state aid totaled \$1,995,593 (12% of revenue). This was \$1,689,221 less than the prior year primarily related to decreased permit fees related to development in the Township (-\$1,400,000), and less traffic impact fees collected from developers to fund transportation improvements in accordance with the Township's transportation capital improvements plan (-\$200,000).

In 2019 the Township received capital grant funding of \$503,494 (3% of revenue) through the State's Automated Red Light Enforcement Program Project Funds.

Governmental Expenses - 2019

As indicated in the Condensed Statements of Activities (Figure I-3) and displayed in Figure I-4, total expenses of the Township's governmental activities, public safety programs account for \$9,312,035, or 63% of the total expenses for the Township's governmental activities. Public safety includes the police, codes, and planning & zoning departments plus a full-time staff of 10 firefighters/EMTs who complement the local volunteer fire company. General Administration, and Highway and Street Services account for 12% and 22% respectively of the total expenses.

EAST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

Total expenses decreased \$788,173 (-5%) as follows:

- Public Safety decreased by \$583,322 (-6%) in 2019, primarily due to decreased medical costs in our police plan (-\$272,000) and decreased premiums in our fire plan (-\$75,000), a one-time contribution to the local volunteer fire company for two new fire trucks in 2018 (-\$300,000), and decreased postretirement benefit expense (-\$570,000). These decreases were offset by funding of post-retirement benefits that was deferred in the prior year (\$202,000), increased police pension expense (\$118,000), contract annual wage increases for all public safety departments and new police hires, offset by reduced part time hours and overtime (\$240,000), and increased information technology costs due to system changes and upgrades (\$75,000).
- General Government expenses decreased by \$193,313 (-10%) in 2019, primarily due to a decrease in medical insurance premiums due to a less costly plan (-\$62,000), a decrease in pension expense (-\$61,000), a decrease in information technology related payroll and expense (-\$42,000) and lower engineering and solicitor costs and other professional services costs related to special projects and studies (-\$154,000), including DCED Early Implementation Program, the Route 30 Corridor Study and the Act 209 Traffic Impact Study. These decreases were offset by an increase in professional services related to labor contract negotiations for the East Whiteland Police Association and AFSCME contracts that expired December 31, 2018 (\$55,000), an increase in EIT tax collection fees due to the increase in EIT tax collected (\$20,000), and funding of post-retirement benefits that was deferred in the prior year (\$51,000).
- Culture and recreation expenses increased \$46,482 (23%) in 2019 due to a change in the summer camp program from half day to full day.

Governmental Net Position - 2019

As a result of the 2019 Governmental Activities noted above, East Whiteland recognized a \$2,474,730 increase in Net Position. The ending Net Position remains healthy at \$11.7 million including \$14.9 million in cash to manage annual expenses if revenue timing is an issue.

Business-Type Activities

The Township's only business-type activity is its sewer operation. East Whiteland Township's sewer system includes 13 sewer pumping stations and approximately 77 miles of pipeline. The Township accepts flows and collects sewer rental fees from the adjoining municipalities of East Goshen Township, Charlestown Township and Malvern Borough. The Township, in turn, pays sewer rental fees to neighboring Tredyffrin Township and East Goshen Township, and a public utility company for conveyance and to the Valley Forge Sewer Authority for waste treatment.

- **Service Revenue** in fiscal year 2019 was \$4,745,887 or \$369,999 less than 2018 due to a decrease in sewer rental fees of \$131,000 related to a reduction in water usage by high volume customers, a decrease in connection fees of \$43,000, and a decrease in tapping fees of \$279,000. Revenue from tapping fees in 2019 is still significant at \$944,000. A 2019 insurance reimbursement of \$85,000 covered emergency repairs and by-pass charges due to a sinkhole at one of the Township's pump stations.

EAST WHITELAND TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) YEAR ENDED DECEMBER 31, 2019

- **Sewer Expenses** increased \$704,000 primarily due to increases in conveyance costs (\$513,000), treatment costs (\$94,000), waste treatment plant construction charges (\$105,000), pump station emergency repairs due to a sinkhole (\$90,000), and offset by a decrease in medical insurance premiums due to a less costly plan (-\$34,000) and decreased postretirement benefit expense (-\$81,000).
- **The Sewer Fund Net Position** at the end of 2019 improved by \$1,172,043 related to contributed capital of \$182,000 from the dedication of the Townes of Malvern Phase 1 sanitary sewer system, insurance reimbursement of \$395,000 for capital construction to rebuild the pump station that was lost due to a sinkhole, reimbursements of prior year waste treatment costs of \$288,000, tapping fees of \$944,000, and offset by increased sewer expenses of \$704,000 described in the paragraph above. The unrestricted net position of the Proprietary Fund amounted to \$8,229,857.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

Governmental Funds

Governmental Funds are reported in the Fund Statements with a short-term focus on the inflow and outflow of financial resources. This information is valuable in assessing resources available for upcoming financial requirements. Governmental Funds reported ending fund balances of \$17,489,068. Of this year-end total: \$4,050,000 is assigned for tax rate stabilization, \$500,000 is assigned for pension stabilization, \$350,000 is assigned for other postemployment benefits, \$650,000 is assigned for storm water management, \$2,650,000 is assigned for volunteer committee resources for such purposes as the acquisition of open space, the protection of historic, natural and scenic resources, to establish trails, bike paths, sidewalks and pathways, and energy conservation, \$3,250,000 is assigned for the renovation of municipal infrastructure, \$2,093,868 is assigned as budget contingency, \$726,023 is assigned for capital improvement projects, \$500,000 is assigned for equipment, \$1,038,779 is assigned for highway and street projects and \$1,055,737 is assigned for park development projects. Restricted fund balances include \$624,661 for highway and street projects.

Major Governmental Funds - The General Fund is the Township's primary operating fund. The General Fund balance at fiscal year-end was \$7,043,868, an increase of \$2,516,243 over 2018. The General Fund balance is 57% of our 2019 operating expense and 45% of revenue.

The **Capital Improvement Fund** is a reserve fund for various capital purchases and improvements. The fiscal year-end balance for the Capital Improvement Fund was \$8,726,023. This is an increase of \$725,728 over the ending fund balance for 2018, resulting from an excess of revenues over expenditures in 2019 from non-recurring revenue that was transferred from the General Fund and assigned for specific projects.

Proprietary Funds

The only Township Proprietary Fund is the Sewer Fund, which was discussed previously under business-type activities.

EAST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2019, there were budget amendments to the original approved General Fund budget to recognize additional revenue of \$180,000 from real estate transfer taxes collected, \$400,000 from earned income tax, \$31,530 from summer camp program fees and \$26,000 from interest income, as well as reductions in building permit revenue from development of \$200,000, and to make supplemental appropriations netting to \$113,000 for certain General Fund operating expenditures.

General Fund actual revenues were higher than the final amended budgeted revenues by \$777,524 primarily due to earned income taxes which exceeded budget by \$640,890, and unbudgeted insurance claims reimbursements of \$120,000.

Overall, general fund actual expenditures were \$1,128,024 better than the final budget. The services that had significant favorable variances were as follows:

General Government	\$146,309
Police	\$606,841
Code Enforcement	\$135,739
Public works, highways and streets general services	\$75,526
Public works, highways and streets winter maintenance	\$57,893
Public works, road maintenance and repair	\$32,441

On the schedules of revenues and other financing sources and the schedule of functional expenditures by activities and other financing uses for the General Fund, the net position is better than the budget by \$1,405,548 due to the reasons listed above and offset by the excess of revenues over expenditures in 2019 that was transferred out to the Capital Improvement Fund.

CAPITAL ASSETS - NET OF DEPRECIATION

The Township's investment in capital assets, net of depreciation, decreased \$560,000 to \$51,536,513. Capital Assets for our Sewer system including 13 pump stations and 77 miles of pipeline, comprise \$34,143,673 of the total. Infrastructure incorporating 45 miles of road and traffic signals at 39 intersections, is \$6,546,003 of the total. Buildings and Improvements comprise \$8,029,037. For the detailed 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	
	2018	2019	2018	2019	2018	2019
Land	\$ 1,076	\$ 1,076	\$ -	\$ -	\$ 1,076	\$ 1,076
Construction in progress	548	136	332	332	880	468
Capacity rights	-	-	11,085	10,953	11,085	10,953
Site improvements	668	638	-	-	668	638
Buildings and improvements	8,061	8,029	-	-	8,061	8,029
Infrastructure	6,996	6,546	22,531	22,793	29,527	29,339
Machinery and equipment	223	297	12	7	235	304
Vehicles	528	671	37	59	565	730
	<u>\$ 18,100</u>	<u>\$ 17,393</u>	<u>\$ 33,997</u>	<u>\$ 34,144</u>	<u>\$ 52,097</u>	<u>\$ 51,537</u>

EAST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

LONG-TERM DEBT

Long-term debt consists of debt incurred for the purchase and development of capital assets; and for the recording of compensated absences payable to employees, net pension liability and other post-employment benefits (OPEB) liability. The total long-term debt decreased \$1,139,000 mostly due to a net increase of \$1,292,000 in the OPEB liability primarily resulting from changes of assumptions changing the mortality tables used, and offset by a decrease of \$1,426,000 in the pension liability resulting from plan fiduciary net position at 12/31/2019, and a decrease in the bonds for \$1,010,000 in principal payments. For more information on long-term debt please see Note F in the report.

Outstanding Long-Term Debt (In Thousands of Dollars)
Figure I-6

	Governmental Activities		Business-Type Activities		Totals	
	2018	2019	2018	2019	2018	2019
General obligation bonds	\$ 8,000	\$ 7,705	\$ 17,040	\$ 16,325	\$ 25,040	\$ 24,030
Bond premium (discount)	38	36	(279)	(260)	(241)	(224)
Capital leases	-	-	-	-	-	-
Net OPEB obligation	11,352	12,962	1,239	921	12,591	13,883
Net pension liability	5,803	4,519	334	192	6,137	4,711
Compensated absences	33	33	33	21	66	54
	<u>\$ 25,226</u>	<u>\$ 25,255</u>	<u>\$ 18,367</u>	<u>\$ 17,199</u>	<u>\$ 43,593</u>	<u>\$ 42,454</u>

NEXT YEAR'S BUDGETS AND RATES

The general outlook for the economy of East Whiteland Township is uncertain due to the coronavirus (SARS-CoV-2) pandemic and associated societal and business closures ordered by the Commonwealth of Pennsylvania. These closures began in early to mid-March 2020 and will continue in some form into the foreseeable future. However, the shutdowns exempted approximately 70% of the U.S. economy and Statewide construction was permitted to resume on May 1, 2020. Locally planned development activity continues to move into production in 2020. Building permit activity and fees based on permits issued to date and in the approval process are relatively unaffected. In the short run, this will continue to add to our building permit fees, transfer taxes and sewer tapping fees and ultimately to our real estate tax, earned income tax and local services tax revenue. For 2020, there will be no rate increase for real estate tax which has been the same low rate of .445 mills for over 25 years nor for the earned income tax rate which increased from 0.5% to 0.75% in 2019. For 2020, the earned income tax budget increased 4% or \$350,000 to \$9.05 million, and the real estate tax budget decreased 0.7% or \$5,180 to \$755,820. However it is expected that actual earned income tax received will be between \$905,000 – \$1,810,000 less, representing 6.3% -12.6% of the General Fund, than the budgeted figure due to the pandemic.

Operating expenses are expected to continue to increase over the next few years as municipal services are heavily labor intensive, and wage and benefit costs continue to increase. However, due to cost savings measures taken in 2019 and others that may be necessary in 2020 due to the pandemic, these increases can be moderated. In 2015 we took steps to reduce the healthcare costs by joining the Delaware Valley Health Insurance Trust for two of our three employee groups. In 2019 the healthcare plan for one employee group and non-represented employees was replaced with a less costly plan. In 2020 the Township's pension costs will increase by 4.2%. 2020 post-retirement benefit costs will be roughly the same as in 2019, being \$503,000.

EAST WHITELAND TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) YEAR ENDED DECEMBER 31, 2019

Seventy six (76%) percent of the Township's full time employees (45 of 59) are represented by unions including the East Whiteland Police Association, the International Association of Fire Fighters (IAFF), and the American Federation of State, County and Municipal Employees (AFSCME). None of the three agreements will expire in 2020. Wage increases under the three contracts in 2020 are 3.5%, 3.75%, and 3.75% in the order as listed above.

Increases in East Whiteland sewer infrastructure and department expenses and costs for the sewer treatment plants that service East Whiteland Township continue to impact sewer fund finances. During 2018 we completed commercial sewer rate and tapping fee studies. The rates for high volume commercial sewer services increased 10% for 2019 and additional revenue of \$55,000 was budgeted for 2019 and 2020. The rates for all other sewer services and tapping fees will remain the same for 2020.

2020 projects include Conestoga Road and Planebrook Road sewer system expansion design, construction of Bacton Hill Park phase 1, planning for a new building to house the Police Department on the Township campus, additional road resurfacing and traffic improvement projects. The Act 209 Transportation Study that was completed in 2018 resulted in a new traffic impact fee to be used for traffic capital improvements. Recreation impact fees from development and grants will be used to fund the Bacton Hill Park phase 1 construction project.

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 209 Conestoga Road, Frazer, PA 19355.

EAST WHITELAND TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 14,869,342	\$ 10,083,775	\$ 24,953,117
Investments	252,052	-	252,052
Receivables	2,925,835	1,151,871	4,077,706
Internal balances	18,493	(18,493)	-
Prepaid items	24,969	-	24,969
Capital assets			
Depreciable capital assets	16,180,123	22,858,658	39,038,781
Non depreciable capital assets	1,212,717	11,285,015	12,497,732
TOTAL ASSETS	35,483,531	45,360,826	80,844,357
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount related to pensions	1,997,722	113,838	2,111,560
Deferred amount related to OPEB	1,358,713	130,298	1,489,011
Deferred amount on refunding	307,582	139,715	447,297
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,664,017	383,851	4,047,868
LIABILITIES			
Accounts payable and other accrued liabilities	560,607	430,754	991,361
Interest payable	3,167	185,646	188,813
Other current liabilities	35,256	-	35,256
Unearned revenues	-	971,503	971,503
Long-term liabilities			
Portion due or payable within one year			
Bonds payable	310,000	735,000	1,045,000
Compensated absences	4,987	3,114	8,101
Portion due or payable after one year			
Bonds payable	7,431,044	15,330,468	22,761,512
Net pension liability	4,519,015	192,049	4,711,064
Net OPEB liability	12,961,571	921,823	13,883,394
Compensated absences	28,258	17,649	45,907
TOTAL LIABILITIES	25,853,905	18,788,006	44,641,911
DEFERRED INFLOWS OF RESOURCES			
Deferred amount related to pensions	985,259	82,821	1,068,080
Deferred amount related to OPEB	570,140	426,073	996,213
TOTAL DEFERRED INFLOWS OF RESOURCES	1,555,399	508,894	2,064,293
NET POSITION			
Net investment in capital assets	9,959,378	18,217,920	28,177,298
Restricted			
Highway and street projects	624,661	-	624,661
Unrestricted	1,154,205	8,229,857	9,384,062
TOTAL NET POSITION	\$ 11,738,244	\$ 26,447,777	\$ 38,186,021

See accompanying notes to the basic financial statements.

EAST WHITELAND TOWNSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 1,799,326	\$ 429,891	\$ 428,743	\$ -
Public safety	9,312,035	1,491,820	117,762	-
Public works - sanitation	20,190	-	72,899	-
Public works - highways and streets	3,244,902	-	372,775	503,494
Culture and recreation	244,324	73,882	230,500	-
Community development	12,197	-	-	-
Debt service	221,448	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	14,854,422	1,995,593	1,222,679	503,494
BUSINESS-TYPE ACTIVITIES				
Sewer	4,409,347	4,745,887	-	181,831
TOTAL TOWNSHIP ACTIVITIES	\$ 19,263,769	\$ 6,741,480	\$ 1,222,679	\$ 685,325
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 AND TRANSFERS				
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
\$ (940,692)	\$ -	\$ (940,692)
(7,702,453)	-	(7,702,453)
52,709	-	52,709
(2,368,633)	-	(2,368,633)
60,058	-	60,058
(12,197)	-	(12,197)
(221,448)	-	(221,448)
(11,132,656)	-	(11,132,656)
-	518,371	518,371
(11,132,656)	518,371	(10,614,285)
757,124	-	757,124
1,199,970	-	1,199,970
9,741,890	-	9,741,890
1,322,836	-	1,322,836
118,032	137,057	255,089
43,207	-	43,207
258,162	682,780	940,942
166,165	(166,165)	-
13,607,386	653,672	14,261,058
2,474,730	1,172,043	3,646,773
9,263,514	25,275,734	34,539,248
\$ 11,738,244	\$ 26,447,777	\$ 38,186,021

EAST WHITELAND TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 5,304,896	\$ 7,826,695	\$ 1,737,751	\$ 14,869,342
Investments	252,052	-	-	252,052
Receivables	2,480,466	445,000	369	2,925,835
Prepaid items	24,969	-	-	24,969
Due from other funds	20,556	600,000	-	620,556
TOTAL ASSETS	<u>\$ 8,082,939</u>	<u>\$ 8,871,695</u>	<u>\$ 1,738,120</u>	<u>\$ 18,692,754</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 398,055	\$ 143,609	\$ 18,943	\$ 560,607
Due to other funds	600,000	2,063	-	602,063
Other current liabilities	35,256	-	-	35,256
TOTAL LIABILITIES	<u>1,033,311</u>	<u>145,672</u>	<u>18,943</u>	<u>1,197,926</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, property taxes	5,760	-	-	5,760
FUND BALANCES				
Restricted				
Highway and street projects	-	-	624,661	624,661
Assigned				
Highway and street projects	-	1,000,000	38,779	1,038,779
Park development	-	-	1,055,737	1,055,737
Tax rate stabilization	4,050,000	-	-	4,050,000
Pension stabilization	500,000	-	-	500,000
Other postemployment benefits	350,000	-	-	350,000
Stormwater management	50,000	600,000	-	650,000
Volunteer committee resources	-	2,650,000	-	2,650,000
Renovate municipal infrastructure	-	3,250,000	-	3,250,000
Equipment	-	500,000	-	500,000
Budgetary reserve	2,093,868	-	-	2,093,868
Capital improvement	-	726,023	-	726,023
TOTAL FUND BALANCES	<u>7,043,868</u>	<u>8,726,023</u>	<u>1,719,177</u>	<u>17,489,068</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 8,082,939</u>	<u>\$ 8,871,695</u>	<u>\$ 1,738,120</u>	<u>\$ 18,692,754</u>

See accompanying notes to the basic financial statements.

EAST WHITELAND TOWNSHIP

RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2019

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 17,489,068
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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	59,527,914
Accumulated depreciation	(42,135,074)

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	(3,167)
Bonds payable	(7,741,044)
Net OPEB liability	(12,961,571)
Net pension liability	(4,519,015)
Compensated absences	(33,245)

Deferred charges used in governmental activities are not financial resources and therefore are not reported in the funds.

These assets consist of:

Deferred amount on refunding, net of amortization	307,582
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Deferred inflows and outflows of resources related to pension and OPEB activities are not financial resources and, therefore, are not reported in the governmental funds.

1,801,036

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.

5,760

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>11,738,244</u>
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See accompanying notes to the basic financial statements.

EAST WHITELAND TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes				
Real estate taxes	\$ 767,194	\$ -	\$ -	\$ 767,194
Transfer taxes	1,199,970	-	-	1,199,970
Earned income taxes	9,741,890	-	-	9,741,890
Local services taxes	1,322,836	-	-	1,322,836
Fees, licenses and permits	1,573,482	-	-	1,573,482
Investment income and rent	64,487	42,376	11,169	118,032
Intergovernmental revenues	619,404	503,494	372,775	1,495,673
Fines and forfeitures	51,600	-	-	51,600
Charges for services	165,511	-	205,000	370,511
Other	142,095	104,108	242,459	488,662
TOTAL REVENUES	<u>15,648,469</u>	<u>649,978</u>	<u>831,403</u>	<u>17,129,850</u>
EXPENDITURES				
General government	1,688,436	82,404	-	1,770,840
Public safety	8,478,631	370,366	-	8,848,997
Public works - sanitation	20,190	-	-	20,190
Public works - highways and streets	1,478,238	205,733	371,230	2,055,201
Culture and recreation	144,998	257,331	106,002	508,331
Community development	860	11,337	-	12,197
Other	7,992	-	-	7,992
Debt service				
Principal	295,000	-	-	295,000
Interest	209,231	-	-	209,231
TOTAL EXPENDITURES	<u>12,323,576</u>	<u>927,171</u>	<u>477,232</u>	<u>13,727,979</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,324,893</u>	<u>(277,193)</u>	<u>354,171</u>	<u>3,401,871</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	166,165	975,600	15,101	1,156,866
Transfers out	(975,600)	(15,101)	-	(990,701)
Proceeds from sale of capital assets	785	42,422	-	43,207
TOTAL OTHER FINANCING SOURCES (USES)	<u>(808,650)</u>	<u>1,002,921</u>	<u>15,101</u>	<u>209,372</u>
NET CHANGE IN FUND BALANCES	2,516,243	725,728	369,272	3,611,243
FUND BALANCES AT BEGINNING OF YEAR	<u>4,527,625</u>	<u>8,000,295</u>	<u>1,349,905</u>	<u>13,877,825</u>
FUND BALANCES AT END OF YEAR	<u>\$ 7,043,868</u>	<u>\$ 8,726,023</u>	<u>\$ 1,719,177</u>	<u>\$ 17,489,068</u>

See accompanying notes to the basic financial statements.

EAST WHITELAND TOWNSHIP

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,611,243

Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds (\$1,968,897) capital outlays (\$1,261,778) in the current period

(707,119)

Because some property taxes will not be collected for several months after the Township's fiscal year ends, they are not considered as "available" revenues in the Governmental Funds. Deferred tax revenues increased by this amount this year.

(10,070)

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.

Repayment of bond principal

295,000

Amortization of bond discount and premium

1,801

Amortization of deferred amount on refunding

(15,444)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds.

(701,495)

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).

(612)

Interest on long-term debt in the statement of activities differs from the amount reported in the Governmental Funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

1,426

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 2,474,730

See accompanying notes to the basic financial statements.

EAST WHITELAND TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	<u>Sewer Fund</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 10,083,775
Accounts receivable	1,151,871
TOTAL CURRENT ASSETS	<u>11,235,646</u>
NONCURRENT ASSETS	
Capital assets	37,387,925
Other capital assets	11,285,015
Accumulated depreciation	(14,529,267)
TOTAL NONCURRENT ASSETS	<u>34,143,673</u>
TOTAL ASSETS	<u>45,379,319</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount related to pensions	113,838
Deferred amount related to OPEB	130,298
Deferred amount on refunding	139,715
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>383,851</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	417,065
Accrued liabilities	13,689
Due to other funds	18,493
Compensated absences	3,114
Unearned revenue	971,503
Accrued interest	185,646
Bonds payable	735,000
TOTAL CURRENT LIABILITIES	<u>2,344,510</u>
NONCURRENT LIABILITIES	
Compensated absences	17,649
Bonds payable	15,330,468
Net pension liability	192,049
Net OPEB liability	921,823
TOTAL NONCURRENT LIABILITIES	<u>16,461,989</u>
TOTAL LIABILITIES	<u>18,806,499</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amount related to pensions	82,821
Deferred amount related to OPEB	426,073
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>508,894</u>
NET POSITION	
Net investment in capital assets	18,217,920
Unrestricted	8,229,857
TOTAL NET POSITION	<u>\$ 26,447,777</u>

See accompanying notes to the basic financial statements.

EAST WHITELAND TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019

	<u>Sewer Fund</u>
OPERATING REVENUES	
Charges for services	
Sewer service	\$ 3,761,787
Tapping fees	984,100
Miscellaneous	682,780
TOTAL OPERATING REVENUES	<u>5,428,667</u>
OPERATING EXPENSES	
Sewer and collection fees	1,779,913
Salaries, wages and benefits	687,311
Repairs and maintenance	236,403
Contracted services	41,140
Utilities	86,097
Insurance	40,288
Depreciation	774,783
Other	202,088
TOTAL OPERATING EXPENSES	<u>3,848,023</u>
OPERATING INCOME	<u>1,580,644</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	137,057
Interest expense	(561,324)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(424,267)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,156,377
CAPITAL CONTRIBUTIONS	181,831
TRANSFERS OUT	<u>(166,165)</u>
CHANGE IN NET POSITION	1,172,043
NET POSITION AT BEGINNING OF YEAR	<u>25,275,734</u>
NET POSITION AT END OF YEAR	<u>\$ 26,447,777</u>

See accompanying notes to the basic financial statements.

EAST WHITELAND TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019

	<u>Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 5,165,698
Cash payments to suppliers for goods and services	(1,885,294)
Cash payments to employees for services	(757,194)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,523,210</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to other funds	<u>(166,165)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(740,070)
Principal paid on capital debt	(715,000)
Interest paid on capital debt	(522,264)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,977,334)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on investments	<u>137,057</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	516,768
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>9,567,007</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 10,083,775</u>

See accompanying notes to the basic financial statements.

EAST WHITELAND TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019

	<u>Sewer Fund</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 1,580,644
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	774,783
Pension and OPEB expense	(48,213)
(Increase) decrease in	
Receivables	(303,403)
Due from other funds	147,915
Increase (decrease) in	
Accounts payable	334,305
Accrued liabilities	2,981
Due to other funds	18,415
Due to fiduciary funds	(12,396)
Compensated absences	(12,255)
Unearned revenue	<u>40,434</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,523,210</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES	
Contributions of capital assets	\$ 181,831

See accompanying notes to the basic financial statements.

EAST WHITELAND TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019

	Pension and OPEB Trust Funds	Custodial Fund
ASSETS		
Cash and cash equivalents	\$ 1,001,276	\$ 1,169,972
Investments		
Domestic equity mutual funds	12,375,713	-
International equity mutual funds	2,878,203	-
Fixed income mutual funds	4,997,863	-
Real estate mutual funds	881,576	-
Due from Township	-	101,433
TOTAL ASSETS	<u>22,134,631</u>	<u>1,271,405</u>
NET POSITION		
Net position restricted for pensions	20,538,926	-
Net position restricted for other post-employment benefits	1,595,705	-
Net position restricted for custodial fund	-	1,271,405
TOTAL NET POSITION	<u>\$ 22,134,631</u>	<u>\$ 1,271,405</u>

See accompanying notes to the basic financial statements.

EAST WHITELAND TOWNSHIP**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION****FIDUCIARY FUNDS****YEAR ENDED DECEMBER 31, 2019**

	Pension and OPEB Trust Funds	Custodial Fund
ADDITIONS		
Contributions		
Member contributions	\$ 258,121	\$ -
Employer contributions	1,439,640	-
Developer contributions	-	1,330,863
TOTAL CONTRIBUTIONS	1,697,761	1,330,863
Investment earnings		
Dividends	832,529	-
Net decrease in the fair value of investments	3,182,546	-
TOTAL INVESTMENT EARNINGS	4,015,075	-
Investment expense	(44,370)	-
INVESTMENT EARNINGS, net	3,970,705	-
TOTAL ADDITIONS	5,668,466	1,330,863
DEDUCTIONS		
Benefits	1,265,759	-
Administrative expenses	34,293	-
Payments to developers	-	434,900
TOTAL DEDUCTIONS	1,300,052	434,900
CHANGE IN NET POSITION	4,368,414	895,963
NET POSITION AT BEGINNING OF YEAR, restated	17,766,217	375,442
NET POSITION AT END OF YEAR	\$ 22,134,631	\$ 1,271,405

See accompanying notes to the basic financial statements.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

East Whiteland Township ("the Township") was established in 1765 and is an organized township having the powers, duties, and privileges granted townships by the Commonwealth of Pennsylvania Second Class Township Code, Act of May 1, 1933 (P.L. 103, No. 69), reenacted and amended November 9, 1995 (P.L. 350, No. 60). The Township is governed by a three-member board of supervisors elected for a six-year term by the citizens of the Township. The Board is organized with a chairman and vice-chairman elected annually at the reorganization meeting held on the first Monday of the year.

The township complies with generally accepted accounting principles ("GAAP"). GAAP includes all relevant Governmental Accounting Standards Board ("GASB") pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

Financial accountability is defined in GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 61. The Township is financially accountable for legally separate organizations if it appoints a voting majority of the organization's board and (1) it is able to impose its will on that organization; or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Township. The Township also may be financially accountable if an organization is fiscally dependent on the Township regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

Blended Component Units:

The Police Pension Plan is a single employer defined benefit pension plan that provides pensions for all regular, full-time sworn police officers. Although the plan is a separate legal entity it is reported as if it is part of the government as it is governed by a committee comprised of members appointed by the Township Board of Supervisors and the Township is responsible for funding the plan. The plan is reported as a fiduciary fund and issues separate financial statements.

The Non-Uniformed Employees' Pension Plan is a single employer defined benefit pension plan that provides pensions for all regular full-time, non-uniformed employees. Although the plan is a separate legal entity it is reported as if it is part of the government as it is governed by a committee comprised of members appointed by the Township Board of Supervisors and the Township is responsible for funding the plan. The plan is reported as a fiduciary fund and does issues separate financial statements.

The Firefighters Pension Plan is a single employer defined benefit pension plan that provides pensions for all regular full-time, firefighters. Although the plan is a separate legal entity it is reported as if it is part of the government as it is governed by a committee comprised of members appointed by the Township Board of Supervisors and the Township is responsible for funding the plan. The plan is reported as a fiduciary fund and does issues separate financial statements.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Postemployment Benefits Other Than Pensions Plan is a single-employer defined benefit healthcare plan that provides medical insurance and life insurance benefits to eligible retirees. Although the plan is a separate legal entity it is governed by a committee comprised of members appointed by the Township Board of Supervisors and the Township is responsible for funding the plan. The plan is reported as a fiduciary fund and does not 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 new reporting model are described below.

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

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

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.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, earned income taxes, local services 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 government'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 Improvement Fund* accounts for the resources to be used for the acquisition, construction, or improvement of major capital assets for general government purposes.

The Township reports the following major Proprietary funds

- The *Sewer Fund* accounts for operations related to the collection of wastewater and the operation of sewage pumping stations. The sewage is transported to a sewer treatment plant not owned by the Township.

Additionally, the Township reports the following Fiduciary Fund Types:

- The *Pension Trust Funds* are used to account for the activities of the Police, Firefighter and Non-Uniformed Pension Plans, which accumulate resources for pension benefit payments to qualified employees.
- The *OPEB Trust Fund* is used to account for the assets held by the Township to pay for postemployment medical benefits.
- 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.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 are charges to customers for sales and services. Operating expenses for the Township's enterprise funds include sewer disposal, salaries, recycling, supplies, and administrative costs, and depreciation. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

Stewardship, Compliance and Accountability

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

1. Budgets are legally adopted on an annual basis for most Township funds, which is consistent with generally accepted accounting principles. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to November 15 of the preceding fiscal year, the Township prepares a budget for the next succeeding calendar year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
3. A meeting of the Board of Supervisors is then called for the purpose of adopting the proposed budget.
4. Prior to December 31, the budget is legally enacted through passage of a resolution by the Board of Supervisors.
5. The budget must be filed with the Pennsylvania Department of Community and Economic Development by January 31.
6. Budgets for the funds are prepared on the modified accrual basis of accounting.

Once a budget is approved, it can be amended at the function and fund level only by approval of majority of the members of the Board of Supervisors. Amendments are presented to the Board at its regular meetings. Each amendment must have the Board's approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end as dictated by law.

The budget is controlled by the finance officer at the revenue and expenditures function/object level. Budgeted amounts are as amended by the Board of Supervisors. For 2019, individual amendments were not material in relation to the original appropriations. All budget appropriations lapse at year end.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The General Fund, Capital Improvements Fund, Transportation Improvement Fund, Street Light Fund, Park Development Fund, and State Fund all have legally adopted budgets for the year ended December 31, 2019.

Assets, Liabilities and Equity

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

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 District 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 except for certificates of deposit which are stated at amortized cost.

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 102% of the funds deposited. The security pledged by the various depositories utilized during the year and at December 31, 2019, was in excess of the minimum requirements just described.

The Township has adopted GASB Statement No. 72, *Fair Value Measurement and application*. In accordance with this Statement, investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values.

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

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."

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2019, 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.

Other taxes levied in 2019:

Real estate transfer tax	0.5% of sales price
Earned income tax	0.5% of gross income
Local service tax	\$52 per person

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has three items that qualify for reporting in this category. The deferred charge on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources related to pensions is reported in the government-wide statement of net position and the proprietary fund statement of net position and is the result of differences between pension plan expected and actual experience and changes in pension plan assumptions. Deferred outflows of resources related to OPEB is reported in the government-wide statement of net position and the proprietary fund statement of net position and are the result of differences between expected and actual experience, and changes of assumptions.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has 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. Deferred inflows of resources related to pensions is reported in the government-wide statement of net position and the proprietary fund statement of net position and is the result of differences between pension plan expected and actual experience and the difference between projected and actual investment earnings. Deferred inflows of resources related to OPEB is reported in the government-wide statement of net position and the proprietary fund statement of net position and is the result of differences between changes of assumptions, and the difference between projected and actual investment earnings.

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 entity-wide financial statements as well as in the proprietary fund financial statements. The township capitalizes assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The Township reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the entity-wide financial statements regardless of their amount. Such assets are recorded at historical cost if purchased or constructed. In accordance with GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets," the Township capitalizes contributions to the Valley Forge Sewer Authority for the purchase of additional sewer treatment capacity.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed, inclusive of ancillary costs.

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

	<u>Years</u>
Site improvements	20
Buildings and improvements	20-40
Infrastructure	15-50
Machinery and equipment	3-12
Vehicles	3-12

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

In the fund financial statements, Governmental Fund Types reports discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received and discounts paid on debt issuance are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures, except for refunding's paid from proceeds which are reported as other financing uses.

Net Position Flow Assumption

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

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

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

- **Nonspendable Fund Balance** - Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- **Restricted Fund Balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation.
- **Committed Fund Balance** - Amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority (the Board of Supervisors). To be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest level action to remove or change the constraint.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Assigned Fund Balance** - Amounts the Township intends to use for a specific purpose. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board of Supervisors delegates the authority. As of December 31, 2019, the Board has not delegated the authority to assign fund balance.
- **Unassigned Fund Balance** - Amounts available for any purpose. Positive amounts are reported only in the General Fund.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a motion, which is the most binding action management can take. Assigned fund balance is intended to be used by the Township for specific purposes but does not meet the criteria to be classified as restricted or committed.

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

Cash and Cash Equivalents - For purposes of reporting cash flows for the Proprietary Funds, all highly liquid investments with original maturities of three months or less are considered short-term investments.

Compensated Absences - Full-time employees are granted vacation benefits in varying amounts to specified maximums. Certain employees may carry over 40 hours of unused vacation time into the following year or receive compensation for those hours. Certain employees may accumulate up to 480 hours of unused sick time and, depending on years of services, may receive payment for some or all of that time at retirement or resignation. The liability for those compensated absences is recorded as long-term debt in the entity-wide and proprietary fund financial statements. In the fund financial statements, governmental funds report a liability for compensated absences only if they have matured. Historically the General Fund has been responsible for liquidation of compensated absences associated with governmental activities. Compensated absences associated with business-type activities are liquidated from the fund in which the liability was generated.

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. Prepaid items are accounted for under the consumption method.

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.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, \$986,137 of the total bank balance of \$27,164,958 was insured by the Federal Depository Insurance Corporation. The remaining bank balance of \$26,178,821 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.

Investments

As of December 31, 2019, the Township had the following investments:

Investment Type	Amortized Cost	Fair Value	Total	Investment Maturities Less Than One Year
GOVERNMENTAL ACTIVITIES				
Certificates of deposit	\$ 252,052	\$ -	\$ 252,052	\$ 252,052
FIDUCIARY FUNDS				
Domestic equity mutual funds	\$ -	\$ 12,375,713	\$ 12,375,713	\$ 12,375,713
International equity mutual funds	-	2,878,203	2,878,203	2,878,203
Fixed income mutual funds	-	4,997,863	4,997,863	4,997,863
Real estate mutual funds	-	881,576	881,576	881,576
TOTAL FIDUCIARY FUND	\$ -	\$ 21,133,355	\$ 21,133,355	\$ 21,133,355

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, 2019:

Investments in domestic equity mutual funds of \$12,375,713, international equity mutual funds of \$2,878,203, fixed income mutual funds of \$4,997,863, and real estate mutual funds of \$881,576 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.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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.

Concentration of Credit Risk - This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. There are no investments in any one issuer that is in excess of 5 percent of the government's total investments.

NOTE C - CAPITAL ASSETS

Changes in capital asset activity for the year ended December 31, 2019, were as follows:

	Balance January 1, 2019	Increases	Decreases	Balance December 31, 2019
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,076,488	\$ -	\$ -	\$ 1,076,488
Construction in progress	548,472	224,828	(637,071)	136,229
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	1,624,960	224,828	(637,071)	1,212,717
Capital assets being depreciated				
Site Improvements	1,257,394	25,347	-	1,282,741
Buildings and improvements	9,500,671	209,771	-	9,710,442
Infrastructure	42,794,301	966,286	-	43,760,587
Machinery and equipment	1,251,690	136,002	-	1,387,692
Vehicles	1,956,487	336,615	(119,367)	2,173,735
TOTAL CAPITAL ASSETS BEING DEPRECIATED	56,760,543	1,674,021	(119,367)	58,315,197
Accumulated depreciation				
Site Improvements	(589,072)	(55,764)	-	(644,836)
Buildings and improvements	(1,440,332)	(241,073)	-	(1,681,405)
Infrastructure	(35,798,577)	(1,416,007)	-	(37,214,584)
Machinery and equipment	(1,028,622)	(62,589)	-	(1,091,211)
Vehicles	(1,428,941)	(193,464)	119,367	(1,503,038)
TOTAL ACCUMULATED DEPRECIATION	(40,285,544)	(1,968,897)	119,367	(42,135,074)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	16,474,999	(294,876)	-	16,180,123
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	\$ 18,099,959	\$ (70,048)	\$ (637,071)	\$ 17,392,840

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE C - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 55,557
Public safety	130,524
Public works, highways and streets	1,723,851
Parks and recreation	58,965
	<u>\$ 1,968,897</u>

	Balance January 1, 2019	Increases	Decreases	Balance December 31, 2019
BUSINESS-TYPE ACTIVITIES				
Capital assets, not being depreciated				
Construction in progress	\$ 331,920	\$ -	\$ -	\$ 331,920
Capacity rights	11,085,242	306,995	(439,142)	10,953,095
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>11,417,162</u>	<u>306,995</u>	<u>(439,142)</u>	<u>11,285,015</u>
Capital assets being depreciated				
Sewer Infrastructure	36,054,547	1,021,158	-	37,075,705
Machinery and equipment	99,324	-	-	99,324
Vehicles	180,005	32,891	-	212,896
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>36,333,876</u>	<u>1,054,049</u>	<u>-</u>	<u>37,387,925</u>
Accumulated depreciation				
Sewer Infrastructure	(13,523,988)	(758,947)	-	(14,282,935)
Machinery and equipment	(87,718)	(4,493)	-	(92,211)
Vehicles	(142,778)	(11,343)	-	(154,121)
TOTAL ACCUMULATED DEPRECIATION	<u>(13,754,484)</u>	<u>(774,783)</u>	<u>-</u>	<u>(14,529,267)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	<u>22,579,392</u>	<u>279,266</u>	<u>-</u>	<u>22,858,658</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net	<u>\$ 33,996,554</u>	<u>\$ 586,261</u>	<u>\$ (439,142)</u>	<u>\$ 34,143,673</u>

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at December 31, 2019, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
GOVERNMENTAL FUNDS		
General Fund	\$ 20,556	\$ 600,000
Capital Improvement Fund	600,000	2,063
BUSINESS-TYPE ACTIVITIES		
Sewer Fund	<u>-</u>	<u>18,493</u>
	<u>\$ 620,556</u>	<u>\$ 620,556</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Interfund transfers at December 31, 2019, are as follows:

	<u>Transfer Out</u>	<u>Transfer In</u>
GOVERNMENTAL FUNDS		
General Fund	\$ 975,600	\$ 166,165
Capital Improvement Fund	15,101	975,600
Park Development Fund	-	15,101
BUSINESS-TYPE ACTIVITIES		
Sewer Fund	<u>166,165</u>	<u>-</u>
	<u>\$ 1,156,866</u>	<u>\$ 1,156,866</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 to account for saving for future capital projects.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E - RECEIVABLES

Receivables as of December 31, 2019, are as follows:

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Sewer Fund</u>	<u>Totals</u>
RECEIVABLES					
Accounts	\$ 78,055	\$ 445,000	\$ 369	\$ 1,151,871	\$ 1,675,295
Taxes	<u>2,402,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,402,411</u>
	<u>\$ 2,480,466</u>	<u>\$ 445,000</u>	<u>\$ 369</u>	<u>\$ 1,151,871</u>	<u>\$ 4,077,706</u>

NOTE F - LONG-TERM DEBT

Long-term liability for the year ended December 31, 2019, is as follows:

	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2019</u>	<u>Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
General Obligation Bonds					
Series of 2014	\$ 1,890,000	\$ -	\$ (250,000)	\$ 1,640,000	\$ 260,000
Series of 2016	<u>6,110,000</u>	<u>-</u>	<u>(45,000)</u>	<u>6,065,000</u>	<u>50,000</u>
TOTAL GENERAL					
OBLIGATION BONDS	8,000,000	-	(295,000)	7,705,000	310,000
Bond premium	41,344	-	(1,969)	39,375	-
Bond discount	(3,499)	-	168	(3,331)	-
Net pension liability	5,802,733	-	(1,283,718)	4,519,015	-
Net OPEB liability	11,352,100	1,609,471	-	12,961,571	-
Compensated absences	<u>32,633</u>	<u>6,212</u>	<u>(5,600)</u>	<u>33,245</u>	<u>4,987</u>
TOTAL GOVERNMENTAL					
ACTIVITIES LONG-TERM					
LIABILITIES	<u>\$ 25,225,311</u>	<u>\$ 1,615,683</u>	<u>\$ (1,586,119)</u>	<u>\$ 25,254,875</u>	<u>\$ 314,987</u>
BUSINESS-TYPE ACTIVITIES					
General Obligation Bonds					
Series A of 2012	\$ 1,015,000	\$ -	\$ (665,000)	\$ 350,000	\$ 350,000
Series B of 2012	4,030,000	-	-	4,030,000	335,000
Series of 2013	<u>11,995,000</u>	<u>-</u>	<u>(50,000)</u>	<u>11,945,000</u>	<u>50,000</u>
TOTAL GENERAL					
OBLIGATION BONDS	17,040,000	-	(715,000)	16,325,000	735,000
Bond discounts	(279,068)	-	19,536	(259,532)	-
Net pension liability	333,457	-	(141,408)	192,049	-
Net OPEB liability	1,239,417	-	(317,594)	921,823	-
Compensated absences	<u>33,018</u>	<u>706</u>	<u>(12,961)</u>	<u>20,763</u>	<u>3,114</u>
TOTAL BUSINESS-TYPE					
ACTIVITIES LONG-TERM					
LIABILITIES	<u>\$ 18,366,824</u>	<u>\$ 706</u>	<u>\$ (1,167,427)</u>	<u>\$ 17,200,103</u>	<u>\$ 738,114</u>

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE F - LONG-TERM DEBT (Continued)

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

Governmental Activities Debt

General Obligation Series of 2014 - General Obligation Bonds, Series of 2014 were issued in the original amount of \$8,040,000. Interest rates range from 1.0% to 4.0% with interest payable semi-annually and principal payable annually from June 2015 through December 2039. These bonds were issued to finance the new Public Works building and additional park developments.

General Obligation Series of 2016 - General Obligation Bonds, Series of 2016 were issued in the original amount of \$6,160,000. Interest rates range from 2.0% to 3.0% with interest payable semi-annually and principal payable annually from June 2017 through December 2039. These bonds were issued to advance refund a portion of the General Obligation Bonds, Series of 2014 and to pay the cost of the bond issuance. The refunding resulted in an economic gain of \$297,663 and a decrease in future cash flows of \$307,026.

Business-Type Activities Debt

General Obligation Bonds, Series of 2012A - General Obligation Bonds, Series of 2012A, were issued in the original amount of \$4,685,000. Interest rates range from 0.9% to 3.0% with interest payable semi-annually and principal payable annually from September 2013 through September 2020. These bonds were issued to redeem and prepay 1999 Bonds to reduce costs.

General Obligation Bonds, Series of 2012B - General Obligation Bonds, Series of 2012B, were issued in the original amount of \$4,130,000. Interest rates range from 1.0% to 3.0% with interest payable semi-annually and principal payable annually from September 2020 through September 2025. These bonds were issued to redeem and prepay 2005 bonds to reduce costs.

General Obligation Bonds, Series of 2013A - General Obligation Bonds, Series of 2013A, were issued in the original amount of \$12,145,000. Interest rates range from 2.0% to 3.6% with interest payable semi-annually from September 2013 through September 2038. These bonds were issued to finance sewer expansions and upgrades.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE F - LONG-TERM DEBT (Continued)

Total Scheduled Annual Debt Service

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 310,000	\$ 200,130
2021	315,000	193,930
2022	320,000	187,630
2023	325,000	180,690
2024	330,000	173,090
2025 to 2029	1,780,000	745,910
2030 to 2034	2,010,000	524,940
2035 to 2039	<u>2,315,000</u>	<u>212,550</u>
	<u>\$ 7,705,000</u>	<u>\$ 2,418,870</u>

<u>Year Ending December 31,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 735,000	\$ 516,407
2021	755,000	497,782
2022	765,000	480,920
2023	790,000	461,996
2024	805,000	441,420
2025 to 2029	3,905,000	1,858,172
2030 to 2034	4,435,000	1,213,024
2035 to 2038	<u>4,135,000</u>	<u>380,123</u>
	<u>\$ 16,325,000</u>	<u>\$ 5,849,844</u>

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE G - DEFINED BENEFIT PENSION PLAN (POLICE 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.

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 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.

The plan is governed by the Township Board of Supervisors which is responsible for the management of plan assets. The Township Board of Supervisors has appointed the Pension Board as the official body to which all related investment matters of the plan are delegated. The Pension Board consists of five members, which may consist of elected officials, management, and/or members of the plan. The Township Board of Supervisors has delegated the authority to manage certain plan assets to TCG Investment Advisory, Inc., with Broadridge Matrix Trust Company as custodian.

Plan Membership - At December 31, 2019, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	13
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	22
	35

Benefits Provided - The Police Pension Plan provides retirement benefits as well as death and disability benefits under Pennsylvania Act 600.

Eligibility Requirements:

Normal Retirement - Age 50 and 25 years of service.

Early Retirement - 20 or more years of service.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE G - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)

Vesting - None for the first 12 years of service; thereafter, 100%. If a member dies before the pension becomes vested, the surviving spouse or minor children shall receive repayment of the member's contributions, if any, plus interest.

Retirement Benefit:

The monthly pension shall be 50% of the average monthly salary over the participant's last 36 months of employment, plus an incremental pension of \$25 per month for each completed year of service in excess of twenty-five years up to a maximum of \$100 per month. The early retirement pension shall be the actuarial equivalent of a partial superannuation retirement benefit.

Survivor Benefit:

A pension benefit shall be automatically provided to a retired officer's spouse or to the spouse of an officer eligible to retire, equal to no less than 50% of the eligible pension. If no spouse, or if spouse subsequently dies, the benefit shall apply to children under age 18, or if attending college, under or attaining age 23.

Disability Benefit:

Service-Related - The monthly disability pension benefit shall be calculated at no less than 50% of the member's salary at the time the disability was incurred. Said pension shall be reduced by any benefits received for the same injuries under the Social Security Act.

Nonservice-Related - None.

Post-Retirement Adjustments:

A cost of living adjustment may be provided to retired officers. Annual adjustment not to exceed the increase in the Consumer Price Index from year to year with a 3% maximum annual increase. Total adjustments not to exceed 30% of the retiree's original pension.

The benefit provisions of the Township's Police 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.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE G - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)

As a condition of participation, participants are required to make contributions to the plan. 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.

In 2019, the MMO obligation for the Police Pension Plan was \$504,774. For the year 2019, contributions of \$504,774 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 Pension Board, with the assistance of TCG Investment Advisory, Inc., shall select the appropriate asset weighting percentage to be allocated to each specific asset class. Each asset class shall consist of a combination of investment options that have been made available to obtain the absolute investment objective of the fund. Investments shall be diversified with the intent to minimize the risk of large investment losses. Consequently, the total portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holdings in investment funds specializing in individual issues, issuers, countries, governments or industries. The following was the Board's adopted asset allocation policy as of December 31, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	50%
International equity	8%
Fixed income	35%
Real estate	5%
Cash	2%
	<u>100%</u>

Concentrations - There are no investments in any one issuer that is in excess of 5 percent of the total investments.

Rate of Return - For the year ended December 31, 2019, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 22.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE G - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)

Net Pension Liability of the Township - The components of the net pension liability of the Township at December 31, 2019, were as follows:

Total pension liability	\$ 13,765,847
Plan fiduciary net position	<u>(10,943,594)</u>

NET PENSION LIABILITY	<u>\$ 2,822,253</u>
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Plan fiduciary net position as a percentage of the total pension liability	<u>79.50%</u>
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Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2019, 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, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2018 to reflect mortality improvement.

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, 2019 (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	5.50% - 7.50%
International equity	4.50% - 6.50%
Fixed income	1.00% - 3.00%
Real estate	4.50% - 6.50%
Cash	0.00% - 1.00%

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE G - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)

Discount Rate - The discount rate is based on the long-term expected rate of return on plan investments that are 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)
Balances at December 31, 2018	\$ 12,142,675	\$ 8,897,862	\$ 3,244,813
Changes for the year			
Service cost	341,224	-	341,224
Interest cost	991,401	-	991,401
Changes for experience	(92,874)	-	(92,874)
Changes of assumptions	935,117	-	935,117
Contributions			
Employer	-	504,774	(504,774)
Member	-	140,354	(140,354)
Net investment income	-	1,962,030	(1,962,030)
Benefit payments	(551,696)	(551,696)	-
Administrative expenses	-	(9,730)	9,730
Net changes	1,623,172	2,045,732	(422,560)
Balances at December 31, 2019	\$ 13,765,847	\$ 10,943,594	\$ 2,822,253

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 4,445,234	\$ 2,822,253	\$ 1,462,296

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE G - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2019, the Township recognized pension expense of \$750,225 for this pension plan, and \$1,375,143 for all pension plans.. At December 31, 2019, 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	\$ 42,112	\$ 170,108
Changes of assumptions	988,308	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>315,825</u>
Total	\$ <u>1,030,420</u>	\$ <u>485,933</u>

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

<u>Year Ending December 31,</u>	
2020	\$ 80,460
2021	71,234
2022	229,985
2023	(153,030)
2024	105,281
Thereafter	210,557

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE H - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN)

Non-Uniformed Pension Plan

Summary of Significant Accounting Policies - Non-Uniformed 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 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.

Plan Description

Plan Administration - The Township administers the Non-Uniformed 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.

The plan is governed by the Township Board of Supervisors which is responsible for the management of plan assets. The Township Board of Supervisors has appointed a pension committee as the official body to which all related investment matters of the plan are delegated. The pension committee consists of five members, which may consist of elected officials, management, and/or members of the plan. The Township Board of Supervisors has delegated the authority to manage certain plan assets to TCG Investment Advisory, Inc., with Broadridge Matrix Trust Company as custodian.

Plan Membership - At December 31, 2019, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	21
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	16
	40

Benefits Provided - The Non-Uniformed Pension Plan provides retirement and other benefits.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE H - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)

Eligibility Requirements:

Normal Retirement - For participants represented by a collective bargaining unit and hired prior to January 1, 2006, the normal retirement date is age 64 and 10 years of service. For participants not represented by a collective bargaining agreement and hired prior to January 1, 2006, the normal retirement date is age 63 and 10 years of service. For participants hired on or after January 1, 2006, the normal retirement date is age 64 and 10 years of service.

Early Retirement - Age 55 and 10 years of service.

Vesting - For participants hired on or after January 1, 2006 - none for the first 10 years of service; thereafter, 100%. For participants hired prior to January 1, 2006 - 50% after 5 full years of service; thereafter, 10% per year until 100% vested after 10 years. If a member dies before the pension becomes vested, the surviving spouse or minor children shall receive repayment of the member's contributions, if any, plus interest.

Retirement Benefit:

For participants hired on or after January 1, 2006, the monthly pension shall be 2.00% for each year of service times the average monthly compensation over the participants last 60 months of employment. For participants hired prior to January 1, 2006, the monthly pension shall be 50% of the final average monthly compensation over the participant's last 36 months of employment. The early retirement pension shall be a partial superannuation retirement benefit determined by a table in the governing resolution.

Disability Benefit:

Service-Related - The accrued retirement benefit determined at the date of disability. The disability benefit shall commence at the normal retirement date.

The benefit provisions of the Township's Non-Uniformed 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.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE H - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)

Covered employees are required 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. Contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

In 2019, the MMO obligation for the Non-Uniformed Pension Plan was \$394,490. For the year 2019, contributions of \$394,490 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 Pension Board, with the assistance of TCG Investment Advisory, Inc., shall select the appropriate asset weighting percentage to be allocated to each specific asset class. Each asset class shall consist of a combination of investment options that have been made available to obtain the absolute investment objective of the fund. Investments shall be diversified with the intent to minimize the risk of large investment losses. Consequently, the total portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holdings in investment funds specializing in individual issues, issuers, countries, governments or industries.

The following was the Committee's adopted asset allocation policy as of December 31, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	61%
International equity	9%
Fixed income	23%
Real estate	4%
Cash	3%
	<u>100%</u>

Concentrations - There are no investments in any one issuer that is in excess of 5 percent of the total investments.

Rate of Return - For the year ended December 31, 2019, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 22.27%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE H - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)

Net Pension Liability of the Township - The components of the net pension liability of the Township at December 31, 2019, were as follows:

Total pension liability	\$ 8,211,938
Plan fiduciary net position	<u>(7,082,251)</u>
NET PENSION LIABILITY	<u>\$ 1,129,687</u>
 Plan fiduciary net position as a percentage of the total pension liability	 <u>86.24%</u>

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2019, 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 PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2018 to reflect mortality improvement.

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, 2019 (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	5.50% - 7.50%
International equity	4.50% - 6.50%
Fixed income	1.00% - 3.00%
Real estate	4.50% - 6.50%
Cash	0.00% - 1.00%

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE H - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED 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)
Balances at December 31, 2018	\$ 6,428,838	\$ 4,800,798	\$ 1,628,040
Changes for the year			
Service cost	138,005	-	138,005
Interest cost	486,915	-	486,915
Changes for experience	(178,915)	-	(178,915)
Changes in assumptions	300,159	-	300,159
Contributions			
Employer	-	327,426	(327,426)
Member	-	58,594	(58,594)
Net investment income	-	1,059,612	(1,059,612)
Benefit payments	(359,100)	(359,100)	-
Administrative expenses	-	(9,067)	9,067
Net changes	387,063	1,077,465	(690,402)
Balances at December 31, 2019	\$ 6,815,902	\$ 5,878,263	\$ 937,638

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE H - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)

	Business-Type Activities		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a - (b))
Balances at December 31, 2018	\$ 1,316,758	\$ 983,302	\$ 333,456
Changes for the year			
Service cost	28,266	-	28,266
Interest cost	99,730	-	99,730
Changes for experience	(36,646)	-	(36,646)
Changes in assumptions	61,479	-	61,479
Contributions			
Employer	-	67,064	(67,064)
Member	-	12,001	(12,001)
Net investment income	-	217,030	(217,030)
Benefit payments	(73,551)	(73,551)	-
Administrative expenses	-	(1,858)	1,858
Net changes	79,279	220,686	(141,407)
Balances at December 31, 2019	\$ 1,396,036	\$ 1,203,988	\$ 192,049

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	\$ 1,943,522	\$ 1,129,687	\$ 431,063

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE H - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2019, the Township recognized pension expense of \$424,539 for this pension plan, and \$1,375,143 for all pension plans.. At December 31, 2019, 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	\$ 269,957	\$ 166,824
Changes in assumptions	285,842	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>237,535</u>
Total	<u>\$ 555,799</u>	<u>\$ 404,359</u>
	<u>Business-Type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 55,292	\$ 34,169
Changes in assumptions	58,546	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>48,652</u>
Total	<u>\$ 113,838</u>	<u>\$ 82,821</u>

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE H - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2020	\$ 65,180	\$ 13,349
2021	53,718	11,003
2022	131,902	27,016
2023	(119,568)	(24,490)
2024	20,208	4,139

NOTE I - DEFINED BENEFIT PENSION PLAN (FIREFIGHTER PENSION PLAN)

Firefighter Pension Plan

Summary of Significant Accounting Policies - The 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 Firefighter 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.

Plan Description

Plan Administration - The Township administers the Firefighter Pension Plan--a single-employer defined benefit pension plan that provides pensions for all regular, full-time firefighter 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.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE I - DEFINED BENEFIT PENSION PLAN (FIREFIGHTER PENSION PLAN) (Continued)

The plan is governed by the Township Board of Supervisors which is responsible for the management of plan assets. The Township Board of Supervisors has appointed a pension committee as the official body to which all related investment matters of the plan are delegated. The pension committee consists of five members, which may consist of elected officials, management, and/or members of the plan. The Township Board of Supervisors has delegated the authority to manage certain plan assets to TCG Investment Advisory, Inc., with Broadridge Matrix Trust Company as custodian.

Plan Membership - At December 31, 2019, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>9</u>
	<u>11</u>

Benefits Provided - The Firefighter Pension Plan provides retirement and other benefits.

Eligibility Requirements:

Normal Retirement - Age 50 and 25 years of service.

Early Retirement - 20 or more years of service, actuarially reduced to reflect early commencement of benefits.

Vesting - None for the first 10 years of service; thereafter, 100%. If a member dies before the pension becomes vested, the surviving spouse or minor children shall receive repayment of the member's contributions, if any, plus interest.

Retirement Benefit:

Service-Related - The accrued retirement benefit determined at the date of disability. The disability benefit shall commence when the participant has been declared totally and permanently disabled.

Nonservice-Related - None

The benefit provisions of the Township's Firefighter 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.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE I - DEFINED BENEFIT PENSION PLAN (FIREFIGHTER PENSION PLAN) (Continued)

Covered employees are required 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. Contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

In 2019, the MMO obligation for the Firefighter Pension Plan was \$158,964. For the year 2019, contributions of \$158,964 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 Pension Board, with the assistance of TCG Investment Advisory, Inc., shall select the appropriate asset weighting percentage to be allocated to each specific asset class. Each asset class shall consist of a combination of investment options that have been made available to obtain the absolute investment objective of the fund. Investments shall be diversified with the intent to minimize the risk of large investment losses. Consequently, the total portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holdings in investment funds specializing in individual issues, issuers, countries, governments or industries.

The following was the Committee's adopted asset allocation policy as of December 31, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	59%
International equity	11%
Fixed income	23%
Real estate	4%
Cash	3%
	<u>100%</u>

Concentrations - There are no investments in any one issuer that is in excess of 5 percent of the total investments.

Rate of Return - For the year ended December 31, 2019, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 21.94%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE I - DEFINED BENEFIT PENSION PLAN (FIREFIGHTER PENSION PLAN) (Continued)

Net Pension Liability of the Township - The components of the net pension liability of the Township at December 31, 2019, were as follows:

Total pension liability	\$ 3,272,205
Plan fiduciary net position	<u>(2,513,081)</u>
NET PENSION LIABILITY	\$ <u>759,124</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>76.80%</u>

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2019, 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 PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2018 to reflect mortality improvement.

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, 2019 (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	5.50% - 7.50%
International equity	4.50% - 6.50%
Fixed income	1.00% - 3.00%
Real estate	4.50% - 6.50%
Cash	0.00% - 1.00%

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE I - DEFINED BENEFIT PENSION PLAN (FIREFIGHTER 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)
Balances at December 31, 2018	\$ 2,815,754	\$ 1,885,873	\$ 929,881
Changes for the year			
Service cost	108,980	-	108,980
Interest cost	227,986	-	227,986
Changes for experience	49,237	-	49,237
Changes in assumptions	70,248	-	70,248
Contributions			
Employer	-	158,964	(158,964)
Member	-	47,172	(47,172)
Net investment income	-	431,042	(431,042)
Administrative expenses	-	(9,970)	9,970
Net changes	456,451	627,208	(170,757)
Balances at December 31, 2019	\$ 3,272,205	\$ 2,513,081	\$ 759,124

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE I - DEFINED BENEFIT PENSION PLAN (FIREFIGHTER 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	\$ <u>1,204,934</u>	\$ <u>759,124</u>	\$ <u>387,271</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2019, the Township recognized pension expense of \$200,379 for this pension plan, and \$1,375,143 for all pension plans. At December 31, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 236,066	\$ -
Changes in assumptions	175,437	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>94,967</u>
Total	\$ <u>411,503</u>	\$ <u>94,967</u>

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE I - DEFINED BENEFIT PENSION PLAN (FIREFIGHTER PENSION PLAN) (Continued)

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

<u>Year Ending</u> <u>December 31,</u>	
2020	\$ 28,510
2021	28,935
2022	55,267
2023	(6,039)
2024	50,410
Thereafter	159,453

NOTE J - NON-UNIFORM EMPLOYEE DEFINED CONTRIBUTION PENSION PLAN

Plan Description

The Township has established the East Whiteland Township Non-Uniform Employee Defined Contribution Pension Plan (the "Plan"), which provides pension benefits for its full-time, non-union, non-uniform employees as defined in the plan, and who were hired on or after January 1, 2017. There is a six month period of service required in order to participate. The Plan is a single-employer defined contribution money purchase pension plan under Section 401 (a) of the Internal Revenue Code. In a defined contribution plan, the benefits to be received by an employee depend solely on the amount contributed to the participant's account and related returns on investments of those contributions. ICMA Retirement Corporation serves as the third-party administrator for the Plan, maintaining records of individual account balances and administering receipt and payment of funds. All funds contributed by the employees and employer are invested with the funds offered through ICMA-RC. The Plan does not issue separate, stand-alone financial statements.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE J - NON-UNIFORM EMPLOYEE DEFINED CONTRIBUTION PENSION PLAN (Continued)

Funding Policy

Each eligible employee covered under the Plan must make an irrevocable election to contribute 2%, 3% or 4% of gross wages. The Township contributes 4%, 6% or 8% of each participating employee's gross wages to the Plan, respectively, depending on the employee's contribution percentage. For example, if the employee elects a 2% contribution, the Township will contribute 4%; if the employee elects a 3% contribution, the Township will contribute 6%. The Township's contributions for employees and earnings allocated to their accounts vest based on period of service completed, as follows:

<u>Period of Service Completed</u>	<u>% Vested</u>
Zero	0%
One	20%
Two	40%
Three	60%
Four	80%
Five	100%

Retirement benefits may be obtained at age 65. The Township made contributions of \$39,774, of which \$0 was funded by state-shared revenues and \$39,774 was funded by the Township. Employee contributions to the Plan were \$19,887.

At December 31, 2019, there were no investments in any one organization that represented 5% or more of total plan assets available for benefits other than mutual funds, which do not require disclosure of concentration per GASB Statement No. 40.

NOTE K - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Summary of Significant Accounting Policies - The OPEB 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 OPEB Plan is presented on the accrual basis of accounting. Employer contributions to each plan are recognized when due.

Plan Description

Plan Administration - The Township's post-employment healthcare plan is a single-employer defined benefit healthcare plan. The plan provides medical insurance and life insurance benefits to eligible retirees. Spouses and other dependents are not covered under the plan. The Board of Supervisors assigns the authority to establish and amend benefit provisions. The plan does not issue separate, stand-alone financial statements. The plan is part of the Township's financial reporting entity and is included in the Township's financial statements as a Trust Fund. The plan does not issue separate, stand-alone financial statements.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

The plan is governed by the Township Board of Supervisors which is responsible for the management of plan assets. The Township Board of Supervisors has appointed a pension committee as the official body to which all related investment matters of the plan are delegated. The pension committee consists of five members, which may consist of elected officials, management, and/or members of the plan. The Township Board of Supervisors has delegated the authority to manage certain plan assets to TCG Investment Advisory, Inc., with Broadridge Matrix Trust Company as custodian.

Plan Membership - At December 31, 2019, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	21
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	54
	78

Benefits Provided

Eligibility Requirements:

Police Officers - Medical and life insurance benefits are payable for members who retire after attaining age 50 with 20 years of service. However, receipt of benefits are deferred to the date on which the officer qualifies for normal retirement had the officer remained in service (25 years of service).

Firefighters - Firefighters hired prior to December 31, 2011 or Part-time Firefighters hired prior to December 31, 2011 and subsequently promoted to full-time status, medical benefits are payable for members who retire after attaining age 50 with 20 years of service.

Non-Uniformed Employees - Medical benefits are payable for members who retire after attaining age 55 with 20 years of service.

Medical Benefits Payable upon Retirement:

Police Officers - Eligible retirees may participate in the employer's group medical plan, while under age 65 which includes basic medical, prescription drug, dental and vision coverage. At ages 65 and older, member remains in the same group medical. However, Medicare will pay primary. In addition, officers retiring after January 1, 1999 are required to enroll in Medicare Part B coverage and the Township reimburses the retiree for coverage. Officers retiring after December 31, 2013 are required to enroll in Medicare Part D coverage and the Township shall reimburse the retiree for coverage. In addition to the aforementioned benefits, officers hired prior to September 24, 2019 who retire after September 24, 2019 will receive a \$700 annual HRA contribution. These officers receive the same health benefits as active officers and are subject to any changes to the active plan made by agreement or an arbitration award. For officers hired after September 24, 2019, post-retirement medical benefits and the \$700 annual HRA contribution cease when the officer becomes eligible for Medicare.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

Firefighters - Eligible retirees may participate in the employer's group medical plan, while under age 65 which includes basic medical, prescription drug, dental and vision coverage. At age 65, the member is no longer eligible to receive coverage.

Non-Uniformed Employees - Eligible retirees may participate in the employer's group medical plan, while under age 65 which includes basic medical, prescription drug, dental and vision coverage. At ages 65 and older, member remains in the same group medical. However, Medicare will pay primary. In addition, all retirees shall be required to enroll in Medicare Part B and Part D coverage and the Township reimburses the retiree for Medicare Part B and Part D coverage.

Union - Eligible employees that retire by December 31, 2022 may participate in the employer's group medical plan while under age 65, which includes basic medical, prescription drug, dental and vision coverage. At ages 65 and older, member remains in the same group medical. However, Medicare will pay primary. In addition, all retirees shall be required to enroll in Medicare Part B and Medical Part D coverage and the Township reimburses the retiree for coverage. However, for eligible employees who have 10 years of service as of December 31, 2022, if the healthcare plan designs change for active employees, retiree coverage will change as well. In addition, any employee hired on or after January 1, 2019 or an employee who does not have 10 years of service as of December 31, 2022 and who has at least twenty (20) years of service with the Township shall be provided post-retirement medical benefits including prescription for the retiree only until the retiree reaches age 65, becomes eligible for Medicare, or the retiree dies, whichever occurs first. If the healthcare plan designs change for active employees, retiree coverage will change as well. These retirees shall be required to enroll in Medicare Part B and Medical Part D coverage and will not be reimbursed for the Part B and Part D monthly premiums.

Disability Benefits:

Disabled Officers are eligible to continue receiving coverage for life if their disability is service related.

Life Insurance Benefits Payable upon Retirement:

Eligible retired police officers who retire while in the employ of the Township after 20 years of service are provided a life insurance benefit equal to \$20,000 until age 65. At ages 65 and older, the Township provides a life insurance benefit of \$10,000.

Dependents:

Spouses and other dependents are not covered under the Plan.

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

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

Funding Policy

Member contributions are not required under the plan. The contribution requirements of plan members are established and may be amended by the Board of Supervisors. 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.

Investments

Investment Policy - The Pension Board, with the assistance of TCG Investment Advisory, Inc., shall select the appropriate asset weighting percentage to be allocated to each specific asset class. Each asset class shall consist of a combination of investment options that have been made available to obtain the absolute investment objective of the fund. Investments shall be diversified with the intent to minimize the risk of large investment losses. Consequently, the total portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holdings in investment funds specializing in individual issues, issuers, countries, governments or industries. The following was the Committee's adopted asset allocation policy as of December 31, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	34%
International equity	10%
Fixed income	50%
Real estate	3%
Cash	3%
	<u>100%</u>

Concentrations - There are no investments in any one issuer that is in excess of 5 percent of the total investments.

Rate of Return - For the year ended December 31, 2019, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 23.39%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

Net OPEB Liability of the Township - The components of the net OPEB liability of the Township at December 31, 2019, were as follows:

Total OPEB liability	\$ 15,479,099
Plan fiduciary net position	<u>(1,595,705)</u>
NET OPEB LIABILITY	<u>\$ 13,883,394</u>
 Plan fiduciary net position as a percentage of the total pension liability	 <u>10.31%</u>

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	4.5-5.0% annual increase
Investment rate of return	3.98%

The healthcare cost trend rate is 5.5% in 2019 through 2023. Rates gradually decrease from 5.4% in 2024 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Mortality rates were based on the PubS-2010 mortality table for Police and Fire and the PubG-2010 mortality table for Non-Uniformed employees.

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

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2019 (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	5.50% - 7.50%
International equity	4.50% - 6.50%
Fixed income	1.00% - 3.00%
Real estate	4.50% - 6.50%
Cash	0.00% - 1.00%

Discount Rate - The discount rate used to measure the total OPEB liability was 3.98%. The plan's fiduciary net position is not projected to be sufficient to make projected benefit payments. As a result, the discount rate is based on the long-term expected rate of return on OPEB plan investments of 7.0% and the municipal bond rate of 3.26% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

Changes in Assumptions - In the 2019 actuarial valuation, the discount rate changed from 3.81% to 3.98%. The trend assumption was updated. The mortality table was changed from the IRS 2017 Small Plan Combined Static Mortality table to the PubS-2010 mortality table for Police and Fire and the PubG-2010 mortality table for Non-Uniformed employees.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

Changes in the Net OPEB Liability

	Governmental Activities		
	Total	Plan	Net
	OPEB Liability (a)	Fiduciary Net Position (b)	OPEB Liability (a)-(b)
Balances at December 31, 2018	\$ 12,432,522	\$ 1,080,422	\$ 11,352,100
Changes for the year			
Service cost	586,270	-	586,270
Interest cost	490,994	-	490,994
Changes for experience	468,494	-	468,494
Changes in assumptions	1,116,672	-	1,116,672
Changes of benefit terms	(400,300)	-	(400,300)
Employer contributions	-	333,484	(333,484)
Net investment income	-	322,482	(322,482)
Benefit payments	(243,327)	(243,327)	-
Administrative expenses	-	(3,307)	3,307
Net changes	2,018,803	409,332	1,609,471
Balances at December 31, 2019	\$ 14,451,325	\$ 1,489,754	\$ 12,961,571

	Business-Type Activities		
	Total	Plan	Net
	OPEB Liability (a)	Fiduciary Net Position (b)	OPEB Liability (a)-(b)
Balances at December 31, 2018	\$ 1,357,377	\$ 117,960	\$ 1,239,417
Changes for the year			
Service cost	50,172	-	50,172
Interest cost	52,842	-	52,842
Changes for experience	(437,219)	-	(437,219)
Changes in assumptions	107,074	-	107,074
Changes of benefit terms	(64,387)	-	(64,387)
Employer contributions	-	47,928	(47,928)
Net investment income	-	(21,491)	21,491
Benefit payments	(38,085)	(38,085)	-
Administrative expenses	-	(361)	361
Net changes	(329,603)	(12,009)	(317,594)
Balances at December 31, 2019	\$ 1,027,774	\$ 105,951	\$ 921,823

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the Township, calculated using the discount rate of 3.98%, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.98%) or one percentage point higher (4.98%) than the current rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Net OPEB liability	\$ <u>16,419,927</u>	\$ <u>13,883,394</u>	\$ <u>11,844,764</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.0% decreasing to 2.8%) or one percentage point higher (7.0% decreasing to 4.8%) than the current healthcare cost trend rates:

	1% Decrease (4.5% Decreasing to 3.0%)	Healthcare Cost Trend Rates (5.5% Decreasing to 4.0%)	1% Increase (6.5% Decreasing to 5.0%)
Net OPEB liability	\$ <u>11,589,651</u>	\$ <u>13,883,394</u>	\$ <u>16,769,995</u>

OPEB Expense and Deferred Outflows of Resource and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2019, the Township recognized OPEB expense of \$717,779. At December 31, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 401,566	\$ -
Changes in assumptions	957,147	489,015
Net difference between projected and actual earnings on pension plan investments	-	81,125
Total	\$ <u>1,358,713</u>	\$ <u>570,140</u>

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

	Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 374,759
Changes in assumptions	91,778	51,314
Net difference between projected and actual earnings on pension plan investments	38,520	-
Total	\$ 130,298	\$ 426,073

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2020	\$ 130,817	\$ (45,039)
2021	130,816	(45,037)
2022	140,853	(44,568)
2023	96,189	(49,700)
2024	144,950	(55,716)
Thereafter	144,948	(55,715)

NOTE L - COMBINING SCHEDULES OF FIDUCIARY FUNDS

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

	Pension Trust Funds			Total Pension and OPEB Trust Funds
	Non-Uniformed Pension Fund	Firefighter Pension Fund	Police Pension Fund	OPEB Trust Fund
ASSETS				
Cash and cash equivalents	\$ 310,070	\$ 111,897	\$ 452,077	\$ 127,232
Investments				
Domestic equity mutual funds	3,966,446	1,409,127	6,149,766	850,374
International equity mutual funds	924,426	327,877	1,427,519	198,381
Fixed income mutual funds	1,597,321	567,318	2,474,329	358,895
Real estate mutual funds	283,988	96,862	439,903	60,823
Due from Township	-	-	-	-
TOTAL ASSETS	\$ 7,082,251	\$ 2,513,081	\$ 10,943,594	\$ 1,595,705
NET POSITION				
Held in trust for Pension and OPEB benefits	\$ 7,082,251	\$ 2,513,081	\$ 10,943,594	\$ 1,595,705

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE L - COMBINING SCHEDULES OF FIDUCIARY FUNDS (Continued)

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

	Pension Trust Funds			OPEB Trust Fund	Total Pension and OPEB Trust Funds
	Non-Uniformed Pension Fund	Firefighter Pension Fund	Police Pension Fund		
ADDITIONS					
Contributions					
Member contributions	\$ 70,595	\$ 47,172	\$ 140,354	\$ -	\$ 258,121
Employer contributions	394,490	158,964	504,774	381,412	1,439,640
TOTAL					
CONTRIBUTIONS	<u>465,085</u>	<u>206,136</u>	<u>645,128</u>	<u>381,412</u>	<u>1,697,761</u>
Investment earnings					
Dividends	270,344	92,500	415,396	54,289	832,529
Net decrease in the fair value of investments	1,021,727	343,777	1,570,340	246,702	3,182,546
TOTAL INVESTMENT EARNINGS	<u>1,292,071</u>	<u>436,277</u>	<u>1,985,736</u>	<u>300,991</u>	<u>4,015,075</u>
Less investment expense	(15,429)	(5,235)	(23,706)	-	(44,370)
INVESTMENT EARNINGS, net	<u>1,276,642</u>	<u>431,042</u>	<u>1,962,030</u>	<u>300,991</u>	<u>3,970,705</u>
TOTAL ADDITIONS	<u>1,741,727</u>	<u>637,178</u>	<u>2,607,158</u>	<u>682,403</u>	<u>5,668,466</u>
DEDUCTIONS					
Benefits	432,651	-	551,696	281,412	1,265,759
Administrative expense	10,925	9,970	9,730	3,668	34,293
TOTAL DEDUCTIONS	<u>443,576</u>	<u>9,970</u>	<u>561,426</u>	<u>285,080</u>	<u>1,300,052</u>
CHANGE IN NET POSITION	1,298,151	627,208	2,045,732	397,323	4,368,414
NET POSITION HELD IN TRUST AT BEGINNING OF YEAR	<u>5,784,100</u>	<u>1,885,873</u>	<u>8,897,862</u>	<u>1,198,382</u>	<u>17,766,217</u>
NET POSITION HELD IN TRUST AT END OF YEAR	<u>\$ 7,082,251</u>	<u>\$ 2,513,081</u>	<u>\$ 10,943,594</u>	<u>\$ 1,595,705</u>	<u>\$ 22,134,631</u>

NOTE M - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund incurred expenditures in excess of appropriations in the following amounts for the year ended December 31, 2019:

General government - tax collection	\$ 36,253
Public safety - fire protection	111
Debt service	201

The excess expenditures above were covered by budgeted expenses exceeding incurred expenditures in other expense categories.

EAST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE N - RISK MANAGEMENT

The Township is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omission injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions in insurance coverages of the 2019 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE O - GUARANTEE OF FIRE COMPANY DEBT

During 2014, the Township guaranteed a \$4,000,000 loan made to the East Whiteland Township Volunteer Fire Association dated May 6, 2014 with a maturity date of May 6, 2042. As of December 31, 2019, the Township has determined that there is currently no evidence that the Association will default on its loan, and therefore, no liability is reflected in the financial statements.

NOTE P - PRIOR PERIOD RESTATEMENT

The Township implemented GASB Statement No. 84, Fiduciary Activities. The objective of GASB Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

For the fiduciary fund custodial activities, the Township has treated the beginning of year net position of \$375,442 as having been recognized in the period incurred. The Township has adjusted beginning net position for their fiduciary activities from \$0 to \$375,442.

NOTE Q - SUBSEQUENT EVENT

Subsequent to year end, a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. The pandemic has led to widespread voluntary and government-mandated closings of local stores and businesses, which has resulted in significant job losses. These job losses have the potential to have a significant impact on all aspects of Township operations including tax collections and the collection of sewer charges. In addition, due to the temporary closure of all businesses that are not deemed life sustaining, State tax revenues are also significantly decreased. This decrease could result in less grant money that is relied upon by local municipalities to fund specific projects. Overall, decreased funding could result in the Township having to curtail or eliminate some non-essential services and furlough employees.

Due to the pandemic, the financial markets have experienced significant market decline since the beginning of the year. These losses, if not regained, will have a significant detrimental impact on the value of the investments held by the Township's pension and OPEB plans. Decreases in the value of investments held by the Plans may result in a significant impact on the pension and OPEB liabilities and related deferred inflows and outflows related to the pension and OPEB plans. At this point, the extent to which COVID-19 will impact our financial condition or results of operations is uncertain and cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

EAST WHITELAND TOWNSHIP
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Budget
REVENUES				
Taxes				
Real estate taxes	\$ 761,000	\$ 761,000	\$ 767,194	\$ 6,194
Transfer taxes	1,000,000	1,180,000	1,199,970	19,970
Earned income taxes	8,701,000	9,101,000	9,741,890	640,890
Local services taxes	1,350,000	1,350,000	1,322,836	(27,164)
TOTAL TAXES	11,812,000	12,392,000	13,031,890	639,890
Fees, licenses and permits				
Building	1,200,000	1,000,000	952,221	(47,779)
Zoning	23,500	23,500	28,950	5,450
Electrical	120,000	120,000	139,784	19,784
Plumbing	60,000	60,000	58,215	(1,785)
Street	7,500	7,500	14,935	7,435
Mechanical	100,000	100,000	106,805	6,805
Subdivision and land	16,000	16,000	14,301	(1,699)
Occupancy	20,000	20,000	12,080	(7,920)
Other	23,500	23,500	21,310	(2,190)
Cable television franchise fees	230,000	230,000	224,881	(5,119)
TOTAL FEES, LICENSES AND PERMITS	1,800,500	1,600,500	1,573,482	(27,018)
Intergovernmental revenues				
Public utility realty tax	9,500	9,500	10,583	1,083
State pension aid	373,000	373,000	414,760	41,760
Other grants	113,300	113,300	194,061	80,761
Local intergovernmental revenue	-	-	-	-
TOTAL INTERGOVERNMENTAL REVENUES	495,800	495,800	619,404	123,604
Fines and forfeitures				
Police	75,000	75,000	27,032	(47,968)
Code	25,000	25,000	24,568	(432)
TOTAL FINES AND FORFEITURES	100,000	100,000	51,600	(48,400)
Charges for services				
Police services	130,500	130,500	91,629	(38,871)
Culture and recreation	50,000	81,530	73,882	(7,648)
TOTAL CHARGES FOR SERVICES	180,500	212,030	165,511	(46,519)
Other				
Investment income and rent	37,400	63,400	64,487	1,087
Miscellaneous	8,000	8,000	142,095	134,095
TOTAL OTHER	45,400	71,400	206,582	135,182
TOTAL REVENUES	14,434,200	14,871,730	15,648,469	776,739
OTHER FINANCING SOURCES				
Transfers in	166,165	166,165	166,165	-
Sale of general capital assets	-	-	785	785
TOTAL OTHER FINANCING SOURCES	166,165	166,165	166,950	785
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 14,600,365	\$ 15,037,895	\$ 15,815,419	\$ 777,524

EAST WHITELAND TOWNSHIP
SCHEDULE OF FUNCTIONAL EXPENDITURES BY
ACTIVITIES AND OTHER FINANCING USES
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
EXPENDITURES				
General government				
Administration	\$ 1,034,955	\$ 987,955	\$ 942,918	\$ (45,037)
Finance	110,100	130,100	90,905	(39,195)
Tax collection	117,640	117,640	153,893	36,253
Solicitor	341,000	391,000	328,054	(62,946)
Engineering services	113,400	136,400	111,195	(25,205)
Municipal buildings	71,650	71,650	61,471	(10,179)
TOTAL GENERAL GOVERNMENT	1,788,745	1,834,745	1,688,436	(146,309)
Public safety				
Police	5,581,078	5,697,078	5,090,237	(606,841)
Fire protection	2,275,642	2,275,642	2,275,753	111
Code enforcement	1,028,265	953,265	817,526	(135,739)
Planning and zoning	312,122	312,122	294,919	(17,203)
Emergency management	6,750	6,750	196	(6,554)
TOTAL PUBLIC SAFETY	9,203,857	9,244,857	8,478,631	(766,226)
Public works - sanitation	27,500	27,500	20,190	(7,310)
Public works - highways and streets				
General services	1,195,167	1,195,167	1,119,641	(75,526)
Winter maintenance	146,604	146,604	88,711	(57,893)
Traffic signals	94,077	94,077	92,914	(1,163)
Street lighting	27,000	27,000	25,343	(1,657)
Road maintenance and repair	184,070	184,070	151,629	(32,441)
TOTAL PUBLIC WORKS - HIGHWAYS AND STREETS	1,646,918	1,646,918	1,478,238	(168,680)
Culture and recreation	150,000	176,000	144,998	(31,002)
Community development	3,600	3,600	860	(2,740)
Other	13,950	13,950	7,992	(5,958)
Debt service	504,030	504,030	504,231	201
TOTAL EXPENDITURES	13,338,600	13,451,600	12,323,576	(1,128,024)
OTHER FINANCING USES				
Transfers out	475,600	475,600	975,600	500,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 13,814,200	\$ 13,927,200	\$ 13,299,176	\$ (628,024)

EAST WHITELAND TOWNSHIP
SCHEDULE OF CHANGES IN THE NET POLICE
PENSION PLAN LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS

	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY						
Service cost	\$ 341,224	\$ 262,265	\$ 249,776	\$ 199,542	\$ 190,040	\$ 197,954
Interest	991,401	915,581	863,636	783,495	748,819	736,646
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(92,874)	-	84,223	-	(303,433)	-
Changes of assumptions	935,117	-	340,163	-	-	-
Benefit payments	(551,696)	(438,563)	(673,099)	(372,805)	(361,184)	(580,995)
NET CHANGE IN TOTAL PENSION LIABILITY	1,623,172	739,283	864,699	610,232	274,242	353,605
TOTAL PENSION LIABILITY, BEGINNING	12,142,675	11,403,392	10,538,693	9,928,461	9,654,219	9,300,614
TOTAL PENSION LIABILITY, ENDING (a)	\$ 13,765,847	\$ 12,142,675	\$ 11,403,392	\$ 10,538,693	\$ 9,928,461	\$ 9,654,219
PLAN FIDUCIARY NET POSITION						
Contributions						
Employer	\$ 504,774	\$ 304,132	\$ 298,180	\$ 353,111	\$ 341,597	\$ 232,636
Member	140,354	114,562	113,766	116,771	111,068	88,961
Net investment income (loss)	1,962,030	(799,494)	1,280,701	599,374	(55,653)	501,064
Benefit payments, including refunds of member contributions	(551,696)	(438,563)	(673,099)	(372,805)	(361,184)	(580,995)
Administrative expense	(9,730)	(9,380)	(9,550)	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	2,045,732	(828,743)	1,009,998	696,451	35,828	251,666
Plan fiduciary net position, beginning	8,897,862	9,726,605	8,716,607	8,020,156	7,984,328	7,732,662
PLAN FIDUCIARY NET POSITION, ENDING (b)	\$ 10,943,594	\$ 8,897,862	\$ 9,726,605	\$ 8,716,607	\$ 8,020,156	\$ 7,984,328
NET PENSION LIABILITY, ENDING (a)-(b)	\$ 2,822,253	\$ 3,244,813	\$ 1,676,787	\$ 1,822,086	\$ 1,908,305	\$ 1,669,891
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	79.50%	73.28%	85.30%	82.71%	80.78%	82.70%
COVERED PAYROLL	\$ 2,617,694	\$ 2,220,748	\$ 2,376,418	\$ 2,181,320	\$ 1,932,369	\$ 1,739,660
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	107.81%	146.11%	70.56%	83.53%	98.75%	95.99%

NOTES TO SCHEDULE

Changes in assumptions. In 2019 the mortality rates were updated to the PubS-2010 mortality tables, and the investment rate of return was revised to 7.5% from 8.0%. In 2017 the mortality rates were based on the IRS 2017 Static Combined Table for Small Plans. In prior years, the mortality rates were based on the RP-2000 Table for Males or Females

This schedule is intended to show information for ten years. all available information is displayed. Additional information will be displayed as it becomes available.

EAST WHITELAND TOWNSHIP
SCHEDULE OF POLICE PENSION PLAN
CONTRIBUTIONS
LAST SIX FISCAL YEARS

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 504,774	\$ 304,132	\$ 298,180	\$ 353,111	\$ 341,597	\$ 232,636
Contributions in relation to the actuarially determined contribution	504,774	304,132	298,180	353,111	341,597	232,636
Contribution (excess) deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,617,694	\$ 2,220,748	\$ 2,376,418	\$ 2,181,320	\$ 1,932,369	\$ 1,739,660
Contribution as a percentage of covered payroll	19.28%	13.70%	12.55%	16.19%	17.68%	13.37%

NOTES TO SCHEDULE

Actuarially determined contribution rates are calculated based on the plan's most recent available Act 205 actuarial valuation report. The January 1, 2017 actuarial valuation report was utilized for the 2019 Minimum Municipal Obligation calculation. The January 1, 2015 actuarial valuation report was utilized for the 2018 and 2017 Minimum Municipal Obligation calculation. The January 1, 2013 actuarial valuation report was utilized for the 2016 and 2015 Minimum Municipal Obligation calculation. The January 1, 2011 actuarial valuation report was utilized for the 2014 and 2013 Minimum Municipal Obligation calculations. The following actuarial methods and assumptions were used to determine contribution rates.

Methods and assumptions used to determine contribution rates:

Actuarial valuation date	1/1/17	1/1/15	1/1/13	1/1/11
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	Level dollar	Level dollar	Level dollar	Level dollar
Remaining amortization period	9 years	10 years	12 years	13 years
Asset valuation method	Market	Market	Market	Smoothing
Salary increases	5%	5%	5%	5%
Investment rate of return	8%	8%	8%	8%
Disability rates	None	None	None	None
Termination rates	W65	W65	W65	None
Mortality	IRS 2017 Static Combined	RP2000	RP2000	RRB92
Retirement age	50	50	50	50
Cost-of-living adjustments	None	None	None	None

This schedule is intended to show information for ten years, all available information is displayed. Additional information will be displayed as it becomes available.

EAST WHITELAND TOWNSHIP
SCHEDULE OF POLICE PENSION PLAN
INVESTMENT RETURNS
LAST SIX FISCAL YEARS

	<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>22.26%</u>	<u>-8.30%</u>	<u>14.98%</u>	<u>7.76%</u>	<u>-0.27%</u>	<u>7.28%</u>

NOTES TO SCHEDULE

This schedule is intended to show information for ten years, all available information is displayed. Additional information will be displayed as it becomes available.

EAST WHITELAND TOWNSHIP
SCHEDULE OF CHANGES IN THE NET NON-UNIFORMED
PENSION PLAN LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS

	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY						
Service cost	\$ 166,271	\$ 204,475	\$ 195,670	\$ 222,208	\$ 212,639	\$ 200,683
Interest	586,645	580,830	535,962	464,896	436,841	408,335
Changes of benefit terms	-	-	-	-	206,882	-
Differences between expected and actual experience	(215,561)	-	650,497	-	(97,094)	-
Changes of assumptions	361,638	-	-	-	195,578	-
Benefit payments	(432,651)	(495,760)	(527,814)	(235,630)	(222,241)	(189,726)
NET CHANGE IN TOTAL PENSION LIABILITY	466,342	289,545	854,315	451,474	732,605	419,292
TOTAL PENSION LIABILITY, BEGINNING	7,745,596	7,456,051	6,601,736	6,150,262	5,417,657	4,998,365
TOTAL PENSION LIABILITY, ENDING (a)	\$ 8,211,938	\$ 7,745,596	\$ 7,456,051	\$ 6,601,736	\$ 6,150,262	\$ 5,417,657
PLAN FIDUCIARY NET POSITION						
Contributions						
Employer	\$ 394,490	\$ 220,482	\$ 231,309	\$ 344,313	\$ 343,163	\$ 372,463
Member	70,595	74,810	77,137	94,056	84,401	78,161
Net investment income	1,276,642	(493,932)	928,341	374,989	(55,752)	276,723
Benefit payments, including refunds of member contributions	(432,651)	(495,760)	(527,814)	(235,630)	(222,241)	(189,726)
Administrative expense	(10,925)	(13,425)	(9,550)	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	1,298,151	(707,825)	699,423	577,728	149,571	537,621
Plan fiduciary net position, beginning	5,784,100	6,491,925	5,792,502	5,214,774	5,065,203	4,527,582
PLAN FIDUCIARY NET POSITION, ENDING (b)	\$ 7,082,251	\$ 5,784,100	\$ 6,491,925	\$ 5,792,502	\$ 5,214,774	\$ 5,065,203
NET PENSION LIABILITY, ENDING (a)-(b)	\$ 1,129,687	\$ 1,961,496	\$ 964,126	\$ 809,234	\$ 935,488	\$ 352,454
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	86.24%	74.68%	87.07%	87.74%	84.79%	93.49%
COVERED PAY ROLL	\$ 1,229,587	\$ 1,315,976	\$ 1,402,439	\$ 1,560,708	\$ 1,681,050	\$ 1,529,999
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAY ROLL	91.88%	149.05%	68.75%	51.85%	55.65%	23.04%

NOTES TO SCHEDULE

Changes of assumptions: In 2019 the mortality rates were updated to the PubS-2010 mortality tables from the IRS 2017 Static Combined Table for Small Plans. In 2015, amounts reported as changes of assumptions resulted from a change in projected salary from 5% to 4.5%, and the investment rate of return used was changed from 8% to 7.5% to more closely estimate future experience.

This schedule is intended to show information for ten years, all available information is displayed. Additional information will be displayed as it becomes available.

EAST WHITELAND TOWNSHIP
SCHEDULE OF NON-UNIFORMED PENSION PLAN
CONTRIBUTIONS
LAST SIX FISCAL YEARS

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 394,490	\$ 220,482	\$ 231,309	\$ 344,313	\$ 343,163	\$ 372,463
Contributions in relation to the actuarially determined contribution	394,490	220,482	231,309	344,313	343,163	372,463
Contribution (excess) deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,229,587	\$ 1,315,976	\$ 1,402,439	\$ 1,560,708	\$ 1,681,050	\$ 1,529,999
Contribution as a percentage of covered payroll	32.08%	16.75%	16.49%	22.06%	20.41%	24.34%

NOTES TO SCHEDULE

Actuarially determined contribution rates are calculated based on the plan's most recent available Act 205 actuarial valuation report. The January 1, 2017 actuarial valuation report was utilized for the 2019 Minimum Municipal Obligation calculation. The January 1, 2015 actuarial valuation report was utilized for the 2018 and 2017 Minimum Municipal Obligation calculation. The January 1, 2013 actuarial valuation report was utilized for the 2016 and 2015 Minimum Municipal Obligation calculation. The January 1, 2011 actuarial valuation report was utilized for the 2014 and 2013 Minimum Municipal Obligation calculations. The following actuarial methods and assumptions were used to determine contribution rates.

Methods and assumptions used to determine contribution rates:

Actuarial valuation date	1/1/17	1/1/15	1/1/13	1/1/11
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	Level dollar	Level dollar	Level dollar	Level dollar
Remaining amortization period	7 years	4 years	7 years	8 years
Asset valuation method	Market	Market	Market	Smoothing
Salary increases	4.5%	4.5%	5%	6%
Investment rate of return	7.5%	7.5%	8%	8%
Disability rates	None	None	None	None
Termination rates	W65	W65	W65	W65
Mortality	IRS 2017 Static Combined Table	RP2000	RP2000	GAM71
Retirement age	64	64	65	63
Cost-of-living adjustments	None	None	None	None

This schedule is intended to show information for ten years, all available information is displayed. Additional information will be displayed as it becomes available.

EAST WHITELAND TOWNSHIP
SCHEDULE OF NON-UNIFORMED PENSION PLAN
INVESTMENT RETURNS
LAST SIX FISCAL YEARS

	<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>22.27%</u>	<u>-7.82%</u>	<u>16.33%</u>	<u>7.85%</u>	<u>-0.71%</u>	<u>6.58%</u>

NOTES TO SCHEDULES

This schedule is intended to show information for ten years, all available information is displayed. Additional information will be displayed as it becomes available.

EAST WHITELAND TOWNSHIP
SCHEDULE OF CHANGES IN THE NET FIREFIGHTER
PENSION PLAN LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS

	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY						
Service cost	\$ 108,980	\$ 108,805	\$ 104,120	\$ 77,718	\$ 74,371	\$ 63,203
Interest	227,986	196,448	175,151	141,038	125,776	100,074
Differences between expected and actual experience	49,237	-	121,576	-	172,510	-
Changes of assumptions	70,248	-	88,108	-	79,132	-
NET CHANGE IN TOTAL PENSION LIABILITY	456,451	305,253	488,955	218,756	451,789	163,277
TOTAL PENSION LIABILITY, BEGINNING	2,815,754	2,510,501	2,021,546	1,802,790	1,351,001	1,187,724
TOTAL PENSION LIABILITY, ENDING (a)	\$ 3,272,205	\$ 2,815,754	\$ 2,510,501	\$ 2,021,546	\$ 1,802,790	\$ 1,351,001
PLAN FIDUCIARY NET POSITION						
Contributions						
Employer	\$ 158,984	\$ 105,280	\$ 106,494	\$ 85,040	\$ 75,802	\$ 85,251
Member	47,172	47,067	41,742	39,710	40,175	31,575
Net investment income (loss)	431,042	(158,877)	249,967	102,715	(13,346)	62,845
Administrative expense	(9,970)	(5,920)	(6,575)	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	627,208	(12,250)	391,628	227,465	102,629	179,671
Plan fiduciary net position, beginning	1,885,873	1,898,123	1,506,495	1,279,030	1,176,401	996,730
PLAN FIDUCIARY NET, POSITION ENDING (b)	\$ 2,513,081	\$ 1,885,873	\$ 1,898,123	\$ 1,506,495	\$ 1,279,030	\$ 1,176,401
NET PENSION LIABILITY, ENDING (a)-(b)	\$ 759,124	\$ 929,881	\$ 612,378	\$ 515,051	\$ 523,760	\$ 174,600
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	76.80%	66.98%	75.61%	74.52%	70.95%	87.08%
COVERED PAY ROLL	\$ 865,531	\$ 945,635	\$ 835,655	\$ 801,110	\$ 619,306	\$ 584,467
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAY ROLL	87.71%	98.33%	73.28%	64.29%	84.57%	29.87%

NOTES TO SCHEDULE

Changes of assumptions. In 2019 the mortality rates were updated to the PubS-2010 mortality tables from the IRS 2017 Static Combined Table for Small Plans. In 2017 the mortality rates were based on the IRS 2017 Static Combined Table for Small Plans. In prior years, the mortality rates were based on the RP-2000 Table for Males or Females. In 2015, amounts reported as changes of assumptions resulted from a change in projected salary from 5% to 4.5%, and the investment rate of return used was changed from 8% to 7.5% to more closely estimate future experience.

This schedule is intended to show information for ten years; all available information is displayed. Additional information will be displayed as it becomes available.

EAST WHITELAND TOWNSHIP
SCHEDULE OF FIREFIGHTER PENSION PLAN
CONTRIBUTIONS
LAST SIX FISCAL YEARS

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 158,964	\$ 105,280	\$ 106,494	\$ 85,040	\$ 75,802	\$ 85,251
Contributions in relation to the actuarially determined contribution	158,964	105,280	106,494	85,040	75,802	85,251
Contribution (excess) deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 865,531	\$ 945,635	\$ 835,655	\$ 801,110	\$ 619,306	\$ 584,467
Contribution as a percentage of covered payroll	18.37%	11.13%	12.74%	10.62%	12.24%	14.59%

NOTES TO SCHEDULE

Actuarially determined contribution rates are calculated based on the plan's most recent available Act 205 actuarial valuation report. The January 1, 2017 actuarial valuation report was utilized for the 2019 Minimum Municipal Obligation calculation. The January 1, 2015 actuarial valuation report was utilized for the 2018 and 2017 Minimum Municipal Obligation calculation. The January 1, 2013 actuarial valuation report was utilized for the 2016 and 2015 Minimum Municipal Obligation calculation. The January 1, 2011 actuarial valuation report was utilized for the 2014 and 2013 Minimum Municipal Obligation calculations. The following actuarial methods and assumptions were used to determine contribution rates.

Methods and assumptions used to determine contribution rates:

Actuarial valuation date	1/1/17	1/1/15	1/1/13	1/1/11
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	Level dollar	Level dollar	Level dollar	Level dollar
Remaining amortization period	11 years	12 years	12 years	14 years
Asset valuation method	Market	Market	Market	Smoothing
Salary increases	4.5%	4.5%	5%	6%
Investment rate of return	7.5%	7.5%	8%	8%
Disability rates	None	None	None	None
Termination rates	W65	W65	W65	W65
Mortality	IRS 2017 Static Combined Table	RP2000	RP2000	GAM71
Retirement age	65	65	65	63
Cost-of-living adjustments	None	None	None	None

This schedule is intended to show information for ten years, all available information is displayed. Additional information will be displayed as it becomes available.

EAST WHITELAND TOWNSHIP
SCHEDULE OF FIREFIGHTER PENSION PLAN
INVESTMENT RETURNS
LAST SIX FISCAL YEARS

	<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>21.94%</u>	<u>-8.10%</u>	<u>16.09%</u>	<u>7.83%</u>	<u>-0.71%</u>	<u>6.58%</u>

NOTE TO SCHEDULE

This schedule is intended to show information for ten years, all available information is displayed. Additional information will be displayed as it becomes available.

EAST WHITELAND TOWNSHIP
SCHEDULE OF CHANGES IN THE NET OPEB PLAN
LIABILITY AND RELATED RATIOS
LAST THREE FISCAL YEARS

	2019	2018	2017
TOTAL OPEB LIABILITY			
Service cost	\$ 636,442	\$ 666,868	\$ 635,160
Interest	543,836	502,729	472,435
Changes of benefit terms	(464,687)	-	-
Differences between expected and actual experience	31,275	-	-
Changes of assumptions	1,223,746	(720,439)	-
Benefit payments	(281,412)	(335,508)	(227,399)
NET CHANGE IN TOTAL OPEB LIABILITY	1,689,200	113,650	880,196
TOTAL OPEB LIABILITY, BEGINNING	13,789,899	13,676,249	12,796,053
TOTAL OPEB LIABILITY, ENDING (a)	\$ 15,479,099	\$ 13,789,899	\$ 13,676,249
PLAN FIDUCIARY NET POSITION			
Contributions			
Employer	\$ 381,412	\$ 12,396	\$ 227,399
Net investment income	300,991	(143,596)	158,441
Benefit payments, including refunds of member contributions	(281,412)	(335,508)	(227,399)
Administrative expense	(3,668)	(4,073)	(4,607)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	397,323	(470,781)	153,834
Plan fiduciary net position, beginning	1,198,382	1,669,163	1,515,329
PLAN FIDUCIARY NET POSITION, ENDING (b)	\$ 1,595,705	\$ 1,198,382	\$ 1,669,163
NET OPEB LIABILITY, ENDING (a)-(b)	\$ 13,883,394	\$ 12,591,517	\$ 12,007,086
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY	10.31%	8.69%	12.20%
COVERED PAYROLL	\$ 4,729,369	\$ 4,679,117	\$ 4,679,117
NET OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	293.56%	269.10%	256.61%

NOTES TO SCHEDULE

Changes in assumptions: In 2019 the discount rate changed from 3.81% to 3.98%. The trend assumption was updated. The mortality table was changed from the IRS 2017 Small Plan Combined Static Mortality table to the PubS-2010 mortality table for Police and Fire and the PubG-2010 mortality table for Non-Uniformed employees. In 2018 the discount rate was changed from 3.55% to 3.81%.

Changes in benefit terms: In 2019, police officers retiring after 9/24/2019 will enroll in the active health plan. Also, Non-Uniformed Union employees who do not have 10 years of service as of 12/31/2022 will not receive post 65 benefits.

This schedule is intended to show information for ten years, all available information is displayed. Additional information will be displayed as it becomes available.

EAST WHITELAND TOWNSHIP
SCHEDULE OF OPEB PLAN
CONTRIBUTIONS
LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 281,412	\$ 1,068,349	\$ 1,068,349
Contributions in relation to the actuarially determined contribution	<u>381,412</u>	<u>12,396</u>	<u>227,399</u>
Contribution (excess) deficiency	\$ <u>(100,000)</u>	\$ <u>1,055,953</u>	\$ <u>840,950</u>
Covered payroll	\$ <u>4,729,369</u>	\$ <u>4,679,117</u>	\$ <u>4,679,117</u>
Contribution as a percentage of covered payroll	<u>8.06%</u>	<u>0.26%</u>	<u>4.86%</u>

NOTES TO SCHEDULE

Methods and assumptions used to determine contribution rates:

Actuarial valuation date	1/1/19
Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	26 years
Asset valuation method	Market value
Salary increases	4.5% to 5.0%
Investment rate of return	3.98%
Mortality	PubS-2010 mortality table for Police and Fire PubG-2010 mortality table for Non-Uniformed
Healthcare cost trend rates	5.5% decreasing to 4.0%

This schedule is intended to show information for ten years, all available information is displayed. Additional information will be displayed as it becomes available.

EAST WHITELAND TOWNSHIP
SCHEDULE OF OPEB PLAN
INVESTMENT RETURNS
LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	<u>23.39%</u>	<u>-8.98%</u>	<u>10.39%</u>

NOTE TO SCHEDULE

This schedule is intended to show information for ten years, all available information is displayed. Additional information will be displayed as it becomes available.

SUPPLEMENTARY INFORMATION SECTION

EAST WHITELAND TOWNSHIP
DESCRIPTION OF NONMAJOR FUNDS
OTHER GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

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 *Street Light Fund* is used to account for street light rents in the three developments that provide street lights.
- The *Park Development Fund* is used to account for park development projects.
- The *State 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 *Transportation Improvement Fund* is used to account for Act 209 Transportation Impact Fees that are collected by the Township and are used for transportation improvement projects.

EAST WHITELAND TOWNSHIP
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Special Revenue Funds			Capital Projects Fund	
	Street Light Fund	Park Development Fund	State Fund	Transportation Improvement Fund	Total Other Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 39,002	\$ 1,074,088	\$ 12,079	\$ 612,582	\$ 1,737,751
Receivables	369	-	-	-	369
TOTAL ASSETS	\$ 39,371	\$ 1,074,088	\$ 12,079	\$ 612,582	\$ 1,738,120
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 592	\$ 18,351	\$ -	\$ -	\$ 18,943
FUND BALANCES					
Restricted					
Highway and street projects	-	-	12,079	612,582	624,661
Assigned					
Highway and street projects	38,779	-	-	-	38,779
Park development	-	1,055,737	-	-	1,055,737
TOTAL FUND BALANCES	38,779	1,055,737	12,079	612,582	1,719,177
TOTAL LIABILITIES AND FUND BALANCES	\$ 39,371	\$ 1,074,088	\$ 12,079	\$ 612,582	\$ 1,738,120

EAST WHITELAND TOWNSHIP
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2019**

	Special Revenue Funds			Capital Projects Fund	
	Street Light Fund	Park Development Fund	State Fund	Transportation Improvement Fund	Total Other Governmental Funds
REVENUES					
Investment income and rent	\$ -	\$ 7,612	\$ 1,149	\$ 2,408	\$ 11,169
Intergovernmental revenues	-	-	372,775	-	372,775
Charges for services	-	-	-	205,000	205,000
Other	10,689	231,770	-	-	242,459
TOTAL REVENUES	10,689	239,382	373,924	207,408	831,403
EXPENDITURES					
Public works - highways and streets	7,484	-	363,746	-	371,230
Culture and recreation	-	106,002	-	-	106,002
TOTAL EXPENDITURES	7,484	106,002	363,746	-	477,232
EXCESS OF REVENUES OVER EXPENDITURES	3,205	133,380	10,178	207,408	354,171
OTHER FINANCING USES					
Transfers in	-	15,101	-	-	15,101
NET CHANGE IN FUND BALANCES	3,205	148,481	10,178	207,408	369,272
FUND BALANCES AT BEGINNING OF YEAR	35,574	907,256	1,901	405,174	1,349,905
FUND BALANCES BALANCES AT END OF YEAR	\$ 38,779	\$ 1,055,737	\$ 12,079	\$ 612,582	\$ 1,719,177

EAST WHITELAND TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Budget
REVENUES				
Interest income	\$ 15,000	\$ 15,000	\$ 42,376	\$ 27,376
Other	50,000	50,000	104,108	54,108
TOTAL REVENUES	65,000	65,000	146,484	81,484
EXPENDITURES				
General government				
Building and improvements	222,500	222,500	22,942	(199,558)
Furniture and office equipment	72,000	87,000	59,462	(27,538)
TOTAL GENERAL GOVERNMENT	294,500	309,500	82,404	(227,096)
Public safety				
Fire	12,000	12,000	6,960	(5,040)
Other expenses	364,300	502,285	363,406	(138,879)
TOTAL PUBLIC SAFETY	376,300	514,285	370,366	(143,919)
Public works - highways and streets				
Repairs and maintenance	267,000	297,000	205,733	(91,267)
Culture and recreation				
Capital construction	896,000	896,000	257,331	(638,669)
Community development				
Repairs and maintenance	50,000	50,000	11,337	(38,663)
TOTAL EXPENDITURES	1,883,800	2,066,785	927,171	(1,139,614)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,818,800)	(2,001,785)	(780,687)	1,221,098
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	5,000	5,000	42,422	37,422
Interfund transfers in, General Fund	475,600	475,600	975,600	500,000
Interfund transfers out,				
Park Development Fund	-	-	(15,101)	(15,101)
TOTAL OTHER FINANCING SOURCES	480,600	480,600	1,002,921	522,321
NET CHANGE IN FUND BALANCE	(1,338,200)	(1,521,185)	222,234	1,743,419
FUND BALANCE AT BEGINNING OF YEAR	8,000,295	8,000,295	8,000,295	-
FUND BALANCE AT END OF YEAR	\$ 6,662,095	\$ 6,479,110	\$ 8,222,529	\$ 1,743,419

EAST WHITELAND TOWNSHIP**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES -- BUDGET AND ACTUAL
NONMAJOR FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Street Light Fund	
	Budget	Actual
REVENUES		
Interest income	\$ 5	\$ -
Intergovernmental revenues	-	-
Charges for services	-	-
Other	10,713	10,689
TOTAL REVENUES	10,718	10,689
EXPENDITURES		
Public works		
Highways and streets	-	-
Street lighting	7,700	7,484
Culture and recreation		
Parks development	-	-
TOTAL EXPENDITURES	7,700	7,484
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,018	3,205
OTHER FINANCING USES		
Transfers in	-	-
NET CHANGE IN FUND BALANCES	3,018	3,205
FUND BALANCES AT BEGINNING OF YEAR	35,574	35,574
FUND BALANCES AT END OF YEAR	\$ 38,592	\$ 38,779

Park Development Fund		State Fund		Transportation Improvement Fund	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 2,000	\$ 7,612	\$ 100	\$ 1,149	\$ 2,000	\$ 2,408
42,000	-	363,874	372,775	-	-
-	-	-	-	300,000	205,000
150,000	231,770	-	-	-	-
<u>194,000</u>	<u>239,382</u>	<u>363,974</u>	<u>373,924</u>	<u>302,000</u>	<u>207,408</u>
-	-	363,870	363,746	100,000	-
-	-	-	-	-	-
638,000	106,002	-	-	-	-
<u>638,000</u>	<u>106,002</u>	<u>363,870</u>	<u>363,746</u>	<u>100,000</u>	<u>-</u>
(444,000)	133,380	104	10,178	202,000	207,408
-	15,101	-	-	-	-
(444,000)	148,481	104	10,178	202,000	207,408
<u>907,256</u>	<u>907,256</u>	<u>1,901</u>	<u>1,901</u>	<u>405,174</u>	<u>405,174</u>
\$ <u><u>463,256</u></u>	\$ <u><u>1,055,737</u></u>	\$ <u><u>2,005</u></u>	\$ <u><u>12,079</u></u>	\$ <u><u>607,174</u></u>	\$ <u><u>612,582</u></u>

STATISTICAL SECTION

STATISTICAL SECTION (Unaudited)

This part of East Whiteland 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 earned income tax, and property tax.

Debt Capacity

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

Demographic and Economic Information

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

Operation Information

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

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

Table 1

EAST WHITELAND TOWNSHIP

Net Position by Components of Net Position

Last Ten Fiscal Years (unaudited)

(accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities:										
Net Investment in Capital Assets	9,959,378	10,385,140	10,718,379	12,178,959	13,890,258	15,412,589	16,930,528	18,660,672	20,461,105	22,330,562
Restricted	624,661	407,075	1,164	137	126	-	-	-	-	-
Unrestricted	1,154,205	(1,528,701)	3,806,634	3,514,948	3,214,797	4,996,470	4,357,889	4,297,548	3,723,264	4,323,169
Total Governmental Activities Net Position	11,738,244	9,263,514	14,526,177	15,694,044	17,105,181	20,409,059	21,288,417	22,958,220	24,184,369	26,653,731
Business-type Activities:										
Net Investment in Capital Assets	18,217,920	17,400,739	14,968,372	13,970,651	12,780,609	10,549,269	8,310,714	10,084,680	8,724,618	7,653,383
Restricted	-	-	-	-	-	-	201,785	-	-	-
Unrestricted	8,229,857	7,874,995	6,311,041	6,235,006	6,437,604	9,025,213	9,854,928	7,533,910	8,466,442	9,495,212
Total Business-type Activities Net Position	26,447,777	25,275,734	21,279,413	20,205,657	19,218,213	19,574,482	18,367,427	17,618,590	17,191,060	17,148,595
Primary-type Activities:										
Net Investment in Capital Assets	28,177,298	27,785,879	25,686,751	26,149,610	26,670,867	25,961,858	25,241,242	28,745,352	29,185,723	29,983,945
Restricted	624,661	407,075	1,164	137	126	-	201,785	-	-	-
Unrestricted	9,384,062	6,346,294	10,117,675	9,749,954	9,652,401	14,021,683	14,212,817	11,831,458	12,189,706	13,818,381
Total Primary-type Activities Net Position	38,186,021	34,539,248	35,805,590	35,899,701	36,323,394	39,983,541	39,655,844	40,576,810	41,375,429	43,802,326

Source: East Whiteland Township Annual Financial Statements Statement of Net Position

Table 2

EAST WHITELAND TOWNSHIP
Changes in Net Position
Last Ten Fiscal Years (unaudited)
(accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses										
Governmental Activities:										
General Government	1,799,326	1,992,639	1,876,463	1,327,924	1,607,114	1,118,418	1,354,756	1,033,369	968,162	1,068,703
Public Safety	9,312,035	9,895,357	8,573,408	8,364,407	7,602,485	6,839,023	7,689,219	6,445,697	6,283,118	6,252,932
Public Works - Highways and Streets	3,244,902	3,314,877	3,295,339	3,570,145	3,410,649	1,836,437	1,622,598	1,355,881	1,432,080	1,339,770
Public Works - Sanitation	20,190	17,702	20,286	21,192	22,025	17,142	11,811	11,300	12,309	18,437
Culture, Recreation, Community Development	256,521	201,420	183,755	198,139	347,856	183,829	181,618	170,831	156,036	186,221
Other	-	6,947	4,719	207,028	88,740	-	-	-	-	-
Transfer to OPEB Fund	-	-	-	50,000	200,000	-	-	-	-	-
Depreciation, unallocated (2)	-	-	-	-	-	1,867,549	1,867,549	1,865,883	1,865,883	1,865,883
Debt Service	<u>221,448</u>	<u>213,653</u>	<u>224,773</u>	<u>331,545</u>	<u>293,650</u>	<u>115,617</u>	<u>6,721</u>	<u>5,276</u>	<u>2,988</u>	<u>6,205</u>
Total Governmental Activities	<u>14,854,422</u>	<u>15,642,595</u>	<u>14,178,743</u>	<u>14,070,380</u>	<u>13,572,519</u>	<u>11,978,015</u>	<u>12,734,272</u>	<u>10,888,237</u>	<u>10,720,576</u>	<u>10,738,151</u>
Business-Type Activities:										
Sewer Operating Expenses	3,848,023	3,126,206	3,552,541	3,225,860	2,967,808	2,576,276	2,206,189	2,187,312	2,268,037	2,224,201
Debt Service	<u>561,324</u>	<u>578,450</u>	<u>607,118</u>	<u>605,904</u>	<u>614,607</u>	<u>245,853</u>	<u>402,040</u>	<u>270,177</u>	<u>409,174</u>	<u>427,151</u>
Total Business-Type Activities:	<u>4,409,347</u>	<u>3,704,656</u>	<u>4,159,659</u>	<u>3,831,764</u>	<u>3,582,415</u>	<u>2,822,129</u>	<u>2,608,229</u>	<u>2,457,489</u>	<u>2,677,211</u>	<u>2,651,352</u>
Total Township Activities Expenses	<u>19,263,769</u>	<u>19,347,251</u>	<u>18,338,402</u>	<u>17,902,144</u>	<u>17,154,934</u>	<u>14,800,144</u>	<u>15,342,501</u>	<u>13,345,726</u>	<u>13,397,787</u>	<u>13,389,503</u>
Program Revenue										
Governmental Activities:										
Charges for Services:										
General Government (Franchise & Traffic Impact Fees)	429,891	633,591	233,935	226,810	274,126	205,824	196,525	184,730	180,825	173,784
Public Safety (Permits, Fines)	1,491,820	3,009,520	1,694,658	1,581,528	2,063,763	2,096,000	2,696,996	1,811,094	1,407,853	851,706
Parks and Recreation	73,882	41,703	42,435	63,986	47,611	49,310	51,933	49,404	46,544	48,839
Grants & Contributions & Intergovernment Aid	<u>1,726,173</u>	<u>1,216,177</u>	<u>1,176,055</u>	<u>921,830</u>	<u>708,926</u>	<u>1,005,362</u>	<u>1,171,596</u>	<u>901,839</u>	<u>916,526</u>	<u>725,721</u>
Total Governmental Activities Program Revenue	<u>3,721,766</u>	<u>4,900,991</u>	<u>3,147,083</u>	<u>2,794,154</u>	<u>3,094,426</u>	<u>3,356,496</u>	<u>4,117,050</u>	<u>2,947,067</u>	<u>2,551,748</u>	<u>1,800,050</u>
Business-Type Activities										
Sewer including Tapping Fees	4,745,887	5,115,886	5,000,977	4,833,908	3,269,721	3,770,849	2,517,448	2,675,907	2,670,297	3,085,802
Grants & Contributions	<u>181,831</u>	<u>2,057,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,000</u>	<u>963,000</u>	<u>116,000</u>	<u>11,250</u>	<u>16,000</u>
Total Business-Type Activities Program Revenue	<u>4,927,718</u>	<u>7,173,632</u>	<u>5,000,977</u>	<u>4,833,908</u>	<u>3,269,721</u>	<u>4,010,849</u>	<u>3,480,448</u>	<u>2,791,907</u>	<u>2,681,547</u>	<u>3,101,802</u>
Total Primary Government Program Revenues	<u>8,649,484</u>	<u>12,074,623</u>	<u>8,148,060</u>	<u>7,628,062</u>	<u>6,364,147</u>	<u>7,367,345</u>	<u>7,597,498</u>	<u>5,738,974</u>	<u>5,233,295</u>	<u>4,901,852</u>
Net (Expense)/Revenue										
Governmental Activities	(11,132,656)	(10,741,604)	(11,031,660)	(11,276,226)	(10,478,093)	(8,621,519)	(8,617,222)	(7,941,170)	(8,168,828)	(8,938,101)
Business-Type Activities	<u>518,371</u>	<u>3,468,976</u>	<u>841,318</u>	<u>1,002,144</u>	<u>(312,694)</u>	<u>1,188,720</u>	<u>872,219</u>	<u>334,418</u>	<u>4,336</u>	<u>450,450</u>
Total Primary Government Net Expense	<u>(10,614,285)</u>	<u>(7,272,628)</u>	<u>(10,190,342)</u>	<u>(10,274,082)</u>	<u>(10,790,787)</u>	<u>(7,432,799)</u>	<u>(7,745,003)</u>	<u>(7,606,752)</u>	<u>(8,164,492)</u>	<u>(8,487,651)</u>

Table 2

EAST WHITELAND TOWNSHIP Changes in Net Position Last Ten Fiscal Years (unaudited) (accrual basis of accounting)										
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Real Estate Taxes	757,124	729,661	671,762	642,400	617,549	591,379	597,985	569,554	579,844	617,364
Real Estate Transfer Tax	1,199,970	2,991,303	1,501,457	2,182,702	1,104,855	927,764	574,812	760,791	269,581	307,194
Earned Income Tax	9,741,890	6,520,525	6,121,771	5,143,306	6,084,879	5,014,880	4,693,510	4,397,004	3,844,129	4,060,240
Local Services Tax	1,322,836	1,262,897	1,273,571	1,277,561	1,396,149	1,074,886	1,004,423	919,549	843,809	990,367
Investment (Interest, Rent)	118,032	55,487	49,713	45,936	40,328	24,098	24,134	25,477	31,393	39,397
Gain on Sale of Capital Assets	43,207	23,529	6,313	517,720	44,998	33,279	39,525	18,960	22,636	9,452
Miscellaneous	258,162	250,281	239,206	55,464	22,485	75,865	13,040	23,686	108,074	34,210
Transfers In/Out	<u>166,165</u>	<u>166,320</u>	-	-	-	-	-	-	-	-
Total Government Activities General Revenue and Transfers	<u>13,607,386</u>	<u>12,000,003</u>	<u>9,863,793</u>	<u>9,865,089</u>	<u>9,311,243</u>	<u>7,742,151</u>	<u>6,947,429</u>	<u>6,715,021</u>	<u>5,699,466</u>	<u>6,058,224</u>
Business-Type Activities										
Investment Income / Interest	137,057	27,696	19,510	15,300	16,342	18,335	24,090	25,664	33,029	56,056
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	5,100	-
Miscellaneous	682,780	1,563,159	212,928	(30,000)	-	-	-	40,782	-	-
Transfers In/Out	<u>(166,165)</u>	<u>(166,320)</u>	-	-	-	-	-	-	-	-
Total Business Activities General Revenue and Transfers	<u>653,672</u>	<u>1,424,535</u>	<u>232,438</u>	<u>(14,700)</u>	<u>16,342</u>	<u>18,335</u>	<u>24,090</u>	<u>66,446</u>	<u>38,129</u>	<u>56,056</u>
Total Primary Government General Revenue	<u>14,261,058</u>	<u>13,424,538</u>	<u>10,096,231</u>	<u>9,850,389</u>	<u>9,327,585</u>	<u>7,760,486</u>	<u>6,971,519</u>	<u>6,781,467</u>	<u>5,737,595</u>	<u>6,114,280</u>
Total Change in Net Position										
Government Activities	2,474,730	1,258,399	(1,167,867)	(1,411,137)	(1,166,850)	(879,368)	(1,669,793)	(1,226,149)	(2,469,362)	(2,879,877)
Business-Type Activities	1,172,043	4,893,511	1,073,756	987,444	(296,352)	1,207,055	896,309	400,864	42,465	506,506
Total Primary Government	<u>3,646,773</u>	<u>6,151,910</u>	<u>(94,111)</u>	<u>(423,693)</u>	<u>(1,463,202)</u>	<u>327,687</u>	<u>(773,484)</u>	<u>(825,285)</u>	<u>(2,426,897)</u>	<u>(2,373,371)</u>

Notes:

(1) Net (expense) revenue is the difference between expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in parenthesis indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parenthesis indicate that program revenues were more than sufficient to cover expenses.

(2) Prior to 2015, the depreciation was not allocated to the specific governmental activities in the statement of Activities source document.

Table 3

EAST WHITELAND TOWNSHIP										
Fund Balances of Governmental Funds										
Last Ten Fiscal Years (unaudited)										
(modified accrual basis of accounting)										
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:										
Restricted	-	-	-	-	-	-	-	-	-	-
Nonspendable, prepaid items	-	-	112,770	27,301	13,500	13,500	13,500	16,500	13,500	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned (1)	7,043,868	4,527,625	5,195,382	4,195,382	3,493,000	-	-	-	-	-
Unassigned	-	-	16,978	69,328	91,961	5,617,519	4,977,835	4,627,422	3,472,425	3,437,279
Total General Fund	<u>7,043,868</u>	<u>4,527,625</u>	<u>5,325,130</u>	<u>4,292,011</u>	<u>3,598,461</u>	<u>5,631,019</u>	<u>4,991,335</u>	<u>4,643,922</u>	<u>3,485,925</u>	<u>3,437,279</u>
All Other Governmental Funds:										
Restricted	624,661	407,075	1,164	2,405,350	4,053,513	9,280,202	2,424,480	2,207,508	2,229,752	2,353,264
Nonspendable	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	9,820,539	8,943,125	5,314,079	2,833,450	2,097,467	336,332	343,008	340,457	352,829	352,170
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>10,445,200</u>	<u>9,350,200</u>	<u>5,315,243</u>	<u>5,238,800</u>	<u>6,150,980</u>	<u>9,616,534</u>	<u>2,767,488</u>	<u>2,547,965</u>	<u>2,582,581</u>	<u>2,705,434</u>
Total All Governmental Funds	<u>17,489,068</u>	<u>13,877,825</u>	<u>10,640,373</u>	<u>9,530,811</u>	<u>9,749,441</u>	<u>15,247,553</u>	<u>7,758,823</u>	<u>7,191,887</u>	<u>6,068,506</u>	<u>6,142,713</u>

(1) 2019: Operating Contingency 17% expenditures, \$2,093,868; Tax Stabilization 33% tax revenues, \$4,050,000; Pension Stabilization \$500,000; Other Post Employment Benefits \$350,000; Stormwater Mgt. \$50,000.

Compliance with GASB Statement No. 54

Table 4

EAST WHITELAND TOWNSHIP										
Change in Fund Balances of Governmental Funds										
Last Ten Fiscal Years (unaudited)										
(modified accrual basis of accounting)										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Taxes	13,031,890	11,505,385	9,560,425	9,250,138	9,199,437	7,606,909	6,870,730	6,672,547	5,552,372	5,955,165
Fees, Licenses and Permits	1,573,482	3,023,954	1,645,013	1,534,651	1,879,454	205,824	196,525	185,230	181,025	173,984
Fines and Forfeitures	51,600	50,627	53,852	100,071	205,534	202,461	156,817	191,211	212,981	157,313
Interest Income & Rent	118,032	55,487	49,713	45,936	40,328	24,098	24,134	25,477	31,393	39,397
Intergovernmental Revenues	1,495,673	921,582	881,104	921,830	765,240	1,005,362	921,596	901,839	916,526	725,721
Charges for Services	370,511	585,716	250,161	221,102	244,198	1,942,849	2,592,112	1,668,787	1,241,216	743,032
Contributions	-	-	-	-	-	-	250,000	-	-	-
Other	488,662	569,393	552,616	31,556	22,485	75,865	13,039	23,686	108,074	34,210
Total Revenue	17,129,850	16,712,144	12,992,884	12,105,284	12,356,676	11,063,368	11,024,953	9,668,777	8,243,587	7,828,822
Expenditures:										
General Government	1,770,840	1,952,870	1,890,806	1,492,784	1,564,835	2,470,226	1,180,895	868,203	779,225	928,980
Public Safety	8,848,997	8,501,189	7,710,278	7,636,593	8,049,948	6,994,142	6,715,442	6,129,167	5,875,054	5,736,552
Public Works - Highways and Streets	2,055,201	2,395,320	1,790,706	2,658,923	7,223,148	1,852,181	1,473,067	1,494,120	1,418,626	1,326,427
Public Works - Sanitation	20,190	17,702	20,286	21,192	22,025	17,142	11,811	11,300	12,309	18,437
Parks and Recreation	520,528	284,986	256,683	387,821	310,976	148,832	134,265	137,551	198,296	152,941
Contributions to OPEB Trust Fund	-	-	-	50,000	200,000	150,000	1,000,000	-	-	-
Other	7,992	6,947	4,719	118,761	88,740	9,965	13,720	10,182	10,956	9,387
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	295,000	285,000	5,000	225,000	100,000	64,025	60,730	69,919	38,682	73,537
Interest and Other Charges	209,231	220,527	214,700	377,783	340,114	8,295	6,259	5,366	3,732	7,697
Total Expenditures	13,727,979	13,664,541	11,893,178	12,968,857	17,899,786	11,714,808	10,596,189	8,725,808	8,336,880	8,253,958
Excess (Deficiency) of Revenue over Expenditures:	3,401,871	3,047,603	1,099,706	(863,573)	(5,543,110)	(651,440)	428,764	942,969	(93,293)	(425,136)
Other Financing Sources (Uses):										
Proceeds from Long Term Financing	-	-	-	6,160,000	-	8,225,403	102,850	165,000	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	(6,058,930)	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	43,207	23,529	6,313	517,720	44,998	33,279	39,525	18,960	22,636	9,452
Refund of Prior Year Revenue	-	-	-	-	-	(3,612)	(4,203)	(3,548)	(3,550)	(5,934)
Refund of Prior Year Expenditures	-	-	-	-	-	-	-	-	-	-
Cost of Bond Issuance	-	-	-	(3,847)	-	(114,900)	-	-	-	-
Interfund Transfers In	1,156,866	4,712,740	247,245	1,221,730	3,287,948	412,730	394,948	248,487	325,935	282,027
Interfund Transfers Out	(990,701)	(4,546,420)	(243,702)	(1,191,730)	(3,287,948)	(412,730)	(394,948)	(248,487)	(325,935)	(282,027)
Total Other Financing Sources (Uses)	209,372	189,849	9,856	644,943	44,998	8,140,170	138,172	180,412	19,086	3,518
Net Change in Fund Balance:	3,611,243	3,237,452	1,109,562	(218,630)	(5,498,112)	7,488,730	566,936	1,123,381	(74,207)	(421,618)
Fund Balance Beginning of Year:	13,877,825	10,640,373	9,530,811	9,749,441	15,247,553	7,758,823	7,191,887	6,068,506	6,142,713	6,564,331
Fund Balance End of Year:	17,489,068	13,877,825	10,640,373	9,530,811	9,749,441	15,247,553	7,758,823	7,191,887	6,068,506	6,142,713
Capital Outlay (included in Functional Expenditures above)	1,261,778	1,444,679	712,232	1,449,897	6,127,087	1,624,489	423,365	374,909	196,976	165,094
Ratio of Debt Service to Noncapital Expenditures	4.0%	4.1%	2.0%	5.2%	3.7%	0.7%	0.7%	0.9%	0.5%	1.0%

Table 5

EAST WHITELAND TOWNSHIP
General Government Tax Revenues by Source
Last Ten Fiscal Years (unaudited)
(modified accrual basis of accounting)

Year	Real Estate Tax (1)	Real Estate Transfer Tax	Earned Income Tax (2)	Local Services Tax	Total Tax Revenue	% of Total Governmental Revenue	Total Governmental Revenue
2010	597,364	307,194	4,060,240	990,367	5,955,165	76%	7,858,274
2011	594,853	269,581	3,844,129	843,809	5,552,372	67%	8,251,214
2012	595,203	760,791	4,397,004	919,549	6,672,547	69%	9,662,088
2013	597,985	574,812	4,693,510	1,004,423	6,870,730	62%	11,064,479
2014	591,379	927,764	5,014,880	1,074,886	7,608,909	69%	11,098,647
2015	617,549	1,104,855	6,084,879	1,396,149	9,203,432	74%	12,405,669
2016	642,400	2,182,702	5,143,306	1,277,561	9,245,969	76%	12,105,284
2017	671,762	1,501,457	6,121,771	1,273,571	9,568,561	74%	12,992,884
2018	730,660	2,991,303	6,520,525	1,262,897	11,505,385	69%	16,712,144
2019	767,194	1,199,970	9,741,890	1,322,836	<u>13,031,890</u>	76%	<u>17,129,850</u>
					\$ 85,214,960	71%	\$ 119,280,533

Notes: All balances as of Year End December 31

(1) The Real Estate Tax rate is .445 mills for all years charged on Assessed Value.

See Table 7 for the values

(2) The Earned Income Tax rate is 0.75 % (Effective January 1, 2019)

Source: Changes in Fund Balances Statement

Table 6

EAST WHITELAND TOWNSHIP
Major Revenue Source Earned Income Tax
Last Ten Fiscal Years (unaudited)

Year	Personal Income all Workers	Earned Income Tax Rate	Earned Income Tax	Percent of Total Revenue
2010	812,048,000	0.0050	4,060,240	52%
2011	768,825,800	0.0050	3,844,129	47%
2012	879,400,800	0.0050	4,397,004	46%
2013	938,702,000	0.0050	4,693,510	42%
2014	1,002,976,000	0.0050	5,014,880	45%
2015	1,216,975,800	0.0050	6,084,879	49%
2016	1,028,661,200	0.0050	5,143,306	42%
2017	1,224,354,200	0.0050	6,121,771	47%
2018	1,304,105,000	0.0050	6,520,525	39%
2019	1,298,918,667	0.0075	9,741,890	57%

Source: East Whiteland Township Annual Financial Statements

Note: In 2015, an accounting change was made to accrue payments received 60 days after December 31 in the current year so 2015 includes 14 months of collections

Table 7

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

Year	Total Taxable Assessed Value (1)	Common Level Ratio Factor	Estimated Actual Value (2)	Ratio of Total Assessed Value to Estimated Actual Value	Total Township Millage Rate (3)
2010	1,365,829,977	1.81	2,472,152,258	55.2%	0.445
2011	1,361,606,017	1.79	2,437,274,770	55.9%	0.445
2012	1,343,229,791	1.70	2,283,490,645	58.8%	0.445
2013	1,339,489,503	1.66	2,223,552,575	60.2%	0.445
2014	1,352,321,293	1.73	2,339,515,837	57.8%	0.445
2015	1,384,150,303	1.81	2,505,312,048	55.2%	0.445
2016	1,438,029,865	1.86	2,674,735,549	53.8%	0.445
2017	1,465,755,384	1.89	2,770,277,676	52.9%	0.445
2018	1,606,487,994	1.95	3,132,651,588	51.3%	0.445
2019	1,672,141,764	2.03	3,394,447,781	49.3%	0.445

Notes:

(1) Chester County Board of Assessments Statement of Valuations

(2) Estimated Actual Value is calculated by multiplying the assessed value by the common level ratio provided by the PA State Tax Equalization Board

(3) Tax Rates are Mills per \$1,000 assessed value

Table 8

EAST WHITELAND TOWNSHIP
Property Tax Rates, Direct and Overlapping Governments
Last Ten Fiscal Years (unaudited)

Year	East Whiteland Township Millage	Great Valley School District Millage	Chester County Millage	Total Millage
2010	0.445	18.500	3.965	22.910
2011	0.445	19.030	3.965	23.440
2012	0.445	19.590	3.965	24.000
2013	0.445	19.590	4.163	24.198
2014	0.445	20.000	4.163	24.608
2015	0.445	20.320	4.163	24.928
2016	0.445	20.800	4.163	25.408
2017	0.445	20.800	4.369	25.614
2018	0.445	21.295	4.369	26.109
2019	0.445	21.550	4.369	26.364

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

Table 9

EAST WHITELAND TOWNSHIP
Principal Property Taxpayers
Current Year and Nine Years Ago

			December 31, 2019	
Rank	Taxpayer	Type of Business	Taxable Assessed Value	% of Total Assessment
1	WPT Land 2 LP	Industrial & Commercial Property	\$ 98,126,860	5.87%
2	Haven at Atwater Village LLC	Developer	54,406,940	3.25%
3	Cerner Health Services	Computer Services	47,495,290	2.84%
4	Mountain Laurel Funding Co LLC	Commercial Property	45,382,910	2.71%
5	IPXI 1400 Atwater Investors LLC	Developer	35,788,400	2.14%
6	Horatio Realty Trust	Pharmaceutical Products	30,702,000	1.84%
7	Worthington Associates	Apartments & Commercial Property	28,348,830	1.70%
8	425 GVP Property Co LLC	Commercial Property	26,872,670	1.61%
9	Home Properties - William Henry Apts LLC	Apartments	24,200,480	1.45%
10	CLF Westbrook Malvern	Commercial Property	22,557,360	1.35%
	Total		\$ 413,881,740	24.75%
Total Assessed Valuation			\$ 1,672,141,764	
			December 31, 2010	
1	Liberty Property	Industrial & Commercial Property	\$ 179,226,150	13.12%
2	Shared Medical	Computer Services	66,923,320	4.90%
3	Wyeth Laboratories Inc	Pharmaceutical Products	44,458,550	3.26%
4	National Liberty Life Insurance Co	Insurance	22,311,230	1.63%
5	Riggs Bank Trust Multi Employer Corp	Banking	17,969,930	1.32%
6	Home Properties - William Henry Apts LLC	Apartments	14,891,210	1.09%
7	Valley Brook Land Holding Inc.	Industrial & Commercial Property	12,773,270	0.94%
8	Harte IHR Frazer LP	Hotels	12,636,380	0.93%
9	LP Malvern Limited Partnership	Industrial & Commercial Property	12,051,400	0.88%
10	Morelli Enterprises LP	Commercial Property	11,180,950	0.82%
	Total		\$ 383,241,440	28.06%
Total Assessed Valuation			\$ 1,365,831,127	

Source: Tax Duplicate

Table 10

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

Calendar Year	Tax Rate (mills)	Total Tax Levy (1)	Current Tax Collections at Face (1)	Percent of Levy Collected	Delinquent Tax Collections in Current Year	Total Tax Collections (2)
2010	0.445	608,359	602,400	99.02%	7,538	609,938
2011	0.445	607,548	599,510	98.68%	4,061	603,571
2012	0.445	598,813	593,718	99.15%	8,493	602,211
2013	0.445	594,955	588,602	98.93%	8,324	596,926
2014	0.445	602,479	595,071	98.77%	7,475	602,546
2015	0.445	615,815	610,809	99.19%	9,030	619,839
2016	0.445	642,027	635,881	99.04%	10,328	646,209
2017	0.445	653,821	645,228	98.69%	9,261	654,489
2018	0.445	713,335	702,157	98.43%	14,332	716,489
2019	0.445	761,692	745,461	97.87%	17,206	762,667

(1) Source - Real Estate Audit Report

(2) Total includes current year, penalties, discounts, and all prior years delinquent collections

Table 11

EAST WHITELAND TOWNSHIP
Sewer Billing Rates, Revenue and Fees
Last Six Fiscal Years (unaudited)

Rates:

Residential / Businesses	\$100/quarter, \$135.50/quarter, \$150/quarter, \$120/quarter
High Volume Commercial	\$6.20 x meter reading
Other municipalities	based on flow and allocation of sewer department cost

Accounts (in units):

Residential / Businesses	3,829
High Volume Commercial	<u>15</u>
Total	3,844

Billing (annual amount in \$):

Residential / Businesses	\$ 3,176,828
High Volume Commercial	374,303
Other Municipalities	<u>210,656</u>
Total	\$ 3,761,787

	Sewer Rents	Connecting & Tapping Fees	Total Operating Revenue
2019	\$ 3,761,787	\$ 984,100	\$ 4,745,887
2018	3,809,229	1,306,657	5,115,886
2017	3,294,177	1,706,800	5,000,977
2016	3,312,268	844,300	4,156,568
2015	2,715,966	442,750	3,158,716
2014	2,613,696	242,200	2,855,896

Table 12

EAST WHITELAND TOWNSHIP
Computation of Legal Debt Margin
December 31, 2019 (unaudited)

Borrowing Base Revenues	
2017	18,244,291
2018	23,441,415
2019	<u>22,225,217</u>
Total Revenues	\$ 63,910,923
 Debt Limit for General Obligation Debt:	
Average borrowing base revenues	\$ 21,303,641
Debt limit percent	250%
Debt limit	\$ 53,259,103
Total amount of debt applicable to debt limit	<u>23,806,512</u>
Legal debt margin	<u><u>\$ 29,452,591</u></u>
 Debt Limit for General Obligation Bonds and Lease Rental Debt:	
Average borrowing base revenues	\$ 21,303,641
Debt limit percent	350%
Debt limit	74,562,744
Total amount of debt applicable to debt limit	<u>23,806,512</u>
Legal debt margin	<u><u>\$ 50,756,232</u></u>

Note: Borrowing base represents total revenues per the PA Local Government Unit Debt Act 177 of 1996
Source: East Whiteland Township Annual Financial Statements

Table 13

EAST WHITELAND TOWNSHIP
Legal Debt Margin Information
Last Ten Years (unaudited)

Year Ended 31-Dec	Three year Average Revenue	Debt Limit 250%	General Obligation Debt (1)	Legal Debt Margin	Debt Capacity
	Borrowing Base				
2010	11,714,903	29,287,258	8,617,096	20,670,162	70.6%
2011	11,065,586	27,663,965	8,185,229	19,478,736	70.4%
2012 (2)	11,502,488	28,756,219	8,169,013	20,587,206	71.6%
2013 (3)	12,686,783	31,716,957	20,294,274	11,422,683	36.0%
2014 (4)	14,072,430	35,181,074	27,801,060	7,380,014	21.0%
2015	15,129,527	37,823,817	27,003,465	10,820,352	28.6%
2016 (5)	16,099,338	40,248,345	26,523,308	13,725,037	34.1%
2017	17,138,158	42,845,395	25,811,042	17,034,353	39.8%
2018	19,721,386	49,303,464	24,798,777	24,504,687	49.7%
2019	21,303,641	53,259,103	23,806,512	29,452,591	55.3%

(1) Includes Bond Discount Credit and Deferred amount on refunding credit

(2) General Obligation Bond 2012A issued for \$4,685,000 to refund series 2005 in Proprietary Fund
 General Obligation Bond 2012A issued for \$4,130,000 to refund series 1999 in Proprietary Fund

(3) General Obligation Bond 2013A issued for \$12,145,000 for Proprietary Fund Sewer Expansion

(4) General Obligation Bond 2014 issued for \$8,040,000 for General Fund (new Public Works Building)
 Partially refunded in 2016 to net balance of \$2,130,000

(5) GOB 2016 issued for \$6,160,000 for General Fund to partially refund GOB series 2014

Table 14

EAST WHITELAND TOWNSHIP
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (unaudited)

Year Ended 31-Dec	Governmental Activities		Business Type Activities	Total Primary Government Debt	Personal Income (4)	Debt % of Total Income	Population (5)	Debt Per Capita (population)
	General Obligation Bonds (1)	Capital Leases (2)	Self Liquidating Sewer Bonds (3)					
2010	-	-	8,617,096	8,617,096	419,774,531	2.1%	10,481	822
2011	-	34,738	8,185,229	8,219,967	463,630,323	1.8%	10,569	778
2012	-	129,819	8,169,013	8,298,832	460,982,307	1.8%	10,599	783
2013	-	171,939	20,294,274	20,466,213	427,793,294	4.8%	10,657	1,920
2014	8,218,272	107,914	19,582,788	27,908,974	435,880,929	6.4%	10,681	2,613
2015	8,111,141	45,749	18,892,324	27,049,214	435,880,929	6.2%	10,681	2,532
2016	8,331,448	10,494	18,191,860	26,533,802	434,037,032	6.1%	10,699	2,480
2017	8,324,646	2,913	17,486,396	25,813,955	491,769,678	5.2%	10,858	2,377
2018	8,037,845	-	16,760,932	24,798,777	513,419,712	4.8%	11,072	2,240
2019	7,741,044	-	16,065,468	23,806,512	587,621,370	4.1%	11,415	2,086

(1) Bond issued to construct a new Public Works Building on the Municipal Campus

(2) Capital Lease for equipment & software

(3) All Sewer Bonds are Self Liquidating.

(4) Yr 2019 Personal Income calculated using U.S. Census Bureau 2014-2018 American Community Survey 5-Year Estimates

(5) Yr 2019 U.S. Census Bureau 2014-2018 American Community Survey 5-Year Estimates

Table 15

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

Year Ended 31-Dec	Population	Assessed Value	Gross General Obligation Debt	Percentage of General Obligation Debt to Assessed Value	Net General Obligation Debt Per Capita (residents)
2010	10,481	2,472,152,258	8,617,096	0.35%	822
2011	10,569	2,437,274,770	8,185,229	0.34%	774
2012	10,599	2,283,490,645	8,169,013	0.36%	771
2013	10,657	2,223,552,575	20,294,274	0.91%	1,904
2014	10,681	2,339,515,837	27,801,060	1.19%	2,603
2015	10,681	2,505,312,048	27,003,465	1.08%	2,528
2016	10,699	2,674,735,549	26,523,308	0.99%	2,479
2017	10,858	2,770,277,676	25,811,042	0.93%	2,377
2018	11,072	3,132,651,588	24,798,777	0.79%	2,240
2019	11,415	3,394,447,781	23,806,512	0.70%	2,086

Sources for Population:

U.S. Census Bureau 2006-2010 American Community Survey

U.S. Census Bureau 2006-2018 American Community Survey 5 Year Estimates

Table 16

EAST WHITELAND TOWNSHIP
Computation of Direct and Overlapping Debt
as of December 31, 2019

Jurisdiction	Total Debt Outstanding	Assessed Value	Percentage Applicable to East Whiteland	Amount Applicable to East Whiteland
Direct:				
East Whiteland Township	\$ 7,741,044	\$ 3,394,447,781	100%	\$ 7,741,044
Overlapping:				
Great Valley School District	22,018,449	3,818,966,671	88.9%	19,570,863
Chester County (2)	<u>497,780,000</u>	<u>38,700,276,590</u>	8.8%	<u>43,660,882</u>
Total Overlapping Debt	<u>519,798,449</u>	<u>42,519,243,261</u>		<u>63,231,746</u>
Total Debt	<u>\$ 527,539,493</u>	<u>\$ 45,913,691,042</u>		<u>\$ 70,972,790</u>

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

(2) Proportional share of existing debt as of December 31, 2019 is based on the ratio of East Whiteland's assessed value to Chester County's and Great Valley School District's assessed value respectively.

Table 17

EAST WHITELAND TOWNSHIP
Demographic and Economic Statistics
Last Ten Years (unaudited)

Year Ended	Per Capita Income		Total Personal	Unemployment	Median	
31-Dec	(1)	Population (1)	Income	Rate (2)	Household	Median Age (1)
					Income (1)	
2010	40,051	10,481	419,774,531	6.2	88,277	36.0
2011	43,867	10,569	463,630,323	5.8	89,673	37.3
2012	43,493	10,599	460,982,307	5.6	91,144	37.1
2013	40,142	10,657	427,793,294	5.3	91,261	36.6
2014	40,809	10,681	435,880,929	4.2	90,327	37.9
2015	40,809	10,681	435,880,929	3.5	90,327	37.9
2016	40,568	10,699	434,037,032	3.9	91,109	38.6
2017	45,291	10,858	491,769,678	3.1	100,000	39.7
2018	46,371	11,072	513,419,712	2.7	103,836	39.1
2019	51,478	11,415	587,621,370	3.1	111,870	37.5

(1) Yr 2019 U.S. Census Bureau 2014-2018 American Community Survey 5-Year Estimates
 Yr 2018 U.S. Census Bureau 2013-2017 American Community Survey 5-Year Estimates
 Yr 2017 U.S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates
 Yr 2016 U.S. Census Bureau 2011-2015 American Community Survey 5-Year Estimates
 Yr 2015 & 2014 U.S. Census Bureau 2010-2014 American Community Survey 5-Year Estimates
 Yr 2013 U.S. Census Bureau 2009-2013 American Community Survey 5-Year Estimates
 Yr 2012 U.S. Census Bureau 2008-2012 American Community Survey 5-Year Estimates
 Yr 2011 U.S. Census Bureau 2007-2011 American Community Survey 5-Year Estimates
 Yr 2010 U.S. Census Bureau 2006-2010 American Community Survey 5-Year Estimates

(2) U.S. Dept of Labor - Unemployment Rates By County for Pennsylvania

Table 18

EAST WHITELAND TOWNSHIP
Census Statistics
December 31, 2019

<u>Age Group Comparisons:</u>	<u>Township</u>		<u>State</u>		<u>US</u>	
	<u>2010</u>	<u>2000</u>	<u>2010</u>	<u>2000</u>	<u>2010</u>	<u>2000</u>
% Under 18	23.9%	24.0%	24.9%	23.8%	25.9%	25.7%
% 18-44	37.7%	38.1%	31.4%	37.5%	33.6%	39.9%
% 45-64	26.6%	23.6%	28.1%	23.1%	26.4%	22.0%
% 65 and over	11.8%	14.3%	15.6%	15.6%	13.1%	12.4%
Median (years)	36.0	38.2	40.1	38.0	37.2	35.3

<u>Population Density</u>	<u>Township</u>		<u>State</u>		<u>US</u>	
	<u>2010</u>	<u>2000</u>	<u>2010</u>	<u>2000</u>	<u>2010</u>	<u>2000</u>
(persons/sq. mile)	968.2	848.5	283.4	274.0	87.3	79.6

<u>Average Household Size (persons):</u>	<u>2010</u>	<u>2000</u>
East Whiteland Township	2.73	2.59
Chester County	2.65	2.65
Pennsylvania	2.45	2.48
U.S.	2.58	2.59

<u>Percentage of Owner-Occupied Housing Units</u>	<u>2010</u>	<u>2000</u>
East Whiteland Township	76.6%	77.8%
Chester County	79.5%	80.7%
Pennsylvania	69.6%	71.3%
U.S.	65.1%	66.2%

<u>Median Household Income:</u>	<u>2010</u>	<u>2000</u>
East Whiteland Township	\$ 88,277	\$ 69,500
Chester County	84,741	65,037
Pennsylvania	49,737	40,106
U.S.	51,425	41,994

<u>Per Capita Income:</u>	<u>2010</u>	<u>2000</u>
East Whiteland Township	\$ 40,051	\$ 30,258
Chester County	41,251	31,627
Pennsylvania	26,678	20,880
U.S.	27,041	21,587

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

Table 19

EAST WHITELAND TOWNSHIP
Principal Employers
Current Year and Nine Years Ago

Employer	Description	(1) 2019 Approximate Employment	Percent of Total Township Employment	2010 Approximate Employment	Percent of Total Township Employment
Vanguard Group, Inc.	Financial Services / Mutual Funds	3,971	13.03%	1,952	8.13%
Cerner Health Services, Inc.	Health Services	1,032	3.39%	-	-
Johnson & Johnson (Centocor Division)	Pharmaceuticals	899	2.95%	694	2.89%
Cerner Corporation	Software / Technology	756	2.48%	-	-
Siemens Medical Solutions USA, Inc.	Software / Technology	741	2.43%	3,163	13.18%
Immaculata University	Education	584	1.92%	1,322	5.51%
Certainteed Corporation	Manufacturer Building Materials	556	1.82%	-	-
Wegman's Food Market, Inc.	Grocery / Food	510	1.67%	736	3.07%
Great Valley School District	Education	366	1.20%	590	2.46%
Ricoh Americas Corp	Digital Business Services /Printing Solutions	363	1.19%	-	-
Verizon Service Corporation	Telecommunications	-	-	1,583	6.60%
Wyeth LLC	Pharmaceuticals	-	-	967	4.03%
Sanofi Aventis US Inc	Pharmaceuticals	-	-	729	3.04%
Cephalon Inc	Pharmaceuticals	-	-	678	2.83%
Total Principal Employers		<u>9,778</u>	32.1%	<u>12,414</u>	51.7%
Total Township Employment		30,478		24,000	
Top 10 Employers as % of Township Total		32.1%		51.7%	

(1) Source: Local Services Tax Report from Keystone Collections Group

Table 20

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Government										
Admin, Finance	4	4	3	4	4	3	3	3	3	3
Support Staff / FTE	1.5	1	1	1	1	1	1	1	1	1
Police										
Full Time Officers	22	21	19	20	20	20	21	20	20	20
Part Time Officers / FTE	1.5	2.9	2.1	2.6	2.6	3.2	2.8	3.8	3.6	2.8
Admin & IT	2	2	3	3	3	3	3	2	2	2
Fire										
Full Time Firefighters	10	10	10	10	10	9	9	9	9	9
Part Time Firefighters / FTE	3.72	3.79	2.72	2.85	2.85	4.0	2.45	2.35	2.6	2.1
Codes & Safety										
Inspectors/ Codes Enforcement	3	4	3	5	5	5	5	5	5	5
Support Staff	1	1	1	1	1	1	1	1	1	1
Planning & Zoning										
Director	1	1	1	1						
Support Staff	2									
Public Works										
Maintenance Workers	7	8	8	8	8	8	7	7	7	7
Director & Asst Director	2	2	2	2	1	1	1	1	1	1
Park and Recreation										
Camp Counselors	1.0	1.0	1.0	1.0	1.0	0.8	0.8	0.7	0.8	0.7
Sewer										
Maintenance Workers	3	2	3	3	3	3	3	3	3	3
Support Staff	1	1	1	1	1	1	1	1	1	1
Total										
Full Time	59	56	53	57	56	54	54	52	52	52
Part Time / FTE	<u>6.7</u>	<u>8.7</u>	<u>6.8</u>	<u>7.4</u>	<u>7.4</u>	<u>9.0</u>	<u>7.0</u>	<u>7.9</u>	<u>8.1</u>	<u>6.6</u>
Total FTE	<u>65.7</u>	<u>64.7</u>	<u>60.8</u>	<u>65.4</u>	<u>63.4</u>	<u>63.0</u>	<u>61.0</u>	<u>59.9</u>	<u>60.1</u>	<u>58.6</u>

Source: December 31 Payroll records for active employees - excludes Interns

Table 21

EAST WHITELAND TOWNSHIP
Operating Indicators by Function
Last Ten Years

General Government	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Part 1 Uniform Crime Reports	145	118	151	128	119	133	128	148	139	159
Part 2 Uniform Crime Reports	120	105	158	235	269	218	177	228	212	230
Fire										
Vehicle / EMS	2,104	2,140	1,618	1,018	1,047	1,008	926	975	901	943
Fire Alarm	326	337	254	252	229	216	211	200	207	191
Structure Fires	46	28	31	62	96	60	78	71	63	72
Other Fire related calls	842	887	433	159	171	175	124	148	190	159
Total Fire	1,214	1,252	718	473	496	451	413	419	460	422
Total Incidents	3,318	3,392	2,336	1,491	1,543	1,459	1,339	1,394	1,361	1,365
Codes & Safety										
Building Permits	445	538	439	432	300	264	251	238	257	219
Electrical Permits	325	400	368	340	203	155	159	164	158	123
Mechanical Permits	244	322	303	253	130	100	78	86	73	70
Plumbing Permits	248	318	295	249	115	90	69	98	81	60
Occupancy Permits	131	113	126	197	128	129	124	106	106	98
Total Permits	1,393	1,691	1,531	1,471	876	738	681	692	675	570
Building Inspections performed	5,572	6,087	5,175	2,982	1,030	1,103	961	724	575	530
Public Works - Highway and Streets										
Snow Salt Used Per Ton	275	1,157	1,345	800	1,000	1,500	1,500	1,000	1,000	1,000
Square Yards of Roads Repaved	44,010	36,800	39,850	38,485	19,020	17,663	16,745	19,924	13,988	12,772
Park and Recreation										
Camp Registration	104	74	81	110	121	130	117	81	124	127
Sewer										
# Pump Stations	13	13	13	13	13	13	13	13	13	13

Source: East Whiteland Township Performance Status reports

Table 22

EAST WHITELAND TOWNSHIP
Capital Asset Statistics by Function
Last Ten Years (unaudited)

General Government	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Municipal Building	1	1	1	1	1	1	1	1	1	1
Square Footage	13,312	13,312	13,312	13,312	13,312	13,312	13,312	13,312	13,312	13,312
Vehicles	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Vehicles	23	25	22	21	21	20	19	20	20	20
Safety & Codes Enforcement										
Vehicles	6	6	6	6	6	6	6	6	6	6
Fire										
Stations (Volunteer Fire Co.)	1	1	1	1	1	1	1	1	1	1
Public Works - Highway and Streets										
Building	1	1	1	1	1	1	1	1	1	1
Streets / roads in miles	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	50.6	50.6
# traffic signals	39	39	39	39	39	39	39	39	39	39
# street lights	28	28	28	28	28	28	28	28	28	28
Vehicles	13	13	13	13	10	10	10	9	9	9
Leased Vehicles	-	-	-	-	2	2	2	2	2	2
Park and Recreation										
Parks	8	8	8	8	8	8	8	8	8	8
Acres	94	94	94	94	94	94	94	94	94	94
Waste Water/ Sewer										
# Pumping Stations	13	13	13	13	13	13	13	13	13	13
Miles of Pipe in Service	77	77	77	77	77	77	77	77	75	75
Vehicles	5	5	5	5	5	5	5	5	5	5
Vehicle count year end (Does not include leased vehicles)	49	51	48	47	44	43	42	42	42	42

Source: Township Capital Asset Schedules

Table 23

EAST WHITELAND TOWNSHIP
Fiduciary Funds Obligations
Last Six Fiscal Years

	2019	2018	2017	2016	2015	2014
% of Pension Liability Funded:						
Police Pension Fund	79.5%	73.3%	85.3%	82.7%	80.8%	82.7%
Firefighters Pension Fund	76.8%	67.0%	75.6%	74.5%	71.0%	87.1%
Non-Uniformed Pension Fund	86.2%	74.7%	87.1%	87.7%	84.8%	93.5%
Post Employment Benefits Fund	10.3%	8.7%	12.2%	15.9%	14.3%	12.4%
Fund Balance (\$):						
Police Pension Fund	\$ 10,943,594	\$ 8,897,862	\$ 9,726,605	\$ 8,716,607	\$ 8,020,156	\$ 7,984,328
Firefighters Pension Fund	2,513,081	1,885,873	1,898,123	1,506,495	1,279,030	1,176,401
Non-Uniformed Pension Fund	7,082,251	5,784,100	6,491,925	5,792,502	5,214,774	5,065,203
Post Employment Benefits Fund	1,595,705	1,198,382	1,669,163	1,515,329	1,363,029	1,179,162
Total Fiduciary Fund Balances	\$ 22,134,631	\$ 17,766,217	\$ 19,785,816	\$ 17,530,933	\$ 15,876,989	\$ 15,405,094

Source: East Whiteland Township Annual Financial Statements

Table 24

**EAST WHITELAND TOWNSHIP
Police Pension Plan
Liability History Last Ten Fiscal Years**

Year	Total Liability	Plan Net Position	Net Liability	Funded Ratio	Covered Payroll	Net Liability % Payroll	Number of Active Members	Retirees Receiving Benefits
2010	*	*	*	*	*	*	19	8
2011	7,204,796	6,395,715	809,081	88.8%	1,690,460	47.9%	17	11
2012	*	*	*	*	*	*	17	11
2013	8,657,790	6,875,791	1,781,999	79.4%	1,716,259	103.8%	16	12
2014	9,654,219	7,984,328	1,669,891	82.7%	1,739,660	96.0%	19	12
2015	9,928,461	8,020,156	1,908,305	80.8%	1,932,369	98.8%	19	13
2016	10,538,693	8,716,607	1,822,086	82.7%	2,181,320	83.5%	19	12
2017	11,403,392	9,726,605	1,676,787	85.3%	2,376,418	70.6%	19	12
2018	12,142,675	8,897,862	3,244,813	73.3%	2,220,748	146.1%	21	13
2019	13,765,847	10,943,594	2,822,253	79.5%	2,617,694	107.8%	22	13

Source: East Whiteland Township Annual Financial Statements

* At this time, an Actuarial report was required biannually in accordance with Act 205.

Table 25

**EAST WHITELAND TOWNSHIP
Non-Uniformed Pension Plan
Liability History Last Ten Fiscal Years**

Year	Total Liability	Plan Net Position	Net Liability	Funded Ratio	Covered Payroll	Net Liability % Payroll	Number of Active Members	Retirees Receiving Benefits (1)	Vested Terminated Employees
2010	*	*	*	*	*	*	24	6	1
2011	4,145,626	2,758,568	1,387,058	66.5%	1,385,203	100.1%	23	7	1
2012	*	*	*	*	*	*	23	7	1
2013	4,530,683	3,545,828	984,855	78.3%	1,395,699	70.6%	22	7	1
2014	5,417,657	5,065,203	352,454	93.5%	1,529,999	23.0%	25	8	1
2015	5,104,712	4,328,258	776,454	84.8%	1,681,050	46.2%	23	12	1
2016	6,601,736	5,792,502	809,234	87.7%	1,560,708	51.9%	25	15	1
2017	7,456,051	6,491,925	964,126	87.1%	1,402,439	68.7%	19	16	3
2018	7,745,596	5,784,100	1,961,496	74.7%	1,315,976	149.1%	18	17	3
2019	8,211,938	7,082,251	1,129,687	86.2%	1,229,587	91.9%	16	21	3

Source: East Whiteland Township Annual Financial Statements

* At this time, an Actuarial report was required biannually in accordance with Act 205.

(1) Includes employees in the Drop Program

Table 26

EAST WHITELAND TOWNSHIP
Firefighters Pension Plan
Liability History Last Ten Fiscal Years

Year	Total Liability	Plan Net Position	Net Liability	Funded Ratio	Covered Payroll	Net Liability % Payroll	Number of Active Members	Retirees Receiving Benefits (1)	Vested Terminated Employees
2010	*	*	*	*	*	*	9	0	0
2011	884,338	493,991	390,347	55.9%	530,853	73.5%	9	0	0
2012	*	*	*	*	*	*	9	0	0
2013	1,039,551	745,740	293,811	71.7%	533,925	55.0%	9	0	0
2014	1,351,001	1,176,401	174,600	87.1%	584,467	29.9%	9	0	1
2015	1,802,790	1,279,030	523,760	71.0%	619,306	84.6%	10	0	1
2016	2,021,546	1,506,495	515,051	74.5%	801,110	64.3%	10	0	1
2017	2,510,501	1,898,123	612,378	75.6%	835,655	73.3%	10	0	1
2018	2,815,754	1,885,873	929,881	67.0%	945,635	98.3%	10	0	1
2019	3,272,205	2,513,081	759,124	76.8%	865,531	87.7%	9	1	1

Source: East Whiteland Township Annual Financial Statements

* At this time, an Actuarial report was required biannually in accordance with Act 205.

(1) Includes employees in the Drop Program