

**WHITEMARSH TOWNSHIP  
Lafayette Hill, Pennsylvania**

**Financial Statements**

**Year Ended December 31, 2017**

## TABLE OF CONTENTS

### Page Number

1 – 2	Table of Contents
3 – 4	Independent Auditor’s Report
	Required Supplementary Information
5 – 25	Management’s Discussion and Analysis
	Government-wide Financial Statements
26 – 27	Statement of Net Position
28	Statement of Activities
	Fund Financial Statements
29	Balance Sheet – Governmental Funds
30	Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
31	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
32	Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities
33	Budgetary Comparison Statement – General Fund
34	Budgetary Comparison Statement – Capital Reserve Fund
35	Budgetary Comparison Statement – Open Space Reserve Fund
36	Statement of Net Position – Proprietary Funds
37	Combined Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
38	Statement of Cash Flows – Proprietary Funds
39	Statement of Fiduciary Net Position – Fiduciary Funds
40	Statement of Changes in Fiduciary Net Position – Fiduciary Funds

(Continued)

**TABLE OF CONTENTS (CONTINUED)**

**Page Number**

41 – 68	Notes to the Basic Financial Statements
	Required Supplementary Information
69	Schedule of Changes in the Township’s Net Pension Liability and Related Ratios – Police Pension Fund
70	Schedule of Township Contributions – Police Pension Fund
71	Schedule of Investment Returns – Police Pension Fund
	Other Supplementary Information
72	Combining Balance Sheet – All Non-Major Governmental Funds
73	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Non-Major Governmental Funds
74	Combining Statement of Fiduciary Net Position – Fiduciary Funds
75	Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds

# DRESLIN AND COMPANY, INC.

A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

PAUL E. FARRELL, CPA  
LOUIS J. PEDANTE, CPA  
RONALD L. MINNINGER, CPA

190 W. GERMANTOWN PIKE, SUITE 150 • EAST NORRITON, PA 19401-1391  
PHONE: (610) 272-3571 • FAX: (610) 272-3616

THE BAXTER BUILDING, SUITE 102 • 1234 WEST CHESTER PIKE • WEST CHESTER, PA 19382  
PHONE: (610) 696-3064 • FAX: (610) 692-3108

## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Whitemarsh Township  
Lafayette Hill, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Whitemarsh Township, Pennsylvania, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Whitemarsh Township Authority, which represent 83 percent, 73 percent, and 81 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Whitemarsh Township Authority, is based solely on the report of the other auditors. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Whitemarsh Township, Pennsylvania, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Capital Reserve Fund, and the Open Space Reserve Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 25 and the supplemental pension schedules on pages 69 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Whitemarsh Township, Pennsylvania's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate 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.

*Dreslin and Company, Inc.*

East Norriton, Pennsylvania  
July 2, 2018

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

The following discussion and analysis of Whitemarsh Township's financial performance provides an overview of the Township's financial condition and activities for the fiscal year ended December 31, 2017. The purpose of this discussion is to provide a narrative summary of the financial position and activities of Whitemarsh Township in order to enhance the reader's understanding of the Township's basic financial statements. Readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the Township's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

**Financial Highlights for Fiscal Year 2017**

*Government-Wide Financial Statements (Full Accrual)*

- The total net position, assets and deferred outflows of resources less liabilities, of the Township's Primary Government, was \$40.77 million at the end of 2017 – an increase of \$2.55 million from the end of 2016. The majority of the increase was due to increase in the cash balance for the Open Space Fund, capitalized costs of infrastructure improvements, asset recognition for radios purchased through the Montgomery County Emergency Service Equipment financing program. The remainder of the change is due to changes in accruals and deferred outflows for Other Post- Employment Benefits and changes in net Pension Liabilities. General revenues and program revenues of the Township amounted to \$22.54 million in 2017 while expenses totaled \$20 million.

*Fund Financial Statements (Modified Accrual)*

- At year-end, the Township's governmental funds reported a total fund balance of \$28.39 million, an increase of \$1.33 million. The increase is due to a net increase in the Open Space Fund of \$1.44 million, General Fund of \$0.16 million and the Capital Reserve Fund of \$43 thousand and other fund decreases aggregating \$0.32 million.
- The Township's General Fund reported a net increase in fund balance of \$0.16 million resulting in a year ending fund balance of \$11.09 million.

**Financial Statements**

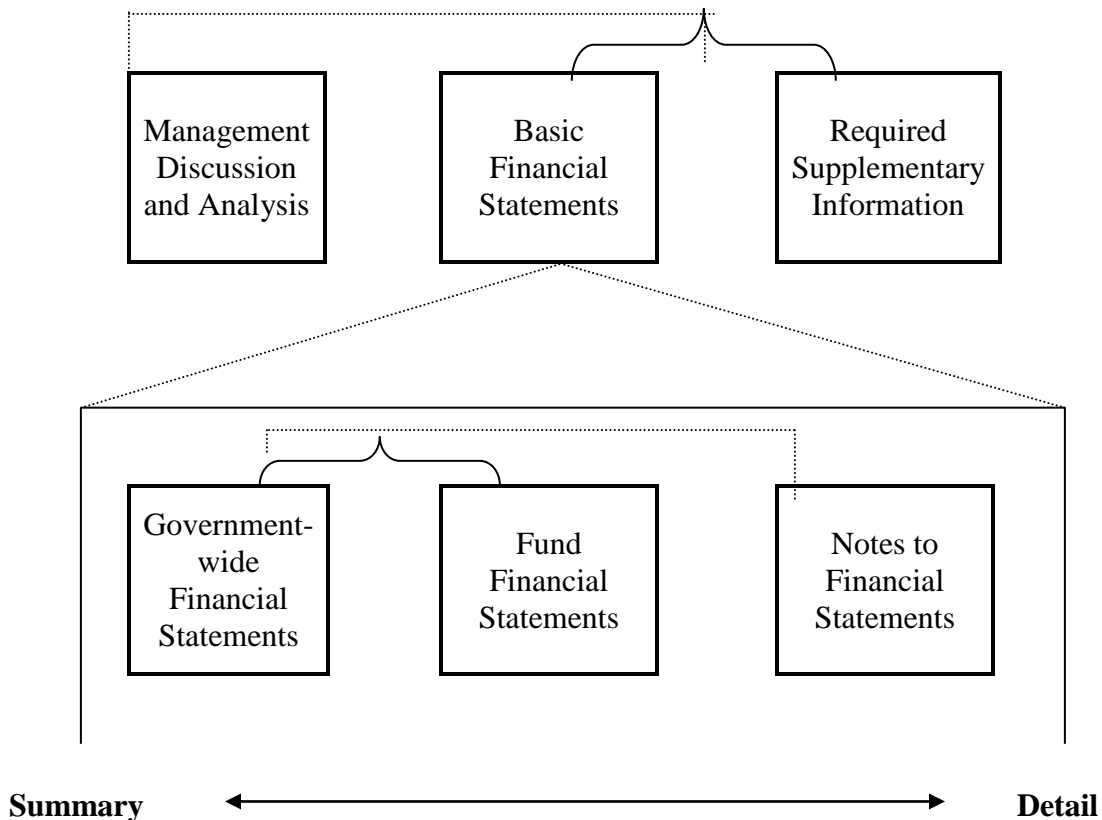
Prior to 2003, the primary focus of local government financial statements had been to provide fund type information on a current financial resource basis. This approach was modified in 2003 by the Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management Discussion and Analysis - for State and Local Governments (GASB 34) which established new requirements and a new reporting model for the annual financial reports of state and local governments.

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

Whitemarsh Township's annual financial report consists of two kinds of financial statements – each of which presents a different view of the Township's finances. The first set of financial statements provides both long-term and short-term information of the Township's overall financial status. The second set of financial statements focus on the individual Township funds and report on the Township's operations in more detail than the government-wide statements. The Township's financial statements also include detailed notes to explain information reported in the financial statements and provide additional data.

The statements include required supplementary information that provides budget comparisons for assessing the Township's financial performance versus budgeted revenues and expenditures. In addition to required elements, the annual report includes other supplementary information to provide details about the Township's various funds.

Required Components of  
Whitemarsh Township  
Financial Report



The following chart summarizes the major features of the financial statements, including the portion of the Township's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

Major Features of Whitemarsh Township  
Government-wide and Fund Financial Statements

	<u>Government-Wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire Township (except fiduciary funds).	The activities of the Township that are not proprietary or fiduciary, such as general government, public safety, public works and recreation.	Activities the Township operates similar to private business – Internal Service Funds	Instances in which the Township is the trustee or agent for someone else's resources – Pension Trust Funds, Deferred Compensation Fund, Agency Funds.
Required financial statements.	Statement of Net Position; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; Statement of Cash Flows	Statement of Fiduciary Net Position; Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus.	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of asset/liability information.	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term.	Only assets and deferred outflows of resources expected to be used up and liabilities that come due during the year or soon thereafter, as well as deferred inflows of resources; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
Type of inflow – outflow information.	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during the year or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.	All revenues and expenses during the year, regardless of when cash is received or paid.



**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

*Government-Wide Statements*

The government-wide statements report on the Township as a whole using accounting methods similar to those used by private sector companies. This analysis begins on page 10. One of the most important questions asked about the Township's finances is, "is the Township as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about Whitemarsh Township as a whole and about its activities in a way that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or disbursed.

These two statements report on the Township's net position and changes in net position. The Township's net position is the difference between its assets and deferred outflows of resources, and its liabilities and deferred inflows of resources, and one can use net position as one way to measure the Township's financial health or financial condition. Over time, increases or decreases in the Township's net position are one indicator of whether its financial condition is improving or deteriorating. In order to assess the overall health of the Township, other factors such as changes in the Township's property tax base and the condition of the Township's roads need to be considered.

In the government-wide financial statements, the Township's activities are divided into two categories:

- **Primary Government - Governmental activities** - Most of the Township's basic services are reported here including police and emergency services, public works, sanitation, code enforcement, parks and recreation and general administration. Property taxes, gross business receipts, earned income taxes, user fees and state and local grants finance most of these activities.
- **Component Units** - Whitemarsh Township Authority and the William Jeanes Memorial Library are discretely presented component Units included in the Township's Financial Reporting Entity.

*Fund Financial Statements*

The fund financial statements begin on page 28 and provide detailed information about the most significant funds, not the Township as a whole. Some funds are required to be established by State law. Others are established to help control and manage money for particular purposes or to show that the Township is meeting legal responsibilities for using certain taxes, grants or other funds.

Whitemarsh Township has three kinds of funds:

- **Governmental Funds** - Most of the Township's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental fund information helps to 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 government-wide statements, additional information is provided after the governmental funds statement that explains the relationship (or differences) between the two presentations.

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

- Proprietary Funds - Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The Township uses an internal service fund to account for the financing of goods and services provided by the Fleet Department to other departments of the Township. The Township transferred the operations of the Sewer Enterprise Fund to the Whitemarsh Township Authority. The Whitemarsh Township Authority is a discretely presented component Unit using the same basis of accounting and measurement focus presented in the business-type activities.
- Fiduciary Funds - The Township is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Township's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in the net fiduciary position. These activities are excluded from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations

**Financial Analysis of the Township as a Whole**

The following table reflects the condensed statement of net position:

Statement of Net Position - December 31, 2017, and 2016 (in thousands)

	<u>2017</u>	<u>2016</u>
	<b>Primary</b>	<b>Primary</b>
	<b>Government</b>	<b>Government</b>
	<b>Governmental</b>	<b>Governmental</b>
	<b>Activities</b>	<b>Activities</b>
<b>Current Assets</b>	\$29,716	\$28,644
<b>Net Capital Assets</b>	34,908	33,889
<b>Deferred Outflows</b>	<u>368</u>	<u>949</u>
<b>Total Assets</b>	<u>\$64,992</u>	<u>\$63,482</u>
<b>Current and Other Liabilities</b>	\$2,018	\$2,285
<b>Non-current Liabilities</b>	21,579	22,976
<b>Deferred Inflows</b>	<u>628</u>	<u>0</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>\$24,225</u>	<u>\$25,261</u>
<b>Net Position:</b>		
Invested in <b>Capital Assets</b>		
Net of Related Debt	\$18,736	\$17,351
Unrestricted	<u>22,031</u>	<u>20,870</u>
<b>Total Net Position</b>	<u>\$40,767</u>	<u>\$38,221</u>

For more detailed information, see the Statement of Net Position on pages 25 and 26.

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

Net position may serve over time as a useful indicator of a government's financial position. Whitemarsh Township's Primary Government's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$40.77 million as of December 31, 2017, and by \$38.22 million as of December 31, 2016. The largest portion of the Township's net assets reflects its capital assets. The restricted net assets portion (if any) represents resources that are subject to external restrictions on how they may be used; restricted net assets are also reported net of the related outstanding debt. The unrestricted net assets for governmental activities is the portion of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

The following table shows the revenues, expenses, and changes in net position (in thousands) of the primary government's governmental activities

	<u>2017</u>	<u>2016</u>
	Primary Government Governmental Activities	Primary Government Governmental Activities
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,121	\$ 3,060
Operating Grants and Contributions	1,774	1,443
General Revenues:		
Taxes	17,090	16,057
Other General Revenues	557	493
Total Revenues	<u>22,542</u>	<u>21,053</u>
Expenses:		
General Government	3,198	3,217
Public Safety - Police	8,660	8,597
Public Safety - Other	1,329	1,797
Public Works - Sanitation	1,396	1,197
Public Works - Highway	2,980	2,810
Public - Works - Stormwater Management	230	487
Culture and Recreation	1,736	1,681
Conservation of Natural Resources	52	46
Community Development	122	119
Interest on Long Term Debt	294	276
Total Expenses	<u>19,997</u>	<u>20,227</u>
Increase in Net Position	<u>\$ 2,545</u>	<u>\$ 826</u>

*Expenses by Function for the Year Ended December 31, 2017*

The following table presents the cost of each of the Township's programs as well as the programs' net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Township's taxpayers by each of these functions.

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

<u>Functions/Programs</u>	<u>2017</u>		<u>2016</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General Government	3,197,457	2,338,439	3,217,012	2,257,747
Public Safety - Police	8,660,290	8,119,328	8,597,043	8,070,982
Public Safety - Other	1,329,432	470,459	1,796,942	1,113,680
Public Works - Sanitation	1,396,227	155,740	1,196,756	(2,278)
Public Works - Highway	2,980,274	2,409,498	2,810,218	2,248,006
Public Works - Stormwater Management	230,257	(69,743)	486,777	436,006
Culture and Recreation	1,736,106	1,210,903	1,680,987	1,157,970
Conservation of Natural Resources	52,391	52,391	45,720	45,720
Community Development	121,680	121,680	119,376	119,376
Interest on Long Term Debt	293,696	293,696	275,650	275,650
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Governmental Activities	<u>\$ 19,997,810</u>	<u>\$ 15,102,391</u>	<u>\$ 20,226,481</u>	<u>\$ 15,722,859</u>

**Financial Analysis of the Township's Funds**

As discussed, governmental funds are reported in the fund statements with a short-term, inflow, and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. At the end of fiscal 2017, the Township's governmental funds (as presented in the balance sheet on page 28) reported a combined fund balance of \$28.39 million which is an increase of \$1.32 million from last year's ending fund balance of \$27.07 million.

The General Fund is the Township's primary operating fund used to account for the majority of services provided on a daily basis. In 2017, the fund balance of the General Fund increased by \$162 thousand million from \$10.93 million to \$11.09 million.

The increase in the Open Space Fund of \$1.44 million resulted from General Fund transfers of \$2.08 million of designated Earned Income Tax Collections plus Interest Earnings of \$61 thousand to cover Debt Service \$651 thousand and \$52 thousand of collection costs.

Capital Reserve Fund increased by \$43 thousand as 2017 capital expenditures of \$1.32 million drew-down 2014 loan proceeds and prior year capital contributions. Transfers from the General Fund covered Debt Service Costs \$870,546, and contribution of favorable budget balances from the General Fund set aside \$538 thousand for future capital needs at the end of 2017.

Other Government Funds decreased by \$321 thousand as Sewer Reserve Funds totaling \$168 thousand were released to the Whitemarsh Authority for Sewer projects. Light and Hydrant Carryover Fund Balance decreased by \$242 thousand as reserve fund balance was used for Street Lighting Replacements. Positive operating results totaling \$91 thousand in the other Non-Major Government Funds will be utilized toward the 2018 Budget Year for the Liquid Fuels, Refuse, Park, Impact Fee, Capital Equipment Reserve and Traffic Improvement Reserve Funds.

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

*Major Governmental Funds*

In 2017, General Fund Revenue increased by \$1.16 from the 2016 levels. The increase is comprised of Real Estate Transfer Tax \$606 thousand, Earned Income \$240 thousand, Business Taxes \$148 thousand, Licenses and Permits \$192 thousand that were offset by a decrease of \$26 thousand in other revenue classifications. Transfer Tax increases were generated from the sale of both new and existing properties that also included large commercial sales not anticipated in the 2017 Budget.

The Capital Reserve Fund is used to account for amounts set aside in prior years to fund capital additions as well as accounting for the expenditure of borrowed funds and repayment of debt service obligations used to fund capital expenditures. In 2017, the Capital Reserve fund balance increased by \$43 thousand dollars due to net inter-fund transfers of \$1.08 million, plus the proceeds from extended term financing of \$724 thousand used to Finance Emergency Radios that covered \$2.19 million of expenditures including Debt Service of \$871 thousand.

For the fiscal year ended December 31, 2017, revenues for governmental fund type activities totaled \$22.65 million.

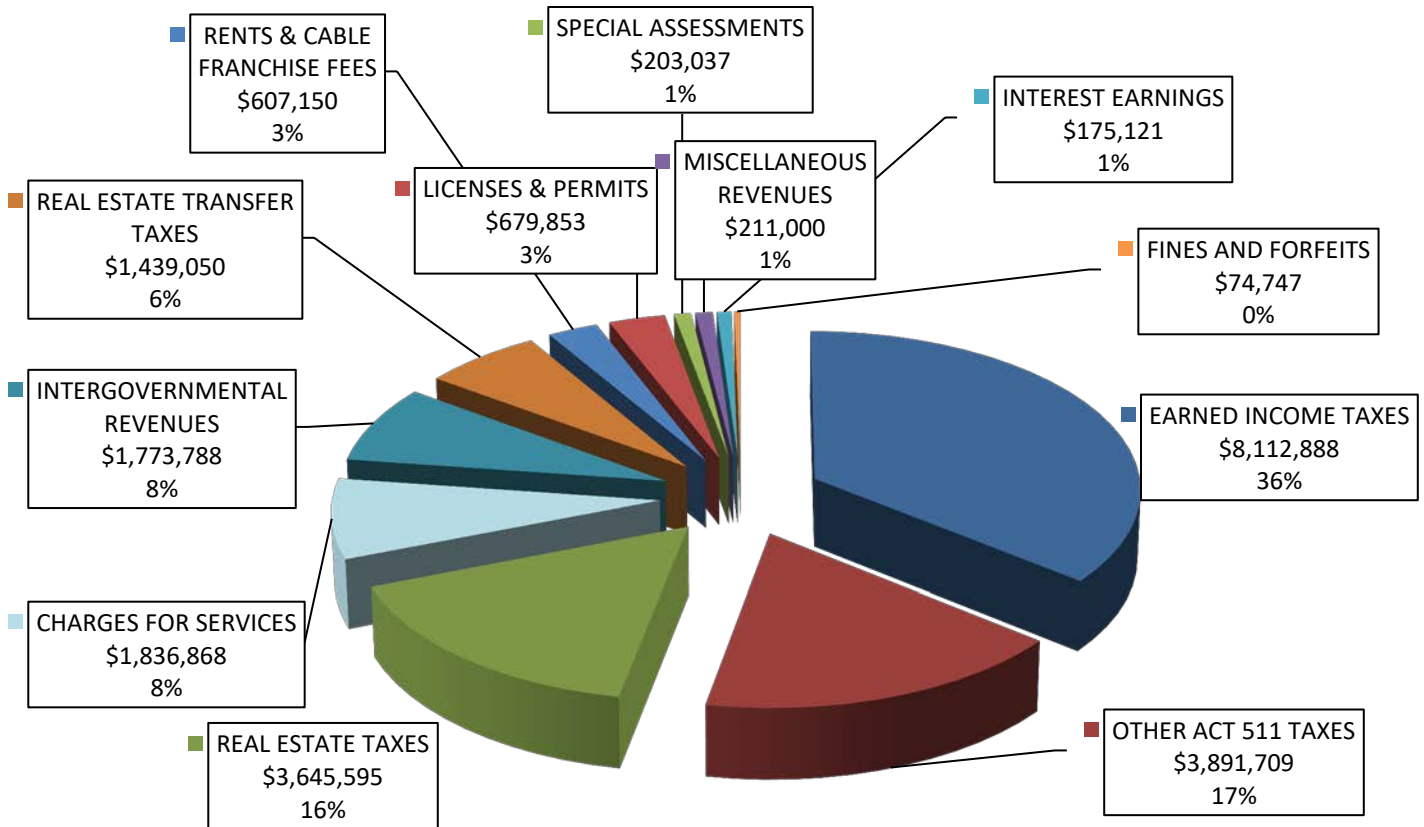
The earned income tax is the Township's largest revenue source at \$8.11 million (36 % of total General Fund Revenues). Business taxes (Other Act 511 Taxes) generated \$3.65 million (17%). Real estate tax revenues totaled \$3.24 million (16%). The Township's assessed value of real property exceeded \$1.8 billion at the end of 2017.

The graph and related chart on the next page provides an overview of the Sources of Governmental Revenue for Whitemarsh Township that totaled \$22.65 million for the 2017 Fiscal year.

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

**Revenue By Source Government Funds**  
**December 31, 2017**

**TOTAL REVENUE = \$22,648,566**



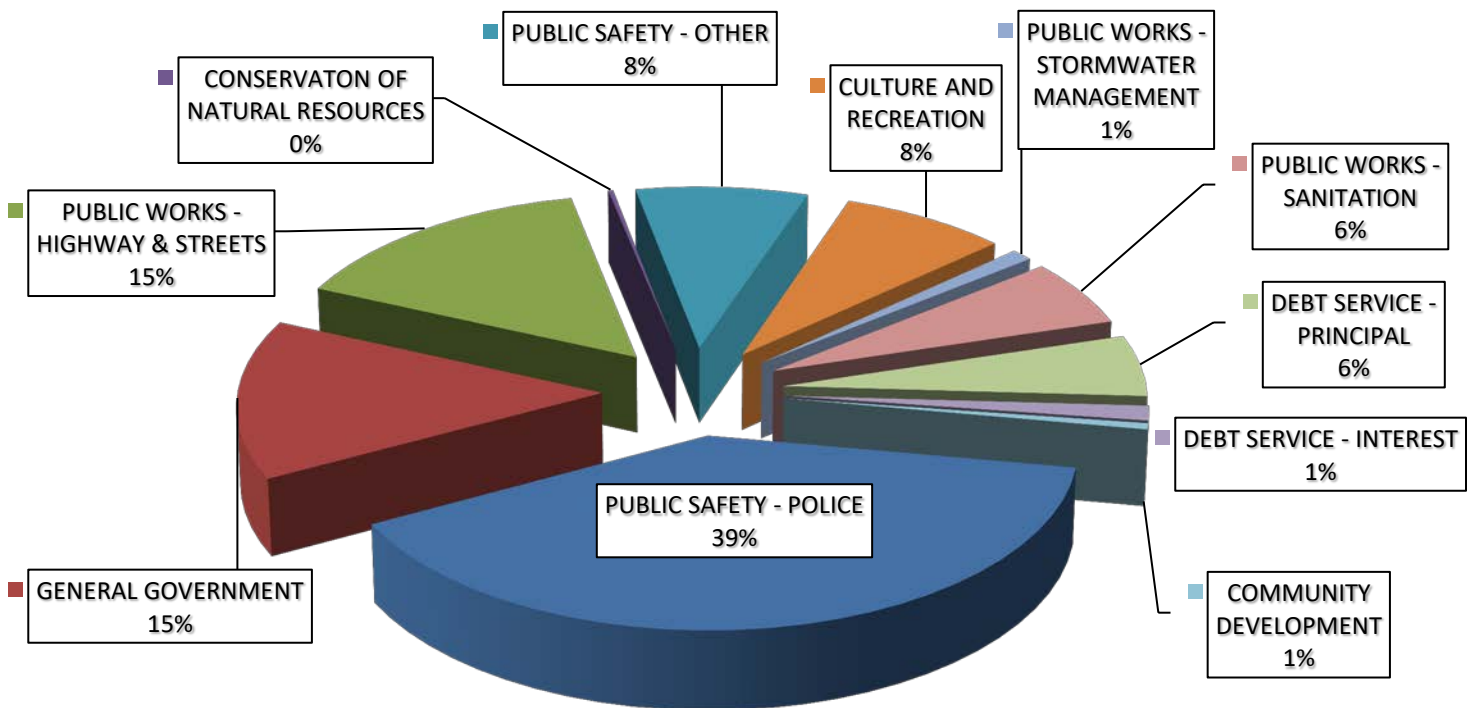
EARNED INCOME TAXES	\$ 8,112,888	36%
OTHER ACT 511 TAXES	\$ 3,891,709	17%
REAL ESTATE TAXES	\$ 3,645,595	16%
CHARGES FOR SERVICES	\$ 1,834,628	8%
INTERGOVERNMENTAL REVENUES	\$ 1,773,788	8%
REAL ESTATE TRANSFER TAXES	\$ 1,439,050	6%
RENTS & CABLE FRANCHISE FEES	\$ 607,150	3%
LICENSES & PERMITS	\$ 679,853	3%
SPECIAL ASSESSMENTS	\$ 203,037	1%
MISCELLANEOUS REVENUES	\$ 211,000	1%
INTEREST EARNINGS	\$ 175,121	1%
FINES AND FORFEITS	\$ 74,747	0%
<b>TOTAL REVENUE</b>	<b>\$ 22,648,566</b>	<b>100%</b>

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

Expenditures for the fiscal year ended December 31, 2017 totaled \$22.05 million. Expenditures for the fiscal year 2017 are comprised of the following items:

**EXPENDITURES BY PURPOSE GOVERNMENT FUNDS**  
**DECEMBER 31, 2017**

**TOTAL EXPENDITURES = \$22,046,159**



■ PUBLIC SAFETY - POLICE	\$8,687,863	42%
■ GENERAL GOVERNMENT	\$3,201,381	15%
■ PUBLIC WORKS - HIGHWAY & STREETS	\$3,317,089	14%
■ CONSERVATION OF NATURAL RESOURCES	\$52,391	0%
■ PUBLIC SAFETY - OTHER	\$1,810,457	6%
■ CULTURE AND RECREATION	\$1,766,802	8%
■ PUBLIC WORKS - STORMWATER MANAGEMENT	\$231,435	1%
■ PUBLIC WORKS - SANITATION	\$1,336,134	7%
■ DEBT SERVICE - PRINCIPAL	\$1,227,582	5%
■ DEBT SERVICE - INTEREST	\$293,696	1%
■ COMMUNITY DEVELOPMENT	\$121,329	1%
<b>TOTAL EXPENDITURES</b>	<b>\$22,046,159</b>	<b>100%</b>

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of 2017, the Township had \$43.12 million invested in a broad range of capital assets, including land, buildings, vehicles, and equipment. This amount represents a net increase of \$1.85 million above last year's \$41.27 million after recording additions and deductions for the year.

**Long-Term Debt**

The Township Board of Supervisors passed an ordinance on April 14, 2011, to guarantee \$8 million of debt incurred by the Whitemarsh Township Authority (a Component Unit of the Township) to finance certain improvements and upgrades to the sanitary sewer treatment, conveyance and collection systems. The guarantee included a Reimbursement Agreement from the Authority to the Township and qualified as self-liquidating debt under the Local Government Unit Debt Act. Effective April 23, 2014, the Authority Note was refinanced in the amount of \$10,000,000. Under the Sewer Revenue Note – Series of 2014, interest accrues at 2.55% through June 1, 2021, and thereafter at 67% of the current prime rate plus 50 basis points with a cap of 5.5% and a floor of 2.55%. As a result of this refinancing, the Township is no longer a guarantor of the Authority.

On August 28, 2014, the Township made settlement on a \$6,000,000 General Obligation Note with TD Bank. The Note proceeds will be used to fund capital assets including equipment, building improvements, traffic improvements and storm water management projects. The Note bears semi-annual interest for the first seven years at 2.3% and then converts to variable rates with caps of 5% to 6%. Principal payments are payable annually on the 15<sup>th</sup> of November. Final Maturity for the 2014 General Obligation Note will be in November of 2039. Debt Service payments on this obligation will be made from the Capital Reserve Fund and are funded by transfers from the General Fund. Principal outstanding on the Series of 2014 is \$5,411,000 as of December 31, 2017.

On April 27, 2009, the Township borrowed \$15,000,000 from the Delaware Valley Regional Finance Authority to fund the acquisition of a portion of the Erdenheim Farm property known as Sheep Tract for Open Space along with various capital projects. Debt Service payments on this obligation are funded 63% from the Open Space Fund and 37% from the Capital Reserve Fund. Final maturity for the Sheep Tract Note Payable will be in April of 2032. Principal outstanding on the Series of 2009- Sheep Tract Note Payable is \$10,334,000 as of December 31, 2017.

On December 10, 2007, the Township borrowed \$1,900,000 for the acquisition of a portion of the Erdenheim Farm known as the Angus Tract. Debt Service payments on this obligation were funded by the Open Space Fund. The Final principal payment of \$220,000 for the Note Payable for the Angus Tract was made on November 27, 2017. Accordingly, Principal outstanding on the Series of 2007- Angus Tract Note Payable is \$0 as of December 31, 2017.

The Commonwealth of Pennsylvania sets the borrowing limit, called the "Borrowing Base", of the Township through the State Local Government Unit Debt Act. The Township's "Borrowing Base", as calculated using the annual arithmetic average of total revenue (as defined in the Debt Act) for the three most recent full fiscal years, is in excess of \$18.31 million. The Township's non-electoral debt limit is 250% of the aforementioned borrowing base or \$45.78 million. At the end of 2017, the Township's level of outstanding debt for Primary Government Governmental Activities totaled \$15.75 million which is well below the Township's "Borrowing Base" capacity. The \$15.75 million dollar of Primary Government



**WHITEMARSH TOWNSHIP**  
**Management’s Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

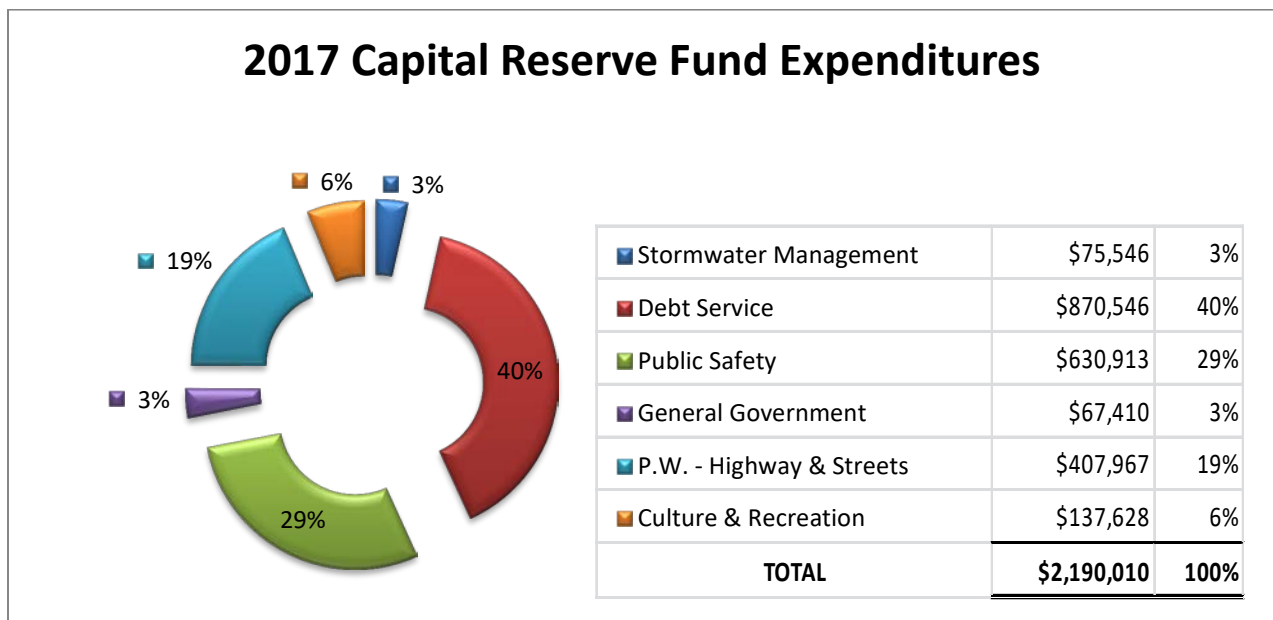
Governmental debt is exclusive of the \$9.13 million-dollar self-liquidating debt of the Whitemarsh Township Authority. As a result of the Authority’s refinancing, the Township is no longer a guarantor of the Authority.

**Economic Factors and Next Year’s Budgets**

As part of the Annual Budget process, the Township has established Reserve Funds from favorable operating results to provide for future infrastructure, capital improvements and equipment purchases. The practice of maintaining a carry-over reserve Fund Balance in the Liquid Fuels Fund approximating one year of the State allocation has become an integral part of funding the Township’s Road Improvement Program. Optimization of State and Federal funding including FEMA reimbursements has also enabled the Township to deal with extensive flood damage from tropical storms as well as snow emergencies while minimizing the impact to the General Fund.

The Township’s Capital Reserve Fund utilizes a combination of loan proceeds from the 2014 TD Bank loan coupled with reserves established from prior year favorable operating results to fund future capital expenditure needs. A proposed listing of capital needs based upon departmental request is reviewed by the Township Manager and the Director of Finance and presented to the Board of Supervisor as part of the annual budget process. An approved Capital Reserve Fund Budget is prepared based upon the Township Manager’s Three-Year Capital Plan after the projects are reviewed by the Board of Supervisors.

On August 28, 2014, the Township borrowed \$6 million from TD Bank for storm water-related infrastructure improvements. In 2017 Capital Reserve Fund expenditures totaling \$2,190,010 included \$564,191 of debt service for a portion of the Sheep Tract Loan and the 2014 TD Bank Loan that was funded by transfers from the General Fund. The remaining expenditures totaling \$245,451 were funded by the 2014 TD Bank Loan and from Interfund transfers from the General Fund. Priority projects such as Storm Water Management, vehicle purchases and improvements to the Township’s Highway Garage were expended in 2017 and are summarized in the following chart and graph.

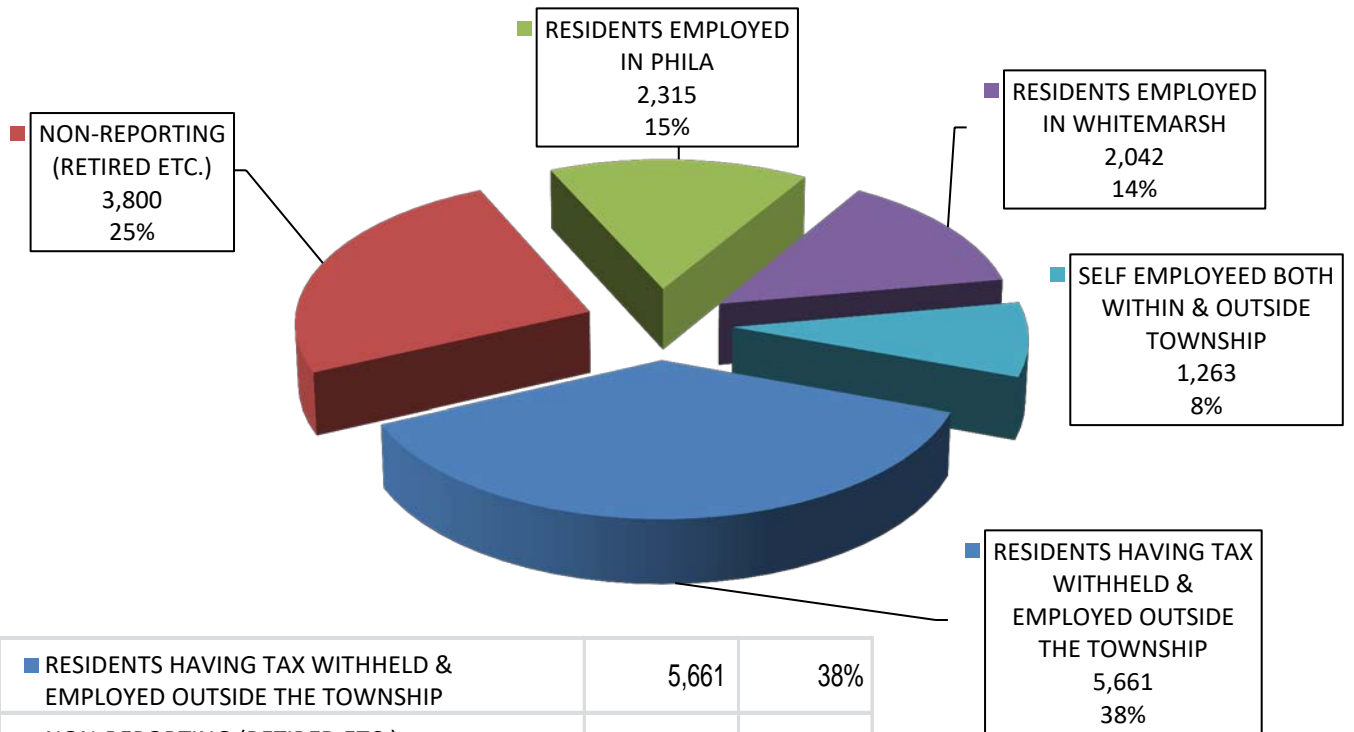


**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

Graphs shown below depict the distribution of registered residents for the 2017 earned income tax between residents and nonresidents, in addition to the non-reporting individuals.

**RESIDENTS REGISTERED FOR 2017 EIT**

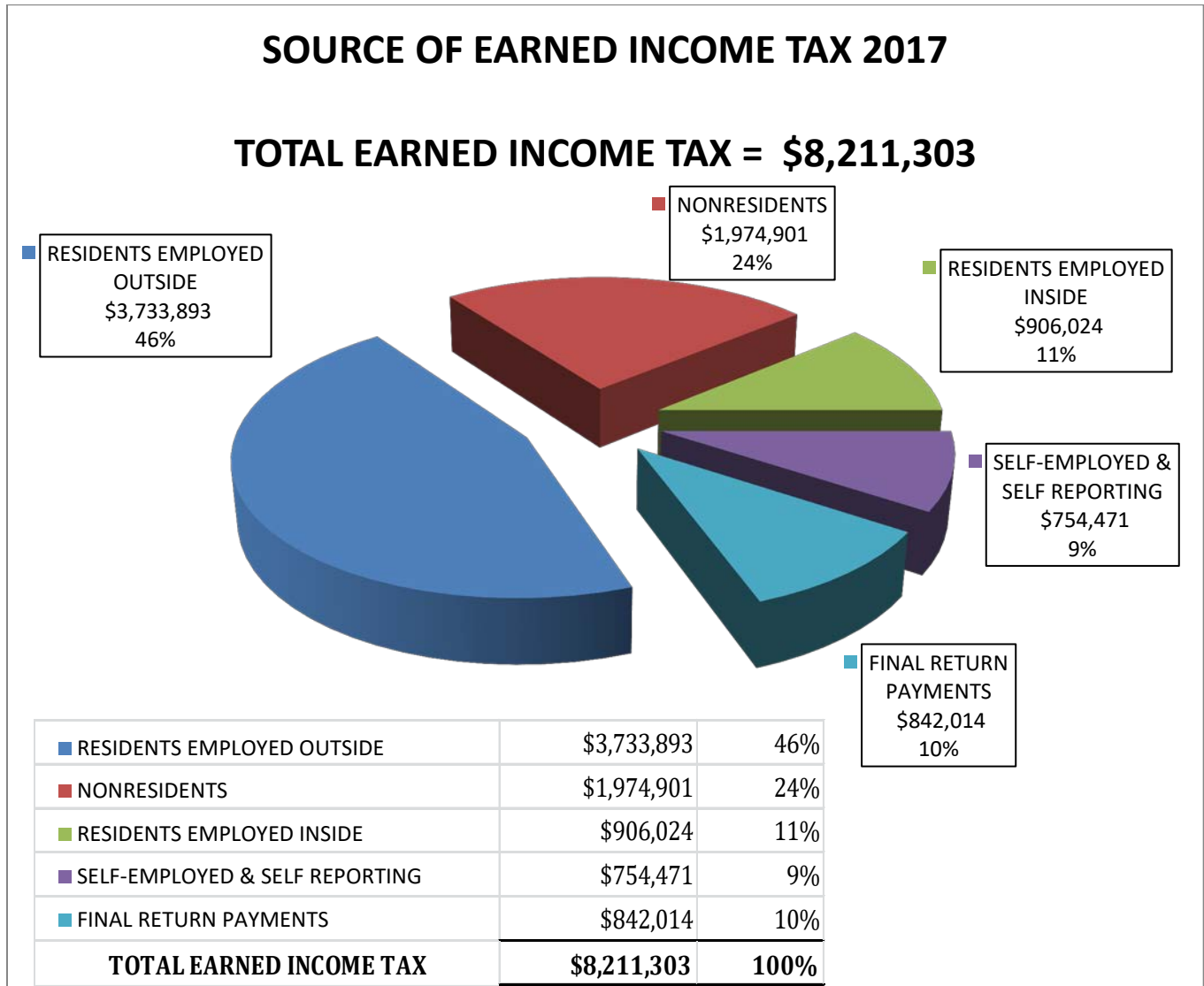
**TOTAL REGISTERED = 15,081**



■ RESIDENTS HAVING TAX WITHHELD & EMPLOYED OUTSIDE THE TOWNSHIP	5,661	38%
■ NON-REPORTING (RETIRED ETC.)	3,800	25%
■ RESIDENTS EMPLOYED IN PHILA	2,315	15%
■ RESIDENTS EMPLOYED IN WHITEMARSH	2,042	14%
■ SELF EMPLOYED BOTH WITHIN & OUTSIDE TOWNSHIP	1,263	8%
<b>TOTAL REGISTERED</b>	<b>15,081</b>	<b>100%</b>

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

The graph below depicts the sources of \$8,211,303 Earned Income Tax received (cash basis) for 2017. The 2017 cash collections increased by \$258,657 from the 2016 level of \$7,952,646. The increase in yearly cash collections is attributed to improvements in quarterly reporting from some of the larger employers.



As of December 31, 2017, the Township has set aside \$120,000 for tax refunds resulting from final business privilege and mercantile tax returns that are expected to be paid within the next year.

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

**Preservation of Open Space**

**The Hill at Whitemarsh**

In accordance with the Whitemarsh Township Open Space Plan, Whitemarsh Township has adopted Ordinance #796 establishing "The Hill at Whitemarsh" and Adjacent Open Space Tax Increment Financing District" (The Hill TIF) for a period of twenty years. The Township thereby allocates 100% of the positive real estate tax increments to be collected from The Hill TIF during the term of the district and remits such tax increments to the Redevelopment Authority of Montgomery County for the payment of the costs of acquiring open space adjacent to "The Hill at Whitemarsh" development. Likewise, the Colonial School District and Montgomery County have also dedicated and appropriated their respective share of positive real estate tax increments from The Hill District to the Redevelopment Authority.

Preliminary estimates show the Township amount of tax increment revenues dedicated to the TIF Project by Whitemarsh Township based on an estimated post completion assessed value of \$67,696,000 is approximately \$100,000 annually. As of December 31, 2016, 100% of the dwelling units in Phase I of The Hill at Whitemarsh are complete and available for occupancy. The assessment for The Hill at Whitemarsh is \$52,434,280 as of December 31, 2017. Tax increment revenues paid to the TIF Project by Whitemarsh Township during 2017 amounted to \$70,734.

**Acquisition of the Angus and Sheep Tracts**

In a question appearing on the November 7, 2007, General Election Ballot, 62% of Whitemarsh Township residents voted in favor of adopting an increase of .25% in the earned income tax rate for the purpose of land preservation pursuant to Act 153, Open Space Lands Act. The Township Board of Supervisors enacted the .25% increase effective January 1, 2007, to fund the preservation of open space which led to the subsequent acquisitions of the Angus and Sheep Tracts.

Whitemarsh Township borrowed a \$1.9 million general obligation Note Payable – Series of 2007 for a 10-year term to fund a contribution to the Whitemarsh Foundation for the eventual purchase of the Angus Tract of Erdenheim Farm for the perpetual preservation of the property as open space for the public benefit. Pursuant to a Declaration of Conservation and Open Space Easements among Whitemarsh Township, Colonial School District, Montgomery County and the Whitemarsh Foundation on December 22, 2008, Whitemarsh Township acquired a conservation and open space easement on real property known as the Angus Tract of the Erdenheim Farm.

Pursuant to a declaration of conservation and open space covenants, restrictions and easement, dated June 1, 2009, among Whitemarsh Township, Colonial School District, the County of Montgomery and The Whitemarsh Foundation, a Pennsylvania not-for-profit corporation, Whitemarsh Township acquired conservation and open space easements on real property situate in Whitemarsh Township, known as the Sheep Tract of the Erdenheim Farm. Whitemarsh Township borrowed \$8 million to finance the acquisition transaction.

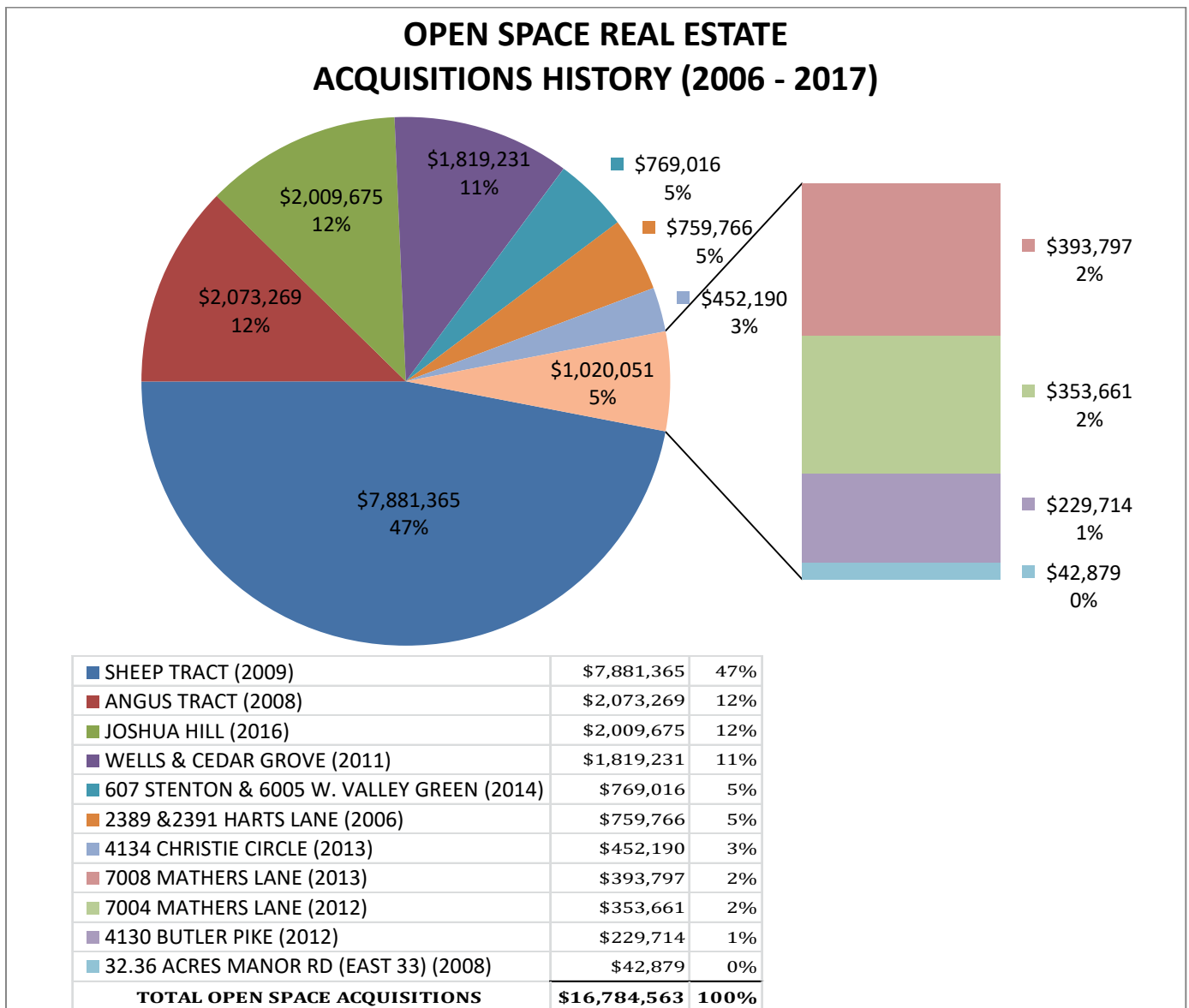
Revenues from the .25% increase generated \$2,084,280 for the preservation of Open Space in 2017. The debt service for the acquisition of both the Angus Tract and the Sheep Tract will be funded through the use of funds dedicated for this purpose in accordance with the Open Space Lands Act (Act 153) and raised in connection with an increase in the Township's Earned Income Tax, pursuant to a referendum approved by the Township's electors on November 7, 2006. An additional source of funding for the Angus Tract

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

acquisition is the commitment of 100% of the positive real property tax increments collected on behalf of the Township from the Hill at Whitmarsh and Adjacent Open Space Tax Increment Financing District in accordance with a payment in Lieu of Taxes Agreement entered into by the Township, the Tax-Increment Financing District and Whitmarsh Continuing Care Retirement Community, a Pennsylvania not-for-profit corporation.

**Acquisition of Additional Properties from the Open Space Fund**

On April 1, 2016, the Township purchased the Joshua Hill property located at 4021 Joshua Road at a total cost of \$2,009,675 with funds held in the Open Space Reserve Fund. Since the inception of the Open Space Fund the Township has acquired properties totaling \$16,784,562.

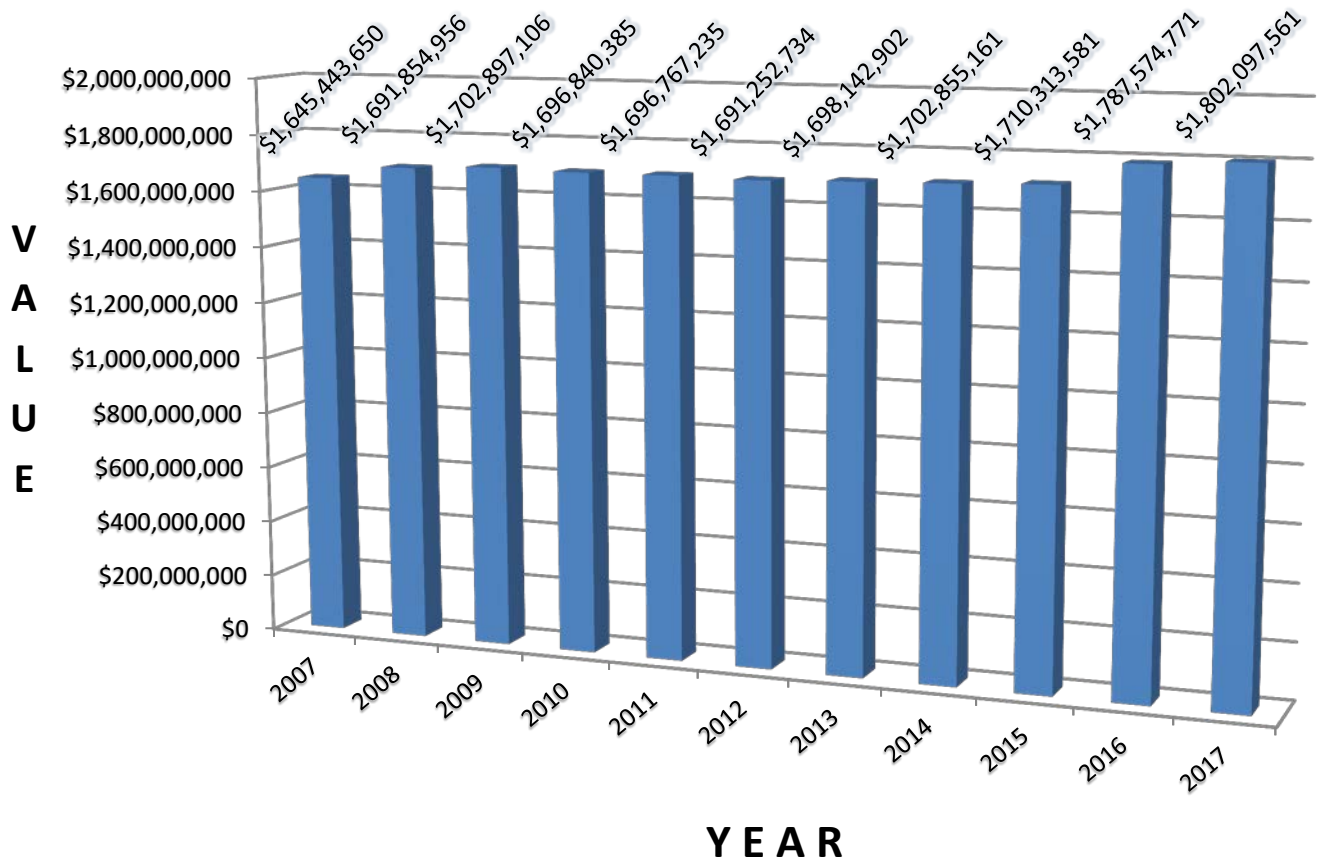


**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

- Whitemarsh Township was awarded a \$48,000 joint grant through the Delaware Valley Regional Planning Commission (DVRPC) to create a *Riverfront Plan* jointly with Conshohocken Borough to assess riverfront access, usage, and development opportunities for the riverfront they share along the Schuylkill River. The Grant funding requires a matching contribution from Whitemarsh Township of \$12,000 of which Conshohocken Borough has agreed to reimburse the Township for \$4,000 of the plan costs. Recommendations were made to improve existing land use regulations, to acquire key parcels of real estate and to create collaborative enterprise districts for the benefit of each community. An Action Plan was included to promote individual municipal as well as joint opportunities to pursue existing public and private grant dollars. Following a joint public meeting of the Whitemarsh Township and Conshohocken Borough Planning Commissions and a subsequent public meeting of the Whitemarsh Township Planning Commission, a recommendation to the Board of Supervisors was made for its adoption as an amendment to the Township's 2003 overall Comprehensive Plan. The Whitemarsh Township Board of Supervisors held a public hearing on June 9, 2016; at the conclusion of the public hearing, the Board unanimously approved a resolution adopting the *Riverfront Plan* as an amendment to the 2003 Comprehensive Plan document.
  
- The Township strives to maintain a balance between preserving open space, attracting new business and increasing the value of residential property. While striving to maintain this balance, the Township hopes to increase the assessed value for property which has been relatively flat over time. Revenue generated by the earned income tax, business taxes, and real estate transfer taxes have enabled the Township to maintain the Township's real estate tax millage at 2.0379 mils with no tax increase since 2001 despite a relatively flat annual change in assessed values as indicated in the graph on the next page. The chart on the next page provides an overview of the change in assessed value over the last 10 years.

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

**ANNUAL ASSESSED VALUE 2007 - 2017**  
**(average annual increase .86%)**



**WHITEMARSH TOWNSHIP**  
**Management’s Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

The Township conducts single-stream curbside recycling collection for approximately 5,400 residences on a weekly basis. The Township has entered into a Commodity Value Reimbursement Agreement for single stream residential recycle marketing services. The contract calls for a reimbursement rate equal to the excess of average commodity revenue less a \$70 threshold. The monthly tonnage is multiplied by the excess average commodity revenue value subject to a \$15 minimum floor. In 2017, revenue for single-stream curbside recycling collection was \$28,771 (1,977.6 tons at an average reimbursement rate of \$15.00 per ton).

In 2008, Whitemarsh Township executed Cable Franchise Agreements with two major cable services providers for the use of Township rights-of-way in providing cable services to subscribers located within Whitemarsh Township. The aforementioned agreements provide for the payment of franchise fees to the Township for the use of the right-of-ways for the purpose of constructing, operating and maintaining cable systems throughout the Township. The amount of revenue generated by the franchise fee during 2017 was \$496,780. Annual revenues from Cable Franchise Fees going forward are expected to approximate \$490,000 per year. Initial revenues from the franchise fee were used to finance the production and implementation of the Whitemarsh Township Cable TV system, which became fully operational during 2011, with live broadcasting of public meetings. As part of the Franchise Agreement, Cable Services Providers agreed to supply the Township with one educational and one governmental channel for the exclusive use by the Township. The channels will be used for programming related to community, governmental and/or educational activities in order to inform the citizenry by highlighting community activities, showing local government at work, and responding to local community and educational needs. The Township shall have complete control over the content, scheduling, administration and all other programming aspects of the various channels supplied. As of the report the date, the Township is in the process of negotiating new cable contracts with Verizon and Comcast.

Fire Companies and Ambulance financial aid include Township appropriations approved as part of the budget process along with in-kind contributions in the form of items paid by the Township on their behalf such as gasoline and audit costs, paid driver reimbursements, pay-per-call allocation, gasoline, insurance and additional Life Support Crew. Library allocations included an annual appropriation plus the value attributed to “in kind” expenditures such as audit, payroll processing, accounting, snow removal and landscaping services provided by the Township to the Library.

	<u>2017</u>	<u>2016</u>
Fire Companies and Ambulance	\$ 656,773	\$ 657,833
The William Jeanes Memorial Library	\$735,792	\$ 667,807



**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

**County of Montgomery Financing of Emergency Radio Equipment**

On December 17, 2015, the Township Board of Supervisors approved Ordinance Number 959 authorizing the issuance of a \$730,000 promissory note Whitemarsh Township Promissory Note, 2015 Series payable to the County of Montgomery for the financing of emergency radio equipment. The radio equipment was acquired by the County as part of a bulk purchasing agreement with Motorola. The County has made available interest free (0%) financing to the participating municipalities through the Delaware Valley Regional Finance Authority (DVRFA). The Whitemarsh Township Promissory Note, 2015 Series is serviced by Wells Fargo Bank and will be repaid by the Township over a period of five years.

The second installment payment of \$ 144,791 was transmitted by the Township to Wells Fargo National Bank on January 25, 2017. The payment is equal to one-fifth of the \$723,955 total communication equipment ordered by the Township's Emergency Management providers. Both principal payments were paid from the Township's Capital Reserve Fund. Actual costs in excess of the \$723,955 financed with the County were be paid from the Township's Capital Reserve Fund. Remaining payments of \$144,791 per year will be required in each of the next three years to retire the remaining Principal outstanding of \$434,374 as of December 31, 2017.

The Barren Hill, and Spring Mill Fire Companies along with the Whitemarsh Ambulance have agreed to reimburse the Township for a total of \$219,758 equal to one half of their \$439,516 share of the total costs over a five-year period at \$44,468 per year. The original borrowing included \$99,752 for communication equipment for Lincoln Fire Company (LFC), which has since been disbanded. Upon the closing of LFC, the Township negotiated with local area Emergency Service Providers for the purposes of equipment sale off. The Township has since recouped 100% of the LFC expenditure for equipment purchased and will utilize the proceeds from the sale to pay down the outstanding portion of the amount financed through the County of Montgomery. As of December 31, 2017, the outstanding balance on the 0 % Promissory Note Series of 2016 with the County is \$434,374.

**Regional Street Lighting Procurement Program**

Whitemarsh Township is participating in the Pennsylvania Sustainable Energy Financing Program for conversion of existing street lighting to more efficient LED lighting. The Township has elected to pay for the \$348,443 conversion costs to Johnson Controls with available funds from the Light and Hydrant Fund rather than financing the costs resulting in savings of \$27,220 in interest costs over the 5 year term of the proposed loan. The 2017 energy costs savings feel with the expected \$22,960 cost savings benefit projections. Total project expenditures for the conversion costs of \$283,175 are comprised of payments to Johnson Controls of \$262,039, accrued retainage of \$13,792 along with consulting fees of \$7,344. A commitment of \$86,404 is presented on the Balance Sheet for work to be completed by Johnson Controls as of December 31, 2017. The projected savings include the effect of contracts with Constellation to lock in lower utility rates for transmission and generation costs through December 2019. The Township entered into a five year sub-agreement with the Reserve (a Homeowners Association) to recoup \$14,503 of street lighting improvement costs at 2% over a five year (60 month term) commencing September 1, 2017, and ending on August 1, 2022. The Township received \$ 1,017 from this agreement in 2017.

**WHITEMARSH TOWNSHIP**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**December 31, 2017**

**Contacting the Township's Financial Management**

This financial report is designed to provide Whitemarsh Township's citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. Questions concerning this report or requests for additional financial information can be directed to the Finance Department of Whitemarsh Township, 616 Germantown Pike, Lafayette Hill, PA 19444, or visit our website at "[www.whitemarshwp.org](http://www.whitemarshwp.org)."

**WHITEMARSH TOWNSHIP**  
**Statement of Net Position**  
**December 31, 2017**

	Primary Government - Governmental Activities	Component Units	
		Whitemarsh Township Authority	William Jeanes Memorial Library
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 26,962,938	\$ 6,331,878	\$ 488,938
Investments	-	-	116,490
Accounts Receivable	-	497,844	-
Taxes Receivable	2,457,671	-	-
Due from Component Units	22,472	-	-
Other Receivables	265,956	63,450	-
Deposit on Equipment	6,901	-	-
<b>Total Current Assets</b>	<b>29,715,938</b>	<b>6,893,172</b>	<b>605,428</b>
Restricted Assets:			
Cash, Escrow Funds - Developers	-	242,671	-
Capital Assets:			
Land and Conservation Easements	21,649,486	862,410	62,979
Construction in Progress	-	409,075	-
Infrastructure - Sewer System (Net)	-	14,522,650	-
Infrastructure - Other (Net)	8,555,535	-	-
Building and Improvements (Net)	2,872,245	-	3,765,263
Equipment (Net)	1,053,668	411,936	215,396
Vehicles (Net)	777,333	87,203	-
<b>Total Capital Assets</b>	<b>34,908,267</b>	<b>16,293,274</b>	<b>4,043,638</b>
Other Assets:			
Installment Payment Plans, Net of Current Portion	-	80,328	-
Other	-	2,700	-
<b>Total Other Assets</b>	<b>-</b>	<b>83,028</b>	<b>-</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	367,695	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 64,991,900</b>	<b>\$ 23,512,145</b>	<b>\$ 4,649,066</b>

(Continued)

**WHITEMARSH TOWNSHIP**  
**Statement of Net Position (Continued)**  
**December 31, 2017**

	Primary Government - Governmental Activities	Component Units	
		Whitemarsh Township Authority	William Jeanes Memorial Library
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 528,795	\$ 540,455	\$ 20,495
Business Tax Refunds Payable	120,000	-	-
Due to Trust Funds	83,989	-	-
Due to Primary Government	-	5,356	17,116
Unearned Revenue	288,561	800,457	-
Other Liabilities	110,989	-	-
Current Portion of Notes Payable	885,791	440,000	-
<b>Total Current Liabilities</b>	<b>2,018,125</b>	<b>1,786,268</b>	<b>37,611</b>
Non-Current Liabilities:			
Escrow Deposits - Developers	-	242,671	-
Notes Payable, Net of Current Portion	15,293,583	8,688,746	-
Compensated Absences	789,854	-	-
Net Other Post-Employment Benefits Obligation	3,804,017	-	-
Net Pension Liability	1,692,067	-	-
<b>Total Non-Current Liabilities</b>	<b>21,579,521</b>	<b>8,931,417</b>	<b>-</b>
<b>Total Liabilities</b>	<b>23,597,646</b>	<b>10,717,685</b>	<b>37,611</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	627,722	-	-
<b>NET POSITION</b>			
Net Investment in Capital Assets	18,735,794	7,164,528	924,264
Temporarily Restricted	-	-	3,119,374
Unrestricted	22,030,738	5,629,932	567,817
<b>Total Net Position</b>	<b>40,766,532</b>	<b>12,794,460</b>	<b>4,611,455</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 64,991,900</b>	<b>\$ 23,512,145</b>	<b>\$ 4,649,066</b>

*The accompanying notes are an integral part of these financial statements.*

**WHITEMARSH TOWNSHIP**  
**Statement of Activities**  
**For the Year Ended December 31, 2017**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government - Governmental Activities	Component Units	
					Whitemarsh Township Authority	William Jeanes Memorial Library	
<b>PRIMARY GOVERNMENT:</b>							
Governmental Activities:							
General Government	\$ 3,197,457	\$ 778,588	\$ 80,430	\$ -	\$ (2,338,439)		
Public Safety - Police	8,660,290	-	540,962	-	(8,119,328)		
Public Safety - Other	1,329,432	679,853	179,120	-	(470,459)		
Public Works - Sanitation	1,396,227	1,240,487	-	-	(155,740)		
Public Works - Highway	2,980,274	-	570,776	-	(2,409,498)		
Public Works - Stormwater Management	230,257	-	300,000	-	69,743		
Culture and Recreation	1,736,106	422,703	102,500	-	(1,210,903)		
Conservation of Natural Resources	52,391	-	-	-	(52,391)		
Community Development	121,680	-	-	-	(121,680)		
Interest on Long Term Debt	293,696	-	-	-	(293,696)		
Total Primary Government	<u>\$ 19,997,810</u>	<u>\$ 3,121,631</u>	<u>\$ 1,773,788</u>	<u>\$ -</u>	<u>(15,102,391)</u>		
<b>COMPONENT UNITS:</b>							
Whitemarsh Township Authority	\$ 3,399,265	\$ 3,585,826	\$ -	\$ -	\$ 186,561		
William Jeanes Memorial Library	1,048,238	29,363	879,806	-		\$ (139,069)	
Total Component Units	<u>\$ 4,447,503</u>	<u>\$ 3,615,189</u>	<u>\$ 879,806</u>	<u>\$ -</u>	<u>186,561</u>	<u>(139,069)</u>	
General Revenues:							
Real Estate Taxes					3,646,406	-	-
Real Estate Transfer Taxes					1,439,050	-	-
Earned Income Taxes					8,112,888	-	-
Other Act 511 Taxes					3,891,709	-	-
Investment Income					175,396	12,127	9,214
Increase in Fair Market Value of Investments					-	-	7,774
Sale of Fixed Assets					30,614	-	-
Fines and Forfeits					74,747	-	-
Special Assessments					169,593	111,300	-
Miscellaneous Revenue					107,270	-	-
Total General Revenues					<u>17,647,673</u>	<u>123,427</u>	<u>16,988</u>
Change in Net Position					2,545,282	309,988	(122,081)
Net Position - Beginning of Year					<u>38,221,250</u>	<u>12,484,472</u>	<u>4,733,536</u>
Net Position - End of Year					<u>\$40,766,532</u>	<u>\$12,794,460</u>	<u>\$ 4,611,455</u>

*The accompanying notes are an integral part of these financial statements.*

**WHITEMARSH TOWNSHIP**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2017**

	General	Capital Reserve	Open Space Reserve	Non- Major Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 9,448,271	\$ 5,700,736	\$ 9,049,146	\$ 2,713,674	\$ 26,911,827
Due from Component Units	22,472	-	-	-	22,472
Taxes Receivable	2,451,207	-	-	6,464	2,457,671
Interfund Receivables	13,631	-	-	-	13,631
Deposit on Equipment	6,901	-	-	-	6,901
Other Receivables	126,039	18,391	-	107,895	252,325
	<u>12,068,521</u>	<u>5,719,127</u>	<u>9,049,146</u>	<u>2,828,033</u>	<u>29,664,827</u>
Total Assets	<u>\$ 12,068,521</u>	<u>\$ 5,719,127</u>	<u>\$ 9,049,146</u>	<u>\$ 2,828,033</u>	<u>\$ 29,664,827</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 295,318	\$ 56,068	\$ 1,261	\$ 76,307	\$ 428,954
Accrued Wages Payable	77,244	-	-	3,429	80,673
Interfund Payables	83,989	-	-	2,240	86,229
Business Tax Refunds Payable	120,000	-	-	-	120,000
Unearned Revenue	248,287	-	-	40,274	288,561
Other Liabilities	97,358	-	-	-	97,358
	<u>922,196</u>	<u>56,068</u>	<u>1,261</u>	<u>122,250</u>	<u>1,101,775</u>
Total Liabilities	<u>922,196</u>	<u>56,068</u>	<u>1,261</u>	<u>122,250</u>	<u>1,101,775</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Real Estate Taxes	55,503	-	-	6,042	61,545
Deferred Special Assessments	-	-	-	107,895	107,895
	<u>55,503</u>	<u>-</u>	<u>-</u>	<u>113,937</u>	<u>169,440</u>
Total Deferred Inflows of Resources	<u>55,503</u>	<u>-</u>	<u>-</u>	<u>113,937</u>	<u>169,440</u>
<b>FUND BALANCES</b>					
Non-spendable - Deposit on Equipment	6,901	-	-	-	6,901
Restricted for:					
Building and Improving Local Roads and Bridges	-	-	-	536,997	536,997
Assigned for:					
Budget for 2018	3,451,960	-	-	250,082	3,702,042
Business Tax Refunds	1,709,550	-	-	-	1,709,550
Insurance Premiums	510,719	-	-	-	510,719
Capital Projects	-	4,022,524	-	-	4,022,524
Capital Improvements	-	1,500,000	-	-	1,500,000
Acquisition of Fire Protection Equipment and Apparatus	-	140,535	-	-	140,535
Acquisition of Other Equipment	-	-	-	229,205	229,205
Acquisition of Open Space	-	-	7,149,757	-	7,149,757
Maintenance of Open Space	-	-	1,898,128	-	1,898,128
Local Roads and Bridges	-	-	-	906,639	906,639
Sanitation - Waste Collection	135,000	-	-	596,311	731,311
Street Lighting Replacement Project	-	-	-	72,612	72,612
Unassigned Fund Balance	5,276,692	-	-	-	5,276,692
	<u>11,090,822</u>	<u>5,663,059</u>	<u>9,047,885</u>	<u>2,591,846</u>	<u>28,393,612</u>
Total Fund Balances	<u>11,090,822</u>	<u>5,663,059</u>	<u>9,047,885</u>	<u>2,591,846</u>	<u>28,393,612</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,068,521</u>	<u>\$ 5,719,127</u>	<u>\$ 9,049,146</u>	<u>\$ 2,828,033</u>	<u>\$ 29,664,827</u>

*The accompanying notes are an integral part of these financial statements.*

**WHITEMARSH TOWNSHIP**  
**Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position**  
**December 31, 2017**

Total Governmental Fund Balances \$ 28,393,612

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:

Cost of assets	43,125,499	
Accumulated depreciation	<u>(8,217,232)</u>	34,908,267

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Notes Payable	16,179,374	
Compensated Absences	789,854	
Net Other Post-employment Benefits	3,804,017	
Net Pension Liability, Net of Related Deferred Outflows and Deferred Inflows	<u>1,952,094</u>	(22,725,339)

Property taxes and other amounts receivable will not be collected soon enough to pay for the current period's expenditures, and therefore, are deferred in the funds 169,440

Internal Service Fund Consolidation 20,552

Net Position of Governmental Activities \$ 40,766,532

**WHITEMARSH TOWNSHIP**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2017**

	General	Capital Reserve	Open Space Reserve	Non-Major Funds	Total Governmental Funds
<b>REVENUES</b>					
Real Estate Taxes	\$ 3,246,471	\$ -	\$ -	\$ 399,124	\$ 3,645,595
Real Estate Transfer Taxes	1,439,050	-	-	-	1,439,050
Earned Income Taxes	8,112,888	-	-	-	8,112,888
Other Act 511 Taxes	3,891,709	-	-	-	3,891,709
Licenses and Permits	679,853	-	-	-	679,853
Fines and Forfeits	74,747	-	-	-	74,747
Interest Earnings	74,414	22,145	61,408	17,154	175,121
Rents and Cable Fees	590,472	-	-	16,678	607,150
Intergovernmental Revenues	792,056	402,500	-	579,232	1,773,788
Charges for Services	171,438	-	-	1,663,190	1,834,628
Special Assessments	-	-	-	203,037	203,037
Miscellaneous Revenues	196,145	-	-	14,855	211,000
<b>Total Revenues</b>	<b>19,269,243</b>	<b>424,645</b>	<b>61,408</b>	<b>2,893,270</b>	<b>22,648,566</b>
<b>EXPENDITURES</b>					
General Government	3,133,971	67,410	-	-	3,201,381
Public Safety - Police	8,073,744	614,119	-	-	8,687,863
Public Safety - Other	1,685,597	16,794	-	108,066	1,810,457
Public Works - Sanitation	1,140,658	-	-	195,476	1,336,134
Public Works - Highway and Streets	2,571,464	407,967	-	337,658	3,317,089
Public Works - Stormwater Management	155,889	75,546	-	-	231,435
Culture and Recreation	715,952	137,628	-	913,222	1,766,802
Conservation of Natural Resources	-	-	52,391	-	52,391
Community Development	121,329	-	-	-	121,329
Debt Service - Principal	-	672,498	555,084	-	1,227,582
Debt Service - Interest	-	198,048	95,648	-	293,696
<b>Total Expenditures</b>	<b>17,598,604</b>	<b>2,190,010</b>	<b>703,123</b>	<b>1,554,422</b>	<b>22,046,159</b>
Excess of Revenues Over (Under) Expenditures	1,670,639	(1,765,365)	(641,715)	1,338,848	602,407
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Extended-Term Financing	-	723,956	-	-	723,956
Proceeds from Sale of Fixed Assets	35,254	-	-	-	35,254
Transfers In	1,777,600	1,119,855	2,084,280	117,444	5,099,179
Transfers Out	(3,321,579)	(35,496)	-	(1,777,600)	(5,134,675)
<b>Total Other Financing Sources and Uses</b>	<b>(1,508,725)</b>	<b>1,808,315</b>	<b>2,084,280</b>	<b>(1,660,156)</b>	<b>723,714</b>
<b>Net Change in Fund Balances</b>	<b>161,914</b>	<b>42,950</b>	<b>1,442,565</b>	<b>(321,308)</b>	<b>1,326,121</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>10,928,908</b>	<b>5,620,109</b>	<b>7,605,320</b>	<b>2,913,154</b>	<b>27,067,491</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 11,090,822</b>	<b>\$ 5,663,059</b>	<b>\$ 9,047,885</b>	<b>\$ 2,591,846</b>	<b>\$ 28,393,612</b>

*The accompanying notes are an integral part of these financial statements.*



**WHITEMARSH TOWNSHIP**  
**Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to Statement of Activities**  
**For the Year Ended December 31, 2017**

Net Change in Fund Balances - Governmental Funds \$ 1,326,121

Amounts reported for governmental activities in the statement of activities are different because:

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 differs from outlays in the period (excludes internal service funds):

Depreciation Expense	\$ (1,040,739)	
Capital Outlays	<u>2,029,279</u>	988,540

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (4,640)

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net position. (723,956)

Principal payments on Long Term Debt are reported as expenditures in the governmental funds but are not considered expenses in the statement of activities. 1,227,582

Internal Service Funds are reported as proprietary funds in the fund statements but are consolidated in the entity wide statements. 28,371

In the statement of activities, compensated absences are measured by the amount earned during the year. In the governmental funds, expenditures are measured by the amounts actually paid. (18,332)

In the statement of activities, other post-employment benefits are measured by the amount earned during the year. In the governmental funds, expenditures are measured by the amounts actually paid. (467,607)

The net change in the net pension liability, as well as the change in related deferred outflows, is reported in the statement of activities, but is not reported in the fund financial statements. 221,836

Governmental funds report revenues related to prior periods as current financial resources. However, in the statement of activities, these amounts are not included as current year revenue. In addition, revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (32,633)

Change in Net Position of Governmental Activities \$ 2,545,282

*The accompanying notes are an integral part of these financial statements.*

**WHITEMARSH TOWNSHIP**  
**Budgetary Comparison Statement - General Fund**  
**For the Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual Amounts	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Real Estate Taxes	\$ 3,231,000	\$ 3,231,000	\$ 3,246,471	\$ 15,471
Real Estate Transfer Taxes	700,000	700,000	1,439,050	739,050
Earned Income Taxes	7,375,000	7,375,000	8,112,888	737,888
Other Act 511 Taxes	3,245,000	3,245,000	3,891,709	646,709
Licenses and Permits	333,000	333,000	679,853	346,853
Fines and Forfeits	60,000	60,000	74,747	14,747
Interest Earnings	23,000	23,000	74,414	51,414
Rents and Cable Fees	574,000	574,000	590,472	16,472
Intergovernmental Revenues	796,278	796,278	792,056	(4,222)
Charges for Services	167,750	167,750	171,438	3,688
Miscellaneous Revenues	142,000	142,000	196,145	54,145
<b>Total Revenues</b>	<b>16,647,028</b>	<b>16,647,028</b>	<b>19,269,243</b>	<b>2,622,215</b>
<b>EXPENDITURES</b>				
General Government	3,029,528	3,029,528	3,061,557	(32,029)
Public Safety - Police	8,463,051	8,463,051	8,073,744	389,307
Public Safety - Other	2,006,486	2,006,486	1,685,597	320,889
Public Works - Sanitation	1,160,000	1,160,000	1,140,658	19,342
Public Works - Highway and Streets	2,758,434	2,758,434	2,571,464	186,970
Public Works - Stormwater Management	232,653	232,653	155,889	76,764
Culture and Recreation	718,661	718,661	715,952	2,709
Community Development	132,426	132,426	121,329	11,097
Miscellaneous Expenditures	477,513	477,513	72,414	405,099
<b>Total Expenditures</b>	<b>18,978,752</b>	<b>18,978,752</b>	<b>17,598,604</b>	<b>1,380,148</b>
Excess of Revenues Over (Under) Expenditures	(2,331,724)	(2,331,724)	1,670,639	4,002,363
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Fixed Assets	15,000	15,000	35,254	20,254
Transfers In	1,975,000	1,975,000	1,777,600	(197,400)
Transfers Out	(2,876,191)	(2,876,191)	(3,321,579)	(445,388)
<b>Total Other Financing (Uses)</b>	<b>(886,191)</b>	<b>(886,191)</b>	<b>(1,508,725)</b>	<b>(622,534)</b>
<b>Net Change in Fund Balance</b>	<b>(3,217,915)</b>	<b>(3,217,915)</b>	<b>161,914</b>	<b>3,379,829</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>3,217,915</b>	<b>3,217,915</b>	<b>10,928,908</b>	<b>7,710,993</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,090,822</b>	<b>\$ 11,090,822</b>

*The accompanying notes are an integral part of these financial statements.*

**WHITEMARSH TOWNSHIP**  
**Budgetary Comparison Statement - Capital Reserve Fund**  
**For the Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual Amounts	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Interest Earnings	\$ 7,500	\$ 7,500	\$ 22,145	\$ 14,645
Intergovernmental Revenues	300,000	300,000	402,500	102,500
Miscellaneous Revenues	34,000	34,000	-	(34,000)
<b>Total Revenues</b>	<b>341,500</b>	<b>341,500</b>	<b>424,645</b>	<b>83,145</b>
<b>EXPENDITURES</b>				
General Government	2,453,819	2,453,819	67,410	2,386,409
Public Safety - Police	135,650	135,650	614,119	(478,469)
Public Safety - Other	-	-	16,794	(16,794)
Public Works - Highway and Streets	1,855,000	1,855,000	407,967	1,447,033
Public Works - Stormwater Management	1,354,000	1,354,000	75,546	1,278,454
Culture and Recreation	296,000	296,000	137,628	158,372
Debt Service	559,921	559,921	870,546	(310,625)
<b>Total Expenditures</b>	<b>6,654,390</b>	<b>6,654,390</b>	<b>2,190,010</b>	<b>4,464,380</b>
Excess of Revenues (Under) Expenditures	(6,312,890)	(6,312,890)	(1,765,365)	4,547,525
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Extended-Term Financing	-	-	723,956	723,956
Transfers In	559,921	559,921	1,119,855	559,934
Transfers Out	-	-	(35,496)	(35,496)
<b>Total Other Financing Sources</b>	<b>559,921</b>	<b>559,921</b>	<b>1,808,315</b>	<b>1,248,394</b>
Net Change in Fund Balance	(5,752,969)	(5,752,969)	42,950	5,795,919
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>5,802,969</b>	<b>5,802,969</b>	<b>5,620,109</b>	<b>(182,860)</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 5,663,059</b>	<b>\$ 5,613,059</b>

*The accompanying notes are an integral part of these financial statements.*

**WHITEMARSH TOWNSHIP**  
**Budgetary Comparison Statement - Open Space Reserve Fund**  
**For the Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual Amounts	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Interest Earnings	\$ 15,500	\$ 15,500	\$ 61,408	\$ 45,908
Total Revenues	<u>15,500</u>	<u>15,500</u>	<u>61,408</u>	<u>45,908</u>
<b>EXPENDITURES</b>				
Conservation of Natural Resources	6,821,679	6,821,679	52,391	6,769,288
Debt Service	616,898	616,898	650,732	(33,834)
Total Expenditures	<u>7,438,577</u>	<u>7,438,577</u>	<u>703,123</u>	<u>6,735,454</u>
Excess of Revenues (Under) Expenditures	<u>(7,423,077)</u>	<u>(7,423,077)</u>	<u>(641,715)</u>	<u>6,781,362</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,775,000	1,775,000	2,084,280	309,280
Total Other Financing Sources	<u>1,775,000</u>	<u>1,775,000</u>	<u>2,084,280</u>	<u>309,280</u>
Net Change in Fund Balance	(5,648,077)	(5,648,077)	1,442,565	7,090,642
FUND BALANCE - BEGINNING OF YEAR	<u>5,648,077</u>	<u>5,648,077</u>	<u>7,605,320</u>	<u>1,957,243</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,047,885</u></u>	<u><u>\$ 9,047,885</u></u>

*The accompanying notes are an integral part of these financial statements.*

**WHITEMARSH TOWNSHIP**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2017**

	Internal Service Funds
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 51,111
Receivables	9,666
Total Current Assets	60,777
Noncurrent Assets:	
Capital Assets:	
Fleet Garage (Net)	65,334
Equipment (Net)	44,601
Total Capital Assets (Net)	109,935
<b>Total Assets</b>	<b>\$ 170,712</b>
 <b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ 16,074
Accrued Wages Payable	3,094
Interfund Payables	11,391
Total (Current) Liabilities	30,559
 <b>NET POSITION</b>	
Invested in Capital Assets, Net of Related Debt	109,935
Unrestricted	30,218
Total Net Position	140,153
<b>Total Liabilities and Net Position</b>	<b>\$ 170,712</b>

*The accompanying notes are an integral part of these financial statements.*

**WHITEMARSH TOWNSHIP**  
**Combined Statement of Revenues, Expenses, and**  
**Changes in Net Position - Proprietary Funds**  
**For the Year Ended December 31, 2017**

	Internal Service Funds
<b>OPERATING REVENUES:</b>	
Charges for Services	\$ 421,877
Total Operating Revenues	421,877
<b>OPERATING EXPENSES:</b>	
Business Expense	5,999
Contracted Services	28,466
Depreciation	6,390
Gas and Oil	8,084
Materials and Supplies	12,382
Parts and Accessories	81,312
Repairs and Maintenance - Building	13,803
Salaries	238,396
Tires and Tubes	18,342
Tools	6,875
Utilities	5,952
Total Operating Expenses	426,001
Operating (Loss)	(4,124)
<b>NONOPERATING REVENUES:</b>	
Interest Earnings	275
(Loss) before Transfers	(3,849)
<b>TRANSFERS IN</b>	35,496
Change in Net Position	31,647
<b>NET POSITION - BEGINNING OF YEAR</b>	108,506
<b>NET POSITION - END OF YEAR</b>	<b>\$ 140,153</b>

*The accompanying notes are an integral part of these financial statements.*

**WHITEMARSH TOWNSHIP**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Year Ended December 31, 2017**

	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Interfund Services Provided	\$ 421,877
Payments to Suppliers	(171,750)
Payments to Employees	(241,613)
	8,514
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
	NONE
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
	NONE
Net Cash and Cash Equivalents (Used) by Noncapital Financing Activities	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Received	275
Net Cash and Cash Equivalents Provided by Investing Activities	275
Net Increase in Cash and Cash Equivalents	8,789
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	42,322
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 51,111</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
(Loss) from Operations	\$ (4,124)
Adjustments to Reconcile (Loss) From Operations to Net Cash and Cash Equivalents Provided by Operating Activities:	
Depreciation	6,390
Increase (Decrease) in:	
Receivables	(9,666)
Accounts Payable	7,740
Accrued Wages Payable	(3,217)
Interfund Payables	11,391
	11,391
Net Cash and Cash Equivalents Provided by Operating Activities	<b>\$ 8,514</b>
<b>NON-CASH CAPITAL FINANCING ACTIVITIES</b>	
Capital assets of \$35,496 were acquired through interfund transfers	

*The accompanying notes are an integral part of these financial statements.*

**WHITEMARSH TOWNSHIP**  
**Statement of Fiduciary Net Position - Fiduciary Funds**  
**December 31, 2017**

	<u>Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4,074,590	\$ 1,355,762
Investments	30,600,601	-
Interfund Receivable	83,989	-
Accrued Interest	22,624	-
	<u>34,781,804</u>	<u>1,355,762</u>
<b>Total Assets</b>	<b><u>\$ 34,781,804</u></b>	<b><u>\$ 1,355,762</u></b>
<b>LIABILITIES</b>		
Escrowed Subdivision Fees	\$ -	\$ 1,239,389
Due to Taxpayers/Governments	-	116,373
	<u>-</u>	<u>1,355,762</u>
Total Liabilities	-	<b><u>\$ 1,355,762</u></b>
<b>NET POSITION</b>		
Restricted for Pension Benefits	29,040,409	
Restricted for Deferred Compensation Benefits	5,741,395	
	<u>34,781,804</u>	
Total Net Position	<u>34,781,804</u>	
<b>Total Liabilities and Net Position</b>	<b><u>\$ 34,781,804</u></b>	

*The accompanying notes are an integral part of these financial statements.*



**WHITEMARSH TOWNSHIP**  
**Statement of Changes in Fiduciary Net Position - Fiduciary Funds**  
**For the Year Ended December 31, 2017**

	<u>Trust Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Municipal Contribution	\$ 1,116,829
Employee Contribution	741,835
Other Contributions	<u>1,100</u>
Total Contributions	<u>1,859,764</u>
Investment Earnings:	
Net Increase in Fair Value of Investments	3,800,946
Interest and Dividends	470,834
Other Investment Earnings	<u>24,529</u>
Total Investment Earnings	<u>4,296,309</u>
Total Additions	<u>6,156,073</u>
<b>DEDUCTIONS</b>	
Benefits Paid	1,138,400
Administrative Expenses	<u>98,376</u>
Total Deductions	<u>1,236,776</u>
Change in Net Position	4,919,297
NET POSITION - BEGINNING OF YEAR	<u>29,862,507</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 34,781,804</u></u>

*The accompanying notes are an integral part of these financial statements.*

**WHITEMARSH TOWNSHIP, PENNSYLVANIA**  
**Notes to the Basic Financial Statements**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Whitemarsh 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.

**A. The Financial Reporting Entity**

Whitemarsh Township is a municipality governed by an elected five-member board. The Township's financial reporting entity is comprised of Whitemarsh Township (the primary government) and its discretely-presented component units.

A component unit is a legal entity that is either a separate government organization that is not a primary government, a not-for-profit corporation, or a for-profit corporation, that meets any one of the following four conditions:

- a. The primary government appoints a voting majority of the entity's governing body; and the primary government can impose its will on the entity, and/or a financial benefit/burden relationship exists between the primary government and the entity;
- b. The entity is fiscally dependent on the primary government and has a financial benefit/burden relationship with the primary government;
- c. The primary government holds a majority equity interest in the entity for the purpose of facilitating government services; or
- d. The primary government's financial statements would be misleading if the entity was excluded.

A component unit's financial statements are blended with the financial statements of the primary government when one of the following four circumstances is met:

- a. There is substantively the same governing body for both the primary government and the component unit; and there is a financial benefit or burden relationship between the primary government and the component unit, or the operational responsibility for the component unit rests with the management of the primary government.
- b. A component unit provides services entirely (or almost entirely) to the primary government or benefits the primary government exclusively (or almost exclusively).
- c. A component unit's debt, including leases, is expected to be repaid entirely or almost entirely with the primary government's resources.
- d. A component unit is incorporated as a not-for-profit corporation and the primary government is the sole corporate member.

A discretely-presented component unit is a separate legal entity that meets the component unit criteria described above but does not meet the criteria for blending. Those component units' financial statements are presented discretely in the primary government's government-wide financial statements.

Whitemarsh Township Authority (the "Authority") qualifies as a component unit of the Township. The Township appoints the members of the Authority's board. The financial statements of the Authority for the year ended December 31, 2017 have been summarized and discretely presented on the entity-wide financial statements of the Township. Complete financial statements of the Authority can be obtained from their administrative offices.

The William Jeanes Memorial Library (the "Library") is a separate nonprofit entity, which operates independently of the Township but services the same geographic area. The Township makes significant contributions to the Library to finance its operations and has set aside a portion of its annual real estate tax collections for this purpose. The Township's Board of Supervisors appoints four members of the Library Board; the remaining three members are elected by its members. The financial statements of the Library for the year ended December 31, 2017 have been summarized and discretely presented on the entity-wide financial statements of the Township. Complete financial statements of the Library can be obtained from their administrative offices.

Barren Hill Volunteer Fire Company, Spring Mill Fire Company, and Whitemarsh Community Ambulance Association receive contributions from the Township; however, the majority of revenues generated by these entities are through other sources and, therefore, the entities are not deemed to be fiscally dependent on the Township. Each entity has its own governing board that is not appointed by the Township. Therefore, the financial statements of these entities are not included in these financial statements.

## **B. Basis of Presentation**

### Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole, including the discretely presented component units. These statements include all governmental activities of the Township, but exclude fiduciary activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements.

The government-wide statement of activities presents a comparison between expenses and program revenues for each functional area. Expenses are those that are specifically associated with and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues are presented as general revenues. The comparison of

program revenues and expenses identifies the extent to which each functional area is self-financing or draws from the general revenues of the Township.

Internal activity is limited to interfund transfers, which are eliminated to avoid “doubling up” revenues and expenses.

Equity is classified as net position and can be displayed in three components:

- a. Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

### Fund Financial Statements

Fund financial statements report detailed information about the Township. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Fiduciary fund financial statements are represented by fund type.

### *Governmental Funds*

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers real estate tax revenues to be available if collected within sixty days of the end of the fiscal year and the Township considers earned income taxes and business tax revenues to be available if collected within ninety days of the end of the fiscal year. Revenues for state and federally-funded projects are recognized at the time the expenditures are made. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

The Township reports the following major governmental funds:

- The General Fund is the primary operating fund of the Township and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

- The Capital Reserve Fund was established to accumulate resources for storm water management, future equipment, and facilities maintenance expenditures. Revenues and other financing sources include governmental grants and transfers from the General Fund.
- The Open Space Reserve Fund was established to accumulate resources to protect and preserve undeveloped land and preserve open space and agricultural lands for the benefit of residents within the Township. The Township transfers, from the General Fund to the Open Space Reserve Fund, earned income tax revenue designated for land preservation.

Governmental fund balances are classified as follows:

- a. Non-spendable – includes fund balance amounts that cannot be spent either because the amounts are not in spendable form or are legally or contractually required to be maintained intact.
- b. Restricted – includes fund balance amounts that are restricted to specific purposes by external parties or by law through constitutional provisions or enabling legislation.
- c. Committed – includes fund balance amounts that can only be used for specific purposes due to formal action of the Township’s highest level of decision-making authority, which is the Whitemarsh Township Board of Supervisors. Formal action includes the adoption of ordinances or resolutions. Committed fund balance may also include resources that have been specifically committed for use in satisfying contractual requirements.
- d. Assigned – includes fund balance amounts that are constrained by the Township’s intent to be used for specific purposes, but are not restricted or committed. All fund balance assignments are approved by the Board of Supervisors.
- e. Unassigned – includes the residual classification of fund balance of the General Fund, whether the amount is positive or negative. Other governmental funds may report negative unassigned fund balance if their expenditures exceed the amounts restricted, committed, or assigned to their fund purposes.

When both restricted and unrestricted resources are available for use, it is the Township’s policy to use restricted resources first and then unrestricted resources as they are needed. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds and, finally, unassigned funds, as needed.

The Township has a “Designated General Fund Operating Reserve Policy” that sets a goal of maintaining a minimum fund balance for the General Fund in excess of the recommended minimum of 5% to 10% of operating expenditures prescribed by rating agencies. These assigned funds are segregated in an interest-bearing account and are intended to be used only for alleviating short-term budgetary problems such as unanticipated revenue shortfalls or budget overruns. Maintaining the size of the reserve above the recommended threshold stabilizes the Township’s tax structure and ensures provision of services to residents during times of fiscal uneasiness.

### *Proprietary Funds*

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments. The Garage Maintenance Fund is used to account for the maintenance of Township vehicles, which is reimbursed by various funds. A self-insurance fund is also included as an internal service fund and is used to accumulate reserves to pay for unemployment claims directly to the state employment insurance fund as opposed to paying an assessment based on annual payroll and claim experience. Operating revenues include charges for services provided to other departments of the Township; nonoperating revenues include interest earnings.

Proprietary fund financial statements are prepared using the economic resources measurement focus and accrual basis of accounting.

### *Fiduciary Funds*

Fiduciary funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, or others. The Township has two private-purpose trust funds which account for all pension activity. In addition, the Township has one private-purpose trust fund that accounts for Township employees' salary deferrals, the funds of which are not available to the employees until termination, death, retirement, or an unexpected emergency. These trust funds are accounted for in essentially the same manner as proprietary funds since the measurement of the periodic net income and the determination of capital maintenance are critical.

The Township has two agency funds. The Escrow Fund accounts for moneys paid by developers to be used for land subdivision costs. The Real Estate Tax Collector Fund accounts for collections and remittances of real estate taxes to Montgomery County and Whitemarsh Township. Agency funds are unlike all other types of funds, reporting only assets and liabilities. Therefore, these funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

### **C. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **D. Budgets**

Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end.

### **E. Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include amounts in demand deposits, money market funds, amounts deposited with the Pennsylvania Local Government Investment Trust, and amounts deposited with the Pennsylvania Treasurer's INVEST Program for Local Governments. Investments are stated at market value.

## **F. Capital Assets**

Capital assets, which include building and improvements, equipment, vehicles, and infrastructure, are reported in the government-wide financial statements and are recorded at cost (if known) or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. 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. Capital acquisition and construction related to governmental funds are reflected as expenditures in the fund financial statements.

The capital assets (net of salvage value) of governmental activities is depreciated using the straight-line method over the following estimated useful lives:

Building and Improvements	45 Years
Equipment	5 – 20 Years
Vehicles	5 Years
Infrastructure	30 Years

The capital assets of the Authority are depreciated over the following estimated useful lives:

Sewer System	45 Years
Equipment	10 – 15 Years
Vehicles	5 Years

## **G. Property Taxes**

The tax on real estate in Whitemarsh Township for 2017 was 2.0379 mills (\$2.0379 per \$1,000 of assessed valuation) as levied by the Board of Supervisors. Assessed valuations of property are determined by Montgomery County. Taxes are billed March 1 and payable under the following terms: a 2% discount March 1 through April 30; full amount May 1 through June 30; and a 10% penalty after July 1. Unpaid real estate property taxes are returned to the County in January of the following year for the purpose of filing a lien and collecting the delinquent taxes.

## **H. Long-Term Obligations**

Long-term debt and other long-term obligations are reported as liabilities in the government-wide financial statements. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources and the payment of principal and interest is reported as expenditures. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, generally are reported as debt service expenditures.

## I. Subsequent Events

Management has evaluated subsequent events through July 2, 2018, which is the date the financial statements were available to be issued.

### 2. LEGAL COMPLIANCE - BUDGETS

An annual budget is prepared for each governmental fund. The preliminary and final budgets are presented to the Board of Supervisors each year by November 1 and December 31, respectively.

### 3. 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. The Township's deposit policy for custodial credit risk is to have uninsured deposits collateralized, pursuant to Pennsylvania Act 72 of 1971, as amended.

As of December 31, 2017, the bank balances and the carrying amounts of deposits of the primary government in these financial statements are as follows:

	Carrying <u>Amount</u>	Bank Balance		
		<u>Total</u>	<u>Covered by FDIC</u>	<u>Secured</u>
Checking and Savings Accounts	\$ 9,817,506	\$ 10,546,460	\$ 362,348	\$ 10,184,112
Pennsylvania Local Government Investment Trust (PLGIT)	15,568,877	15,568,877	-	15,568,877
Pennsylvania Treasurer's Invest Program	2,932,317	2,932,317	-	2,932,317
Trust Funds	<u>4,074,590</u>	<u>4,074,590</u>	<u>-</u>	<u>4,074,590</u>
Total	<u>\$ 32,393,290</u>	<u>\$ 33,122,244</u>	<u>\$ 362,348</u>	<u>\$ 32,759,896</u>

Bank deposits not covered by federal depository insurance ("FDIC") are uninsured but secured by U.S. Government-backed investments or secured on a pooled basis.

##### *Credit Risk*

The PLGIT portfolios may contain a combination of obligations of the U.S. government or its agencies, obligations of the Commonwealth of Pennsylvania or its agencies, Federal securities subject to repurchase obligations (collateralized by U.S. Treasury or Federal Agency or instrumentality obligations held by the Trust's Custodian), FDIC insured certificates of deposit (CDs), CDs secured by U.S. Government-backed investments or secured on a pooled basis, or shares of Registered Money Market Funds which invest solely in the securities described above and which are rated in the highest capacity by a nationally recognized rating agency. The Township's PLGIT portfolios are currently rated AAAM by Standard & Poor's.



## Investments

Pennsylvania municipalities are required to invest funds consistent with sound business practice. Regarding the investments of the Township's governmental funds, state statutes authorize the Township to invest in United States (U.S.) Treasury bills; short-term obligations of the U.S. government or its agencies or instrumentalities; deposit accounts, which include savings accounts and certificates of deposit as well as other time deposit type accounts available at banks, savings and loan associations, or credit unions; obligations of the U.S. government (other than Treasury bills) or its agencies or instrumentalities backed by full faith and credit; obligations of the Commonwealth of Pennsylvania or its agencies or instrumentalities backed by the full faith and credit of the Commonwealth or its political subdivisions; shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of that company are in the authorized investments for municipal funds; and certain commercial paper, bankers' acceptances, and negotiable certificates of deposit. In addition, the Intergovernmental Cooperation Act 11 permits cooperative investment pools, such as the Pennsylvania Local Government Investment Trust and the State Treasurer's Invest Program. In addition to these investments, the investments of fiduciary funds may include corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

### *Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township may not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The investments held in the fiduciary funds and William Jeanes Memorial Library consist of open-ended mutual funds, and as such, are not exposed to custodial credit risk.

### *Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The credit quality ratings as described by a nationally-recognized statistical rating organization is disclosed for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. Unless contrary information exists, investments in obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

The investments of the Municipal Pension Fund and the Deferred Compensation Fund are self-directed by the plans' participants and, therefore, no disclosures regarding credit risk are provided in these financial statements. The fixed income investments of the Police Pension Fund, totaling \$7,378,428 as of December 31, 2017, had the following credit quality ratings:

	Market Value <u>12/31/17</u>	Credit Quality Distribution - Standard & Poor's / Moody's				
		AAA/ Aaa	AA/ Aa	A/ A	BBB/ Baa	Other
		Vanguard Intermediate Term Investment Grade Fund Admiral Shares	\$ 2,432,340	23.2%	12.2%	41.0%
Baird Core Plus Bond Fund	2,424,456	41.6%	4.0%	18.5%	28.4%	7.5%
Doubleline Core Fixed Income Fund	1,123,968	45.7%	2.8%	14.4%	16.1%	21.0%
Prudential Total Return Bond Fund	751,515	43.3%	6.6%	15.3%	19.2%	15.6%
Vanguard High Yield Corporate Fund	<u>646,149</u>	4.4%	4.7%	44.2%	36.0%	10.7%
Total Fixed Income Investments - Police Pension Fund	<u>\$ 7,378,428</u>					

### *Concentration of Credit Risk*

The following investments comprised at least 5% of Police Pension Plan assets as of December 31, 2017.

	Market Value <u>12/31/17</u>
Vanguard Index Trust Total Stock Market Portfolio	\$ 7,829,664
Vanguard Intermediate Term Investment Grade Fund Admiral Shares	2,432,340
Baird Core Plus Bond Fund	2,424,456
Vanguard Total International Stock Index Fund Admiral Shares	1,713,580
JOHCM International Select Fund	1,369,378
DoubleLine Core Fixed Income Fund	1,123,968

The following cash equivalents and investments comprised at least 5% of Municipal Pension Plan assets as of December 31, 2017.

	Market Value <u>12/31/17</u>
VT Vantagepoint MP Long-Term Growth Fund	\$ 2,936,852
VT Vantagepoint MP Traditional Growth Fund	598,405

The following investments comprised at least 5% of Deferred Compensation Plan assets as of December 31, 2017.

	Market Value <u>12/31/17</u>
VT Vantagepoint MP Long-Term Growth Fund	\$ 579,669
VT Vantagepoint MP Traditional Growth Fund	314,501
VT Contrafund	302,401

*Interest Rate Risk*

In order to manage cash flow and manage its exposure to fair value losses arising from increasing interest rates, the Township’s policy is to invest primarily in investments with maturities of one year or less.

**4. TAXES RECEIVABLE**

Taxes receivable on the Statement of Net Position and the Balance Sheet – Governmental Funds at December 31, 2017, consist of the following:

Earned Income Taxes	\$ 2,011,584
Mercantile and Business Privilege Taxes	104,879
Real Estate Taxes	97,609
Local Services Tax	175,000
Real Estate Transfer Tax	68,419
Other	<u>180</u>
Total	<u><u>\$ 2,457,671</u></u>

**5. UNEARNED REVENUE**

Primary Government

Unearned revenue on the Statement of Net Position and the Balance Sheet – Governmental Funds, totaling \$288,561 as of December 31, 2017, represents revenues collected in advance.

Component Unit – Whitmarsh Township Authority

Unearned revenue totaling \$800,457 represents charges for services to be provided in the subsequent fiscal year.

**6. DEFERRED OUTFLOWS OF RESOURCES**

Government-wide Financial Statements

As described in Note 13, as of December 31, 2017, the Township reported deferred outflows of resources totaling \$367,695 related to changes in assumptions, and deferred inflows of resources

totaling \$627,722 related to the difference between projected and actual investment earnings and differences between expected and actual experience. The amount reported as deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan will be recognized in pension expense over the next six years.

## 7. DEFERRED INFLOWS OF RESOURCES

### Fund Financial Statements

Deferred inflows of resources on the Balance Sheet – Governmental Funds represent revenue earned but not subject to recognition in the fund financial statements because the revenues are not currently available. These resources, totaling \$169,440, include delinquent real estate taxes liened by the Township totaling \$61,545 and revenue from special assessments totaling \$107,895. These resources have been recognized as revenue in the government-wide financial statements.

## 8. CAPITAL ASSETS

### Township

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balance - <u>1/1/2017</u>	<u>Additions</u>	<u>Disposals</u>	Balance - <u>12/31/2017</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land and Conservation Easements	\$ 21,649,486	\$ -	\$ -	\$ 21,649,486
Total Capital Assets Not Being Depreciated	<u>21,649,486</u>	<u>-</u>	<u>-</u>	<u>21,649,486</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	4,592,297	74,450	-	4,666,747
Furniture and Equipment	2,007,755	902,189	(117,900)	2,792,044
Vehicles	2,998,103	231,176	(96,308)	3,132,971
Infrastructure	10,027,291	856,960	-	10,884,251
Totals at Estimated Historical Cost	<u>19,625,446</u>	<u>2,064,775</u>	<u>(214,208)</u>	<u>21,476,013</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,681,498)	(113,004)	-	(1,794,502)
Furniture and Equipment	(1,577,820)	(273,816)	113,260	(1,738,376)
Vehicles	(2,144,844)	(307,102)	96,308	(2,355,638)
Infrastructure	(1,981,899)	(346,817)	-	(2,328,716)
Total Accumulated Depreciation	<u>(7,386,061)</u>	<u>(1,040,739)</u>	<u>209,568</u>	<u>(8,217,232)</u>
Capital Assets Being Depreciated, Net	<u>12,239,385</u>	<u>1,024,036</u>	<u>(4,640)</u>	<u>13,258,781</u>
Governmental Activities Capital Assets, Net	<u>\$ 33,888,871</u>	<u>\$ 1,024,036</u>	<u>\$ (4,640)</u>	<u>\$ 34,908,267</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental Activities:	
General Government	\$ 95,145
Public Safety - Police	204,910
Public Safety - Other	88,550
Public Works - Sanitation	60,093
Public Works - Highway	486,843
Culture and Recreation	103,940
Community Development	<u>1,258</u>
Total	<u>\$ 1,040,739</u>

Component Units

Capital assets presented in the component unit financial statements are as follows:

*Whitemarsh Township Authority*

	Balance - <u>1/1/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Transfers</u>	Balance - <u>12/31/2017</u>
Capital Assets Not Being Depreciated:					
Land	\$ 862,410	\$ -	\$ -	\$ -	\$ 862,410
Construction in Progress	<u>1,493,730</u>	<u>501,039</u>	<u>-</u>	<u>(1,585,694)</u>	<u>409,075</u>
Total Capital Assets Not Being Depreciated	<u>2,356,140</u>	<u>501,039</u>	<u>-</u>	<u>(1,585,694)</u>	<u>1,271,485</u>
Capital Assets Being Depreciated:					
Sewer System	22,482,350	34,142	-	1,585,694	24,102,186
Machinery and Equipment	1,200,213	45,831	-	-	1,246,044
Vehicles	<u>263,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263,359</u>
Totals at Estimated Historical Cost	<u>23,945,922</u>	<u>79,973</u>	<u>-</u>	<u>1,585,694</u>	<u>25,611,589</u>
Less Accumulated Depreciation:					
Sewer System	(9,197,707)	(381,829)	-	-	(9,579,536)
Machinery and Equipment	(732,981)	(101,127)	-	-	(834,108)
Vehicles	<u>(147,888)</u>	<u>(28,268)</u>	<u>-</u>	<u>-</u>	<u>(176,156)</u>
Total Accumulated Depreciation	<u>(10,078,576)</u>	<u>(511,224)</u>	<u>-</u>	<u>-</u>	<u>(10,589,800)</u>
Capital Assets Being Depreciated, Net	<u>13,867,346</u>	<u>(431,251)</u>	<u>-</u>	<u>1,585,694</u>	<u>15,021,789</u>
Total Capital Assets, Net	<u>\$16,223,486</u>	<u>\$ 69,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$16,293,274</u>

*William Jeanes Memorial Library*

	Balance - <u>1/1/2017</u>	<u>Additions</u>	<u>Disposals</u>	Balance - <u>12/31/2017</u>
Capital Assets Not Being Depreciated:				
Land Improvements	\$ 62,979	\$ -	\$ -	\$ 62,979
Capital Assets Being Depreciated:				
Buildings and Improvements	5,151,352	-	-	5,151,352
Equipment	551,184	-	-	551,184
Totals at Estimated Historical Cost	<u>5,702,536</u>	<u>-</u>	<u>-</u>	<u>5,702,536</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,225,708)	(160,381)	-	(1,386,089)
Equipment	(301,624)	(34,164)	-	(335,788)
Total Accumulated Depreciation	<u>(1,527,332)</u>	<u>(194,545)</u>	<u>-</u>	<u>(1,721,877)</u>
Capital Assets Being Depreciated, Net	<u>4,175,204</u>	<u>(194,545)</u>	<u>-</u>	<u>3,980,659</u>
Totals	<u>\$ 4,238,183</u>	<u>\$ (194,545)</u>	<u>\$ -</u>	<u>\$ 4,043,638</u>

**9. LONG-TERM DEBT**

Primary Government

*Notes Payable*

On December 17, 2015, the Township Board of Supervisors approved the issuance of a promissory note (Whitemarsh Township Promissory Note, 2015 Series) in the amount of \$723,955, payable to the County of Montgomery, for the financing of emergency radio equipment for the emergency service providers serving the Whitemarsh Township area. The radio equipment was acquired by the County as part of a bulk purchasing agreement with Motorola. The County has made available interest-free (0%) financing to the participating municipalities through the Delaware Valley Regional Finance Authority (DVRFA). The promissory note is being serviced by Wells Fargo Bank and will be repaid by the Township over a period of five years. Actual costs in excess of the \$723,956 amount of the promissory note will be paid from the Township’s Capital Reserve Fund. The Barren Hill and Spring Mill Fire Companies, along with the Whitemarsh Community Ambulance Association, have agreed to reimburse the Township \$219,490, which represents one-half of their shares of the total costs of \$438,980, over a five-year period. In addition, other local-area fire companies have agreed to reimburse the Township for purchased radio equipment totaling \$80,014. In 2017, debt service payments totaled \$289,582 and reimbursements recognized as revenue totaled \$166,100.

The proceeds of the Note Payable – Series of 2014 – TD Bank were used for various capital projects. The interest rate on this note is equal to the “applicable tax-exempt rate” as follows: until November 15, 2021, 2.31%; for the period from November 15, 2021 until November 15, 2029, the lesser of 50% of the Wall Street Journal Prime Rate (adjusted annually) or a fixed rate of 5%; and for the period November 15, 2029 until the maturity date, the lesser of 50% of the Wall Street Journal Prime Rate (adjusted annually) or a fixed rate of 6%. Interest is payable semi-annually; principal is payable annually on November 15<sup>th</sup>; final maturity is in 2039. Debt service payments for this series will be made from the Capital Reserve Fund.

The proceeds of the Note Payable – Series of 2009 – Delaware Valley Regional Finance Authority were used for various capital projects, as well as for the acquisition of a portion of the Erdenheim Farm property, known as Sheep Tract, for open space. The interest rate on this note is equal to the “loan weekly rate” as defined in the loan agreement. The loan weekly rate is a variable rate that is equal to the rate set by the Securities Industry and Financial Markets Association (“SIFMA”) Municipal Swap Index (a published index of high-grade 7-day variable rate demand bonds) plus a spread. As of December 31, 2017, this rate was 2.317%. Interest is payable monthly; principal is payable annually on April 25<sup>th</sup>; final maturity is in 2032. Debt service payments for this series are made from the Capital Reserve Fund and Open Space Reserve Fund.

The proceeds of the Note Payable – Series of 2007 – Delaware Valley Regional Finance Authority were used for the acquisition of a portion of the Erdenheim Farm property, known as the Angus tract, for open space. Interest was paid monthly; principal was paid annually on November 25<sup>th</sup>. Final maturity for this note was on November 25, 2017. Debt service payments for this series were made from the Open Space Reserve Fund.

The following is a summary of notes payable of the primary government as of December 31, 2017.

Promissory Note - Series of 2015	\$ 434,374
Note Payable - Series of 2014 - Capital Projects	5,411,000
Note Payable - Series of 2009 - Sheep Tract	<u>10,334,000</u>
 Total Notes Payable	 16,179,374
 <u>Less: Current Portion</u>	 <u>(885,791)</u>
 Long-term Portion	 <u><u>\$ 15,293,583</u></u>

Maturities of debt on the above loans are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 885,791	\$ 222,785	\$ 1,108,576
2019	908,791	212,964	1,121,755
2020	932,792	203,229	1,136,021
2021	813,000	192,481	1,005,481
2022	785,000	304,452	1,089,452
2023 - 2027	4,404,000	1,293,564	5,697,564
2028 - 2032	5,230,000	932,267	6,162,267
2033 - 2037	1,491,000	497,460	1,988,460
2038 - 2039	<u>729,000</u>	<u>66,240</u>	<u>795,240</u>
<b>Total Due in Future Years</b>	<u><u>\$16,179,374</u></u>	<u><u>\$3,925,442</u></u>	<u><u>\$20,104,816</u></u>

In calculating the future debt service requirements for interest for the Series 2009 note payable, Township management has assumed a “loan weekly (interest) rate” of 2.317%.

*Compensated Absences*

The Township’s vacation policy encourages employees to take vacation time in the year that it is earned. The Township will permit an employee to carry up to 5 days of unused vacation time into the next calendar year, and will pay an employee for up to 5 unused days accrued within any calendar year.

For all new or current employees hired after December 1, 2006, the Township permits accumulation of up to 60 days of sick leave. Any employee hired after December 1, 2006 who has accumulated 60 or more days of sick leave may elect to sell back to the Township a maximum of 10 days of unused sick leave at 20% of the employee’s daily base pay rate for each unused day of sick leave annually.

Employees who have accumulated more than 60 days prior to December 1, 2006 may continue to accumulate up to 10 days of sick leave per year and may use the sick leave days during the year or sell those sick leave days back to the Township at the rate of 20% of the employee’s daily base pay rate for each unused day of sick leave. However, these sick leave days shall not be added to the days previously banked. These employees may retain the sick leave that they have accumulated before the policy change or use any sick leave as they need to use in accordance with the Township’s sick leave policy. No more than 10 days of sick leave may be sold back to the Township in a year. There are no dollar values attached to any unused sick leave when an employee leaves the Township regardless of the reason that the employee leaves.

All payments related to compensated absences are made from the Township’s general fund.

*Other Long-Term Debt*

The Township’s net other post-employment benefits obligation is described in Note 15. The Township’s net pension liability is described in Note 13. All payments related to other post-employment benefits and pension liabilities are made from the Township’s general fund.

*Changes in Long-Term Debt*

The following summarizes the changes in long-term debt for the primary government for the year ended December 31, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Repayments</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Notes Payable	\$ 16,683,000	\$ 723,956	\$ 1,227,582	\$ 16,179,374	\$ 885,791
Compensated Absences	771,522	18,332	-	789,854	-
Net Other Post-Employment Benefits Obligation	3,336,410	467,607	-	3,804,017	-
Net Pension Liability	<u>3,123,290</u>	<u>-</u>	<u>1,431,223</u>	<u>1,692,067</u>	<u>-</u>
<b>Totals</b>	<u><u>\$ 23,914,222</u></u>	<u><u>\$ 1,209,895</u></u>	<u><u>\$ 2,658,805</u></u>	<u><u>\$ 22,465,312</u></u>	<u><u>\$ 885,791</u></u>



Whitemarsh Township Authority

On April 14, 2011, the Board of Supervisors of the Township passed an ordinance to guarantee new debt incurred by Whitemarsh Township Authority (the "Authority"), totaling up to \$8,000,000, for which the proceeds were to be used by the Authority to finance certain improvements and upgrades to the sanitary conveyance and treatment facilities serving the Township, construct new sewage collection facilities serving a portion of the Township, repay a Township loan used to finance the purchase and installation of certain sludge equipment for the Authority's wastewater treatment plant, and to pay the costs and expenses of the financing. The debt was secured by a pledge of the receipts and revenues of the Authority and a Guarantee of the Township.

Effective April 23, 2014, the Note was refinanced with Univest Bank and Trust Co. in the amount of \$10,000,000 (Sewer Revenue Note, Series of 2014) (the 2014 Note). Under the 2014 Note, interest accrues at 2.55% through June 1, 2021, and thereafter at 67% of the then current prime rate plus 50 basis points, but in no event shall the rate be greater than 5.5% or less than 2.55%. Semiannual principal payments began on December 1, 2014, with principal payments beginning on December 1, 2015. As a result of this refinancing, the Township is no longer a guarantor of the Authority.

*Debt Maturities*

The annual requirements to amortize principal and interest under the 2017 note are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 440,000	\$ 232,942	\$ 672,942
2019	450,000	221,723	671,723
2020	460,000	210,247	670,247
2021	365,000	303,615	668,615
2022	280,000	389,550	669,550
2023 - 2027	1,645,000	1,710,712	3,355,712
2028 - 2032	2,120,000	1,231,650	3,351,650
2033 - 2037	2,740,000	612,675	3,352,675
2038	628,746	33,338	662,084
Total Debt Service	9,128,746	<u>\$4,946,452</u>	<u>\$14,075,198</u>
Less: Current Maturities	<u>(440,000)</u>		
Net Long-term Debt	<u>\$ 8,688,746</u>		

## 10. COMMITMENTS

### Capital Project Commitments

As of December 31, 2017, the Township had outstanding capital project and other commitments totaling \$743,038.

## 11. CONTINGENT LIABILITIES

### Highway Materials

Highway Materials Inc. filed a motion in the Montgomery Court of Common Pleas on April 25, 2017 entitled, "Motion to Enforce Settlement Agreement". The case arises from a court-ordered settlement between Highway Materials, Inc. and Whitmarsh Township ordering the Township to complete certain intersection improvements at the Township's sole cost and expense. Since the Plaintiff felt that the Township was not moving fast enough to complete the intersection improvements, a Motion to Enforce Settlement Agreement seeking, amongst other non-monetary relief, an order requiring the Township to reimburse the Plaintiff an undetermined dollar amount for attorneys' fees and costs for drafting, filing and prosecuting the Motion. The Court granted the Plaintiff's Motion subject to the Township completing certain tasks by certain deadlines. To date, the Township has completed each task by the required deadline, but the case remains open.

No damages have been adjudicated against the Township to date, but the request for attorneys' fees and costs remains viable. The Township has and will continue to vigorously defend against the Motion and against any payment of attorneys' fees and costs. Currently, an estimate of possible loss or range of loss cannot be made; therefore, no liability has been recorded in these financial statements.

### Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The Township expects such amounts, if any, to be immaterial.

### Other

Significant losses for possible claims and judgments are covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior fiscal year, and settlement amounts have not exceeded insurance coverage for the current fiscal year or the three prior fiscal years.

## 12. INTERFUND TRANSFERS AND BALANCES

During 2017, the Township executed the following interfund transfers:

<u>Transferred From</u>	<u>Transferred To</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Capital Reserve Fund	Debt service	\$ 580,964
General Fund	Capital Reserve Fund	Capital Projects	538,891
General Fund	Open Space Reserve Fund	Open space earned income tax collected	2,084,280
General Fund	Light and Hydrant Fund	Operational costs	16,500
General Fund	Park Fund	Operational costs	58,037
General Fund	Capital Equipment Reserve	Equipment	42,907
Capital Reserve Fund	Maintenance Garage Fund	Garage improvements	35,496
Liquid Fuels Fund	General Fund	Road maintenance and repairs	527,600
Refuse Fee Fund	General Fund	Collection and disposal	1,250,000

As of December 31, 2017, \$83,989 is due from the General Fund to the Municipal Pension Fund (a Trust Fund), which includes \$77,212 for accrued pension fees and \$6,777 for Municipal Pension fund cash maintained in the General Fund. In addition, \$11,391 is due from the Maintenance Garage Fund (a proprietary fund) to the General Fund as of December 31, 2017, and \$2,240 is due from the Refuse Fee Fund (a non-major governmental fund) to the General Fund as of December 31, 2017.

## 13. POLICE PENSION PLAN

### Plan Description and Provisions

All of the Township's full-time police employees participate in a single-employer defined benefit pension plan, as established by Ordinance No. 248 on June 25, 1970, most recently amended by Ordinance No. 836 dated July 12, 2007.

As of December 31, 2017, pension plan membership consisted of the following participants:

Active Employees	35
Retirees and Beneficiaries Currently Receiving Benefits	27
Vested Former Members	<u>3</u>
Total	<u><u>65</u></u>

The pension plan provides retirement benefits as well as death and disability benefits. All benefits vest at 10 years of credited service for employees hired before January 28, 2001; otherwise, vesting occurs after 12 years of service. Employees who retire at or after age 50 with 25 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 55% of their final 36 months average compensation. Employees hired after January 28, 2001 receive 50% of their final average compensation. This benefit is increased \$20 per month per year of service in excess of 25 years, subject to a maximum benefit of \$100 per month. Final average salary is the employee's average base salary, longevity, and holiday pay over the last 36

months of credited service. A reduced benefit is available for participants who retire with 20 or more years of service.

Members can be required to contribute up to 8% of base pay to the Act 600 Plan, which can be waived depending on the actuarial soundness of the Plan, as determined by the Plan actuary. Currently, police employees are required to contribute 5% to the plan. If an employee leaves covered employment and is ineligible to receive a benefit after having made contributions to the pension plan, the employee or designated beneficiary will be eligible to receive accumulated employee contributions plus related investment earnings. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to meet the Minimum Municipal Obligation of the Plan after the application of state aid and employee contributions. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

### *Death Benefits*

A lifetime survivor's benefit must be provided to the surviving spouse (or if no spouse survives or if he or she subsequently dies, the child or children under 18 years of age or if attending college, under or attaining the age of 23) equal to 100% of the pension the member was receiving or would have been entitled to receive had he or she been retired at the time of death. Pensions for the families of members killed in service shall be calculated at 100% of the member's salary at the time of death. The Plan was previously required to provide a killed-in-service benefit in accordance with Act 30. Effective October 9, 2009, the Governor signed legislation that provides for these payments to be made by the state.

### *Life Insurance*

Life insurance of \$12,000 is provided. This insurance is paid up at the officer's retirement date.

### *Cost of Living Increases*

A review of cost of living for retirees is made every year during the term of the current contract, and the Township may grant a cost of living increase to current retirees equal to the percentage increase in the U.S. Consumer Price Index for Wage Earnings and Clerical Workers for the Philadelphia Area as determined by this cost of living review. In no case may the total pension benefit exceed 75% of the retiree's final average salary, nor may the total cost of living increase exceed 30% of the retiree's initial benefit.

### Summary of Significant Accounting Policies

#### *Fiduciary Fund*

The pension plan utilizes the accrual basis of accounting. The pension plan is reflected as a fiduciary fund in these financial statements; however, separate stand-alone financial statements for the pension plan are not issued. Employer contributions are recognized when due as required by Act 205 of the Commonwealth. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Governmental Fund Financial Statements*

Governmental funds utilize the modified accrual basis of accounting. Employer contributions are recognized when due as required by Act 205 of the Commonwealth.

*Government-wide Financial Statements*

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, the Township reports its net pension liability in the Statement of Net Position.

*Investments*

Investments are reported at fair market value. Securities traded on national exchanges are valued at the last reported sales price.

Plan Investments

*Summary by Type*

Investments held as of December 31, 2017 are summarized as follows:

Mutual Funds - Fixed Income	\$ 7,378,428
Mutual Funds - Equity	13,185,760
Other	<u>963,108</u>
Total	<u><u>\$ 21,527,296</u></u>

Current yields on the fixed income mutual funds range from 2.85% to 5.29%.

*Concentrations*

The following investments comprised at least 5% of plan assets as of December 31, 2017.

	Market Value <u>12/31/17</u>
Vanguard Index Trust Total Stock Market Portfolio	\$ 7,829,664
Vanguard Intermediate Term Investment Grade Fund Admiral Shares	2,432,340
Baird Core Plus Bond Fund	2,424,456
Vanguard Total International Stock Index Fund Admiral Shares	1,713,580
JOHCM International Select Fund	1,369,378
DoubleLine Core Fixed Income Fund	1,123,968

## Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on plan investments was 15.24%. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

## Contributions and Funding Policy

Act 205 of the Commonwealth requires that annual contributions be based upon the Minimum Municipal Obligation (MMO). The MMO is based upon the plan's biennial actuarial valuation. The State provides an allocation of funds that must be used for pension funding. Any financial requirement established by the MMO which exceeds the State and employee contributions must be funded by the employer in accordance with Act 205.

Contributions to the Police Pension Plan for 2017 totaled \$859,263 from the Township and \$192,533 from employees. The components of the MMO for 2017 are as follows:

Normal Cost	\$ 621,357
Amortization Requirement	430,510
Less: Estimated Employee Contributions	<u>(192,604)</u>
2017 Minimum Municipal Obligation	<u>\$ 859,263</u>

## Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of December 31, 2017, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2017. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The components of the changes in the total pension liability, plan fiduciary net position, and net pension liability of the Police Pension Plan for the year ended December 31, 2017 are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Service Cost	\$ 524,100	\$ -	\$ 524,100
Interest on Total Pension Liability	1,678,782	-	1,678,782
Difference between Expected and Actual Experience	(230,722)	-	(230,722)
Changes in Assumptions	428,977	-	428,977
Employer Contributions	-	859,263	(859,263)
Employee Contributions	-	192,533	(192,533)
Other Contributions	-	1,100	(1,100)
Net Investment Income	-	2,876,786	(2,876,786)
Benefit Payments	(994,194)	(994,194)	-
Administrative Expenses	-	<u>(97,322)</u>	<u>97,322</u>
Net Changes	1,406,943	2,838,166	(1,431,223)
Balances as of December 31, 2016	<u>22,169,647</u>	<u>19,046,357</u>	<u>3,123,290</u>
Balances as of December 31, 2017	<u>\$ 23,576,590</u>	<u>\$ 21,884,523</u>	<u>\$ 1,692,067</u>

In the government-wide financial statements for the year ended December 31, 2017, the Township recognized pension expense totaling \$637,427 for the Police Pension Plan. As of December 31, 2017, the Township reported deferred outflows of resources totaling \$367,695 related to changes in assumptions, and deferred inflows of resources totaling \$627,722 related to the difference between projected and actual investment earnings and differences between expected and actual experience. The amount reported as deferred outflows and inflows of resources related to the Police Pension Plan will be recognized in pension expense as follows:

<u>Year</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>
2018	\$ 61,282	\$ 1,075
2019	61,282	1,074
2020	61,282	257,204
2021	61,283	302,447
2022	61,283	32,961
2023	61,283	32,961
	<u>\$ 367,695</u>	<u>\$ 627,722</u>

*Actuarial Assumptions*

In accordance with regulations under Act 205 of 1984, all actuarial assumptions are selected jointly by the actuary and the governing body of the pension plan. Significant actuarial assumptions are presented below.

Actuarial Valuation Date	1/1/15
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Remaining Amortization Period	7 Years
Asset Valuation Method	Market Value
Inflation	3.00%
Projected Salary Increase	5.00%
Investment Rate of Return	7.50%
Retirement Age	The later of age 51, or age at the completion of 25 years of service
Mortality Rates	RP2000 Table

Actuarial assumptions are based on experience with police pension plans statewide and standard nationwide mortality tables. Due to the size of the plan, actuarial experience studies are not considered credible and are not performed for the plan.

The long-term expected rate of return on pension 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 inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	40%	5.5% - 7.5%
International Equity	21%	4.5% - 6.5%
Fixed Income	38%	1.0% - 3.0%
Real Estate	0%	4.5% - 6.5%
Cash	<u>1%</u>	0% - 1.0%
Total	<u><u>100%</u></u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability of the pension plans, calculated using the discount rate of 7.5%, as well as what the net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease <u>(6.5%)</u>	Current Discount Rate <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
Net Pension Liability	\$ 4,704,416	\$ 1,692,067	\$ (813,263)

**14. NON-UNIFORMED PENSION PLAN**

Plan Description and Provisions

The Whitmarsh Township Non-Uniformed Pension Plan is a single-employer defined contribution pension plan controlled by the provisions of Ordinance No. 475, adopted August 11, 1983, amended by Ordinance No. 543 and No. 578.

*Eligibility Requirements*

The eligibility requirements and benefit provisions of Whitmarsh Township Non-Uniformed Pension Plan are as follows:



*Eligibility* – All full-time employees hired on or after July 1, 1989 are required to become members of the Plan.

*Normal Retirement* – First day of the month coincident with or next following the employee's 65th birthday.

*Retirement Benefit* – Total value of the member's employee contribution account and the member's Township contribution account, including all member contributions, Township contributions and investment earnings.

*Vesting* – A member is 50 percent vested after 3 years of service and 100 percent vested after 5 years of service with the Township.

*Form of Payment* – Benefits will be paid in a single lump sum payment unless the member elects to receive monthly payments. If monthly payments are elected, the member shall elect any monthly dollar amount in excess of one percent of the member's account balance. This amount may be changed no more than once per year.

*Death and Disability Benefits* – If a member becomes eligible for long-term disability benefits under the Township's health and welfare plan or dies, the member's account balance shall become 100 percent vested and shall be payable in the same manner as for normal retirement. Death benefits shall be paid only in single lump sum payments.

*Contribution* – Members are required to contribute to the plan three percent of annual salary. Township contributions match the members' contributions at three percent. Members may elect to contribute an additional one to three percent, which will be matched by the Township to a maximum of 6%. Members may make additional contributions over 6% to a maximum of 15% which will not be matched by the Township. All contributions up to 6% are made pre-tax; employee contributions in excess of 6% are made post-tax.

## Summary of Significant Accounting Policies

### *Fiduciary Fund*

The pension plan utilizes the accrual basis of accounting. The pension plan is reflected as a fiduciary fund in these financial statements; however, separate financial statements for the pension plan are not issued. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

### *Governmental Fund Financial Statements*

Governmental funds utilize the modified accrual basis of accounting. Employer contributions are recognized when due as required by Act 205 of the Commonwealth.

*Government-wide Financial Statements*

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, the Township reports its net pension liability in the Statement of Net Position. As of December 31, 2017, the Township has no net pension liability with respect to the Non-Uniformed Pension Plan.

Plan Investments

*Summary by Type*

Investments held as of December 31, 2017 are summarized as follows:

Mutual Funds - Bond	\$ 68,720
Mutual Funds - Balanced / Asset Allocation	4,041,252
Mutual Funds - U.S. Stock	347,323
Mutual Funds - International / Global Stock	99,363
Other	<u>37,663</u>
Total	<u>\$ 4,594,321</u>

*Concentrations*

The following cash equivalents and investments comprised at least 5% of plan assets as of December 31, 2017.

	Market Value <u>12/31/17</u>
VT Vantagepoint MP Long-Term Growth Fund	\$ 2,936,852
VT Plus Fund	2,463,999
VT Vantagepoint MP Traditional Growth Fund	598,405

Contributions

Contributions to the Non-Uniformed Pension Plan for 2017 included \$257,566 from the Township and \$180,354 from employees.

## 15. POST-RETIREMENT BENEFITS PLAN

The Township provides post-retirement health care insurance to employees who retire from the Township who meet certain minimum age and service requirements. The Township accounts for its post-retirement benefits plan in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

### Plan Description

The Plan is a single-employer defined benefit plan for which the provisions are established by Township ordinance. The Plan does not issue a stand-alone financial report.

### Plan Benefits

#### *Police Officers*

The Township provides a post-retirement medical benefit for police officers who retire after having attained the age of 50 and after having been employed by the Township as an officer for at least 25 years. For officers who retired prior to January 1, 2008, the Township agrees to provide full payment of annual medical insurance premiums for the lifetime of both the retiree and spouse. A Medicare-eligible spouse will continue receiving benefits from the Township's medical plan until the retiree becomes Medicare eligible, and the plan pays primary in coordination with Medicare. Once the retiree becomes Medicare eligible, the Township agrees to provide full payment toward coverage through the Aetna Medicare Advantage plan. Dental insurance is available through the Township as long as the retiree pays the full premium. In the event of a retiree's death, post-retirement medical benefits will continue for the surviving spouse for his or her lifetime, fully paid by the Township.

For officers who retire on or after January 1, 2008, the Township agrees to provide full payment for the least expensive annual medical insurance premiums being provided by the Township to the retiree for a period not to exceed 144 months. The retiree may continue coverage through the Township after the twelve-year period as long as the retiree pays the full premium. All retired officers will be eligible to purchase dependent coverage.

This Township coverage shall not be available to any retiree who is capable of obtaining coverage through Medicare, another employer, or a spouse's employer. However, if the premium paid for such alternative coverage is less than the premium paid by the Township for single coverage, the Township shall reimburse the retiree for the difference. An officer who loses retiree coverage due to a change to alternate coverage is eligible to opt back into the Township plan.

In the event that an officer becomes disabled, he or she may continue coverage through the Township by paying the full premium.

#### *Non-Uniformed Personnel*

Post-retirement medical benefits to a retiree and/or spouse may be granted on an individual basis, as determined by the Township, as long as the retiree pays the full premium. In the event that an employee becomes disabled, he or she may continue coverage through the Township by paying the full premium.

## Funding Policy

The Plan is financed on a pay-as-you-go basis. Expenditures for post-retirement health care benefits are recognized as the insurance premiums are incurred.

### Annual OPEB Cost and Net OPEB Obligation

The Township's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the annual OPEB cost for the year, the amount paid during the year towards the OPEB cost, and changes in the net OPEB obligation.

Annual Required Contribution (ARC)	\$ 1,012,800
Estimated Interest on Net OPEB Obligation	150,139
Estimated Adjustment to ARC	(204,828)
Annual OPEB Cost	<u>958,111</u>
Contributions Made (Estimated)	<u>(490,504)</u>
Estimated Increase in Net OPEB Obligation	467,607
Net OPEB Obligation - Beginning of Year	<u>3,336,410</u>
Net OPEB Obligation - End of Year	<u><u>\$ 3,804,017</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation for 2017 and the prior two years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/17	\$ 958,111	51.2%	\$ 3,804,017
12/31/16	966,997	43.9%	3,336,410
12/31/15	976,554	40.3%	2,794,331

### Funded Status and Funding Progress

As of January 1, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$10,510,269. Since the plan is not funded, there was an unfunded actuarial accrued liability (UAAL) of \$10,510,269 as of January 1, 2015. The participants valued as of January 1, 2015 included 81 active participants and 20 retired participants. The covered payroll (annual payroll of active employees covered by the plan) was \$6,599,519 and the ratio of the UAAL to the covered payroll was 159%.

Supplementary information regarding funding progress for the most recent three actuarial valuations is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/2015	\$ -	\$ 10,510,269	\$ 10,510,269	0.0%	\$ 6,599,519	159.3%
1/1/2012	-	10,233,683	10,233,683	0.0%	6,853,621	149.3%
1/1/2009	-	8,196,491	8,196,491	0.0%	5,906,954	138.8%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 6% for 2015 and 5.5% for the years 2017 through 2020. Rates gradually decrease from 5.4% in 2021 to 3.8% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model. The UAAL is being amortized as a level dollar on an open basis.

**16. BUILDING LEASE**

The Township leases a 1,500-square foot section of a building in Lafayette Hill, Pennsylvania to Santander Bank. The current lease encompasses the period March 1, 2015 through February 29, 2020; the base rent for this period is \$7,187.50 per month. Two renewal options remain. The first option commences on March 1, 2020 and expires on August 31, 2022; the second option commences on September 1, 2022 and expires on February 28, 2025. Total rent received under this lease for the fiscal year ended December 31, 2017 was \$93,692, including common area maintenance charges and real estate taxes.

**WHITEMARSH TOWNSHIP**  
**Schedule of Changes in Net Pension Liability and Related Ratios -**  
**Police Pension Fund**  
**For the Last Four Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service Cost	\$ 524,100	\$ 514,831	\$ 490,315	\$ 477,607
Interest on Total Pension Liability	1,678,782	1,583,378	1,498,016	1,446,459
Changes in Benefit Terms	-	-	-	-
Differences between Expected and Actual Experience	(230,722)	-	-	(409,738)
Changes in Assumptions	428,977	-	-	-
Benefit Payments	<u>(994,194)</u>	<u>(985,332)</u>	<u>(829,591)</u>	<u>(849,618)</u>
Net Change in Total Pension Liability	1,406,943	1,112,877	1,158,740	664,710
Total Pension Liability - Beginning of Year	<u>22,169,647</u>	<u>21,056,770</u>	<u>19,898,030</u>	<u>19,233,320</u>
Total Pension Liability - Ending of Year (A)	<u>\$ 23,576,590</u>	<u>\$ 22,169,647</u>	<u>\$ 21,056,770</u>	<u>\$ 19,898,030</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 859,263	\$ 844,904	\$ 1,040,977	\$ 759,358
Contributions - Member	192,533	190,784	186,137	176,578
Contributions - Other	1,100	-	1,600	-
Net Investment Income	2,876,786	1,187,895	111,471	999,788
Benefit Payments	(994,194)	(985,332)	(829,591)	(849,618)
Administrative Expense	<u>(97,322)</u>	<u>(80,039)</u>	<u>(77,951)</u>	<u>(83,756)</u>
Net Change in Plan Fiduciary Net Position	2,838,166	1,158,212	432,643	1,002,350
Plan Fiduciary Net Position - Beginning of Year	<u>19,046,357</u>	<u>17,888,145</u>	<u>17,455,502</u>	<u>16,453,152</u>
Plan Fiduciary Net Position - Ending of Year (B)	<u>\$ 21,884,523</u>	<u>\$ 19,046,357</u>	<u>\$ 17,888,145</u>	<u>\$ 17,455,502</u>
Net Pension Liability - End of Year (A) - (B)	<u>\$ 1,692,067</u>	<u>\$ 3,123,290</u>	<u>\$ 3,168,625</u>	<u>\$ 2,442,528</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.8%	85.9%	85.0%	87.7%
Covered-employee Payroll	\$ 3,919,925	\$ 3,742,264	\$ 3,912,280	\$ 3,576,287
Net Pension Liability as a Percentage of Covered-employee Payroll	43.2%	83.5%	81.0%	68.3%

**WHITEMARSH TOWNSHIP**  
**Schedule of Township Contributions - Police Pension Fund**  
**For the Last Ten Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially Determined Contribution	\$ 859,263	\$ 844,904	\$ 1,040,977	\$ 759,358	\$ 751,213	\$ 705,932	\$ 738,404	\$ 367,042	\$ 355,442	\$ 290,854
Contributions in Relation to the Actuarial Determined Contribution	<u>859,263</u>	<u>844,904</u>	<u>1,040,977</u>	<u>759,358</u>	<u>751,213</u>	<u>705,932</u>	<u>738,404</u>	<u>367,042</u>	<u>355,442</u>	<u>290,854</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee Payroll	\$ 3,919,925	\$ 3,742,264	\$ 3,912,280	\$ 3,576,287	\$ 3,710,416	\$ 3,688,843	\$ 3,342,478	\$ 3,050,458	\$ 2,847,582	\$ 2,574,477
Contributions as a Percentage of Covered-employee Payroll	21.9%	22.6%	26.6%	21.2%	20.2%	19.1%	22.1%	12.0%	12.5%	11.3%

**Notes to Schedule**

Valuation date:

Actuarially-determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Valuation Date	1/1/2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Remaining Amortization Period as of December 31, 2016	7 Years
Asset Valuation Method	Market value of assets as determined by the trustee
Inflation	3.0%
Salary Increases	5.0%
Investment Rate of Return	7.5%
Retirement Age	The later of age 51, age at the completion of 25 years of service. It is assumed that 100% of eligible participants will elect the deferred retirement option plan.
Mortality	RP2000 Mortality Table. This table does not include projected mortality improvements.

**WHITEMARSH TOWNSHIP**  
**Schedule of Investment Returns -**  
**Police Pension Fund**  
**For the Last Eight Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Annual Money-weighted Rate of Return, Net of Investment Expense	15.2%	6.7%	0.6%	6.2%	15.3%	13.5%	-0.1%	13.7%



**WHITEMARSH TOWNSHIP**  
**Combining Balance Sheet**  
**All Non-Major Governmental Funds**  
**December 31, 2017**

	Liquid Fuels Fund	Light and Hydrant Fund	Refuse Fee Fund	Park Fund	Impact Fee Fund	Capital Equip. Reserve	Traffic Improve. Fund	Sewer Revenue Reserve Fund	Sewer Special Assessment Fund	Total
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ 536,997	\$ 264,331	\$ 612,271	\$ 164,231	\$ 779,542	\$ 229,205	\$ 127,097	\$ -	\$ -	\$ 2,713,674
Taxes Receivable	-	-	-	6,464	-	-	-	-	-	6,464
Other Receivables	-	13,581	94,314	-	-	-	-	-	-	107,895
<b>Total Assets</b>	<b>\$ 536,997</b>	<b>\$ 277,912</b>	<b>\$ 706,585</b>	<b>\$ 170,695</b>	<b>\$ 779,542</b>	<b>\$ 229,205</b>	<b>\$ 127,097</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,828,033</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY</b>										
<b>LIABILITIES</b>										
Accounts Payable	\$ -	\$ 54,683	\$ 13,720	\$ 7,904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,307
Accrued Wages Payable	-	-	-	3,429	-	-	-	-	-	3,429
Interfund Payables	-	-	2,240	-	-	-	-	-	-	2,240
Unearned Revenue	-	-	-	40,274	-	-	-	-	-	40,274
<b>Total Liabilities</b>	<b>-</b>	<b>54,683</b>	<b>15,960</b>	<b>51,607</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,250</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Deferred Real Estate Taxes	-	-	-	6,042	-	-	-	-	-	6,042
Deferred Special Assessments	-	13,581	94,314	-	-	-	-	-	-	107,895
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>13,581</b>	<b>94,314</b>	<b>6,042</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,937</b>
<b>FUND BALANCE</b>										
Restricted for:										
Building and Improving Local Roads and Bridges	536,997	-	-	-	-	-	-	-	-	536,997
Assigned for:										
Budget for 2018	-	137,036	-	113,046	-	-	-	-	-	250,082
Acquisition of Equipment	-	-	-	-	-	229,205	-	-	-	229,205
Local Roads and Bridges	-	-	-	-	779,542	-	127,097	-	-	906,639
Sanitation - Waste Collection	-	-	596,311	-	-	-	-	-	-	596,311
Street Lighting Replacement Project	-	72,612	-	-	-	-	-	-	-	72,612
<b>Total Fund Equity</b>	<b>536,997</b>	<b>209,648</b>	<b>596,311</b>	<b>113,046</b>	<b>779,542</b>	<b>229,205</b>	<b>127,097</b>	<b>-</b>	<b>-</b>	<b>2,591,846</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Equity</b>	<b>\$ 536,997</b>	<b>\$ 277,912</b>	<b>\$ 706,585</b>	<b>\$ 170,695</b>	<b>\$ 779,542</b>	<b>\$ 229,205</b>	<b>\$ 127,097</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,828,033</b>

**WHITEMARSH TOWNSHIP**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Non-Major Governmental Funds**  
**For the Year Ended December 31, 2017**

	Liquid Fuels Fund	Light and Hydrant Fund	Refuse Fee Fund	Park Fund	Impact Fee Fund	Capital Equip. Reserve	Traffic Improve. Fund	Sewer Revenue Reserve Fund	Sewer Special Assessment Fund	Total
<b>REVENUES:</b>										
Real Estate Taxes	\$ -	\$ -	\$ -	\$ 399,124	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,124
Interest Earnings	8,110	-	-	117	6,236	1,616	1,070	5	-	17,154
Rental Income	-	-	-	16,678	-	-	-	-	-	16,678
Intergovernmental Revenue	509,466	-	61,310	8,456	-	-	-	-	-	579,232
Charges for Services	-	-	1,240,487	422,703	-	-	-	-	-	1,663,190
Special Assessments	-	186,747	-	-	9,058	-	-	-	7,232	203,037
Miscellaneous Revenue	-	-	-	11,200	-	-	3,655	-	-	14,855
<b>Total Revenues</b>	<b>517,576</b>	<b>186,747</b>	<b>1,301,797</b>	<b>858,278</b>	<b>15,294</b>	<b>1,616</b>	<b>4,725</b>	<b>5</b>	<b>7,232</b>	<b>2,893,270</b>
<b>EXPENDITURES:</b>										
Public Safety - Other	-	108,066	-	-	-	-	-	-	-	108,066
Public Works - Sanitation	-	-	19,903	-	-	-	-	132,882	42,691	195,476
Public Works - Highway and Streets	-	337,658	-	-	-	-	-	-	-	337,658
Culture and Recreation	-	-	-	906,722	6,500	-	-	-	-	913,222
<b>Total Expenditures</b>	<b>-</b>	<b>445,724</b>	<b>19,903</b>	<b>906,722</b>	<b>6,500</b>	<b>-</b>	<b>-</b>	<b>132,882</b>	<b>42,691</b>	<b>1,554,422</b>
Excess of Revenues Over (Under) Expenditures	517,576	(258,977)	1,281,894	(48,444)	8,794	1,616	4,725	(132,877)	(35,459)	1,338,848
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	-	16,500	-	58,037	-	42,907	-	-	-	117,444
Transfers Out	(527,600)	-	(1,250,000)	-	-	-	-	-	-	(1,777,600)
<b>Total Other Financing Sources and (Uses)</b>	<b>(527,600)</b>	<b>16,500</b>	<b>(1,250,000)</b>	<b>58,037</b>	<b>-</b>	<b>42,907</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,660,156)</b>
<b>Net Change in Fund Balances</b>	<b>(10,024)</b>	<b>(242,477)</b>	<b>31,894</b>	<b>9,593</b>	<b>8,794</b>	<b>44,523</b>	<b>4,725</b>	<b>(132,877)</b>	<b>(35,459)</b>	<b>(321,308)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>547,021</b>	<b>452,125</b>	<b>564,417</b>	<b>103,453</b>	<b>770,748</b>	<b>184,682</b>	<b>122,372</b>	<b>132,877</b>	<b>35,459</b>	<b>2,913,154</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 536,997</b>	<b>\$ 209,648</b>	<b>\$ 596,311</b>	<b>\$ 113,046</b>	<b>\$ 779,542</b>	<b>\$ 229,205</b>	<b>\$ 127,097</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,591,846</b>

**WHITEMARSH TOWNSHIP**  
**Combining Statement of Fiduciary Net Position - Fiduciary Funds**  
**December 31, 2017**

	Trust Funds				Agency Funds		
	Municipal Pension Fund	Police Pension Fund	Deferred Compensation Fund	Total	Escrow Fund	Real Estate Tax Collector Fund	Total
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 2,477,576	\$ 334,603	\$ 1,262,411	\$ 4,074,590	\$ 1,239,389	\$ 116,373	\$ 1,355,762
Investments	4,594,321	21,527,296	4,478,984	30,600,601	-	-	-
Interfund Receivable	83,989	-	-	83,989	-	-	-
Accrued Interest	-	22,624	-	22,624	-	-	-
<b>Total Assets</b>	<b>\$ 7,155,886</b>	<b>\$ 21,884,523</b>	<b>\$ 5,741,395</b>	<b>\$ 34,781,804</b>	<b>\$ 1,239,389</b>	<b>\$ 116,373</b>	<b>\$ 1,355,762</b>
<b>LIABILITIES</b>							
Escrowed Subdivision Fees	\$ -	\$ -	\$ -	\$ -	\$ 1,239,389	\$ -	\$ 1,239,389
Due to Taxpayers/Governments	-	-	-	-	-	116,373	116,373
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,239,389</b>	<b>116,373</b>	<b>\$ 1,355,762</b>
<b>NET POSITION</b>							
Restricted for Pension Benefits	7,155,886	21,884,523	-	29,040,409			
Restricted for Deferred Compensation Benefits	-	-	5,741,395	5,741,395			
<b>Total Net Position</b>	<b>7,155,886</b>	<b>21,884,523</b>	<b>5,741,395</b>	<b>34,781,804</b>			
<b>Total Liabilities and Net Position</b>	<b>\$ 7,155,886</b>	<b>\$ 21,884,523</b>	<b>\$ 5,741,395</b>	<b>\$ 34,781,804</b>			

**WHITEMARSH TOWNSHIP**  
**Combining Statement of Changes in Fiduciary Net Position - Fiduciary Fund**  
**For the Year Ended December 31, 2017**

	Trust Funds			Total
	Municipal Pension Fund	Police Pension Fund	Deferred Compensation Fund	
<b>ADDITIONS</b>				
Contributions:				
Municipal Contribution	\$ 257,566	\$ 859,263	\$ -	\$ 1,116,829
Employee Contributor	180,354	192,533	368,948	741,835
Other Contributions	-	1,100	-	1,100
Total Contributions	<u>437,920</u>	<u>1,052,896</u>	<u>368,948</u>	<u>1,859,764</u>
Investment Earnings:				
Net Increase in Fair Value of Investments	750,789	2,381,479	668,678	3,800,946
Interest and Dividends	56	470,778	-	470,834
Other	-	24,529	-	24,529
Total Investment Earnings	<u>750,845</u>	<u>2,876,786</u>	<u>668,678</u>	<u>4,296,309</u>
Total Additions	<u>1,188,765</u>	<u>3,929,682</u>	<u>1,037,626</u>	<u>6,156,073</u>
<b>DEDUCTIONS</b>				
Benefits Paid	137,606	994,194	6,600	1,138,400
Administrative Expenses	157	97,322	897	98,376
Total Deductions	<u>137,763</u>	<u>1,091,516</u>	<u>7,497</u>	<u>1,236,776</u>
Change in Net Position	<u>1,051,002</u>	<u>2,838,166</u>	<u>1,030,129</u>	<u>4,919,297</u>
NET POSITION - BEGINNING OF YEAR	<u>6,104,884</u>	<u>19,046,357</u>	<u>4,711,266</u>	<u>29,862,507</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 7,155,886</u></u>	<u><u>\$ 21,884,523</u></u>	<u><u>\$ 5,741,395</u></u>	<u><u>\$ 34,781,804</u></u>