

Whitemarsh Township

Lafayette Hill, Pennsylvania

December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Whitemarsh Township
Lafayette Hill, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Whitemarsh Township, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Whitemarsh Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Whitemarsh Township, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Whitemarsh Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Whitemarsh Township's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Whitemarsh Township's ability to continue as a going concern for one year after the date that the financial statements are issued.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Whitemarsh Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Whitemarsh Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis on pages 4-22, budgetary comparison information on pages 72-75, pension fund schedules on pages 76-78, and the OPEB schedule on page 79 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Whitemarsh Township's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were 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 combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
September 29, 2022

WHITEMARSH TOWNSHIP
Management's Discussion and Analysis
Required Supplementary Information
December 31, 2021

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, 2021. 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*, (GASB 34) effective in 2003.

Financial Highlights for Fiscal Year 2021

Government-Wide Financial Statements (Full Accrual)

- The total net position (assets and deferred outflows of resources, less liabilities, and deferred inflows of resources) of the Township's Primary Government, were \$41.01 million at the end of 2021 – an increase of \$480 thousand from the end of 2020. The majority of the increase was due to an increase in the cash balance for the Open Space Fund, capitalized costs of infrastructure improvements, and revenues generated as a result of home purchases through Real Estate Transfer Taxes. The remainder of the change is due to changes in accruals and deferred outflows for Other Postemployment Benefits and changes in net Pension Liabilities. General revenues and program revenues of the Township amounted to \$24.96 million in 2021, while expenses totaled \$25.44 million.

Fund Financial Statements (Modified Accrual)

- At year-end, the Township's governmental funds reported a total fund balance of \$25.39 million, a decrease of \$2.84 million. The decrease is due to a net decrease in the Open Space Fund of \$317 thousand, decrease in General Fund of \$262 thousand, increase in other funds aggregating \$77 thousand, and a decrease in the Capital Reserve Fund of \$2.34 million.
- The Township's General Fund reported a net decrease in fund balance of \$262 thousand, resulting in a year end fund balance of \$10.17 million.

Financial Statements

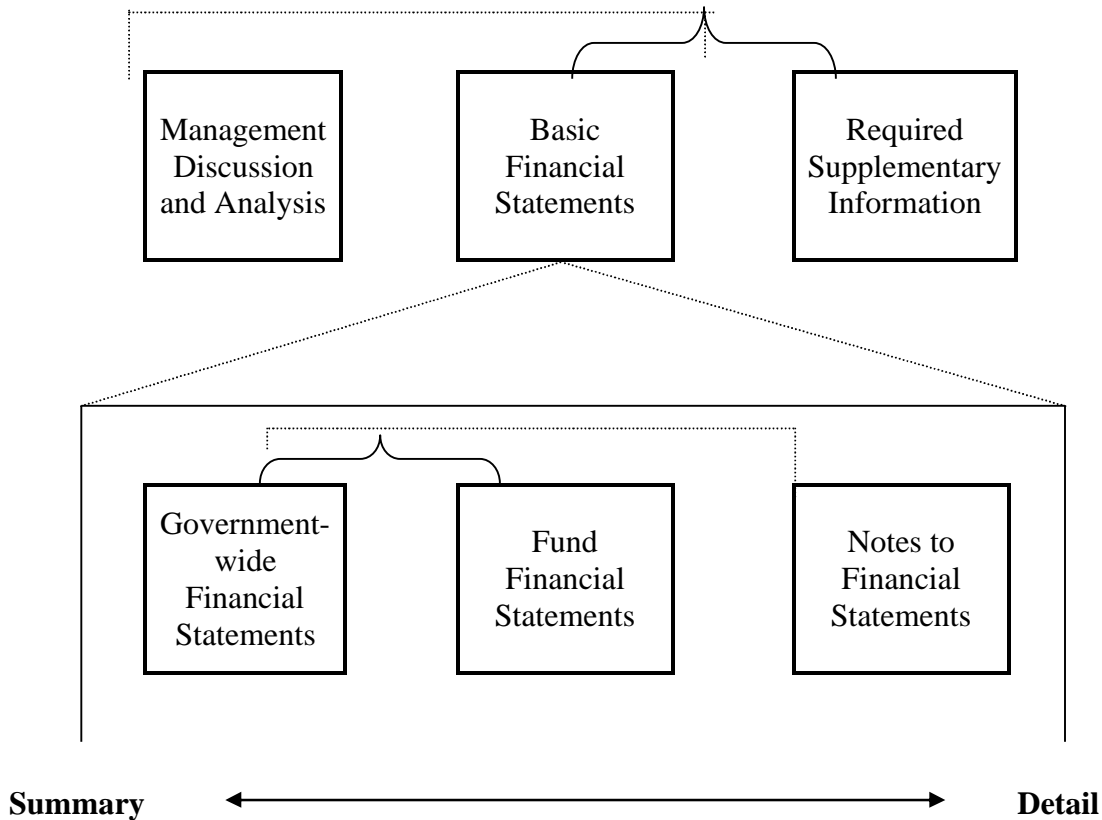
Prior to 2003, the primary focus of local government financial statements had been to provide fund type information on a current financial resource basis. This approach was modified in GASB 34, which established new requirements and a new reporting model for the annual financial reports of state and local governments.

WHITEMARSH TOWNSHIP
Management’s Discussion and Analysis
Required Supplementary Information
December 31, 2021

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 focuses on the individual Township funds and reports on the Township’s current 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’s
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, 2021

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, Custodial 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, 2021

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 23. One of the most critical 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 the 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 federal, 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 25 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, 2021

- 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 also holds Escrowed Subdivision Fees and funds restricted for Taxpayers and Other Governments in a fiduciary capacity reported as Custodial Funds. 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 fiduciary net 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:

Governmental Activities Statement of Net Position - December 31, 2021, and 2020 (in thousands)

	2021	2020
Current Assets	\$27,909	\$31,509
Net Capital Assets	41,218	38,796
Deferred Outflows	3,345	2,058
Other Assets	2,481	821
Total Assets	<u>\$74,956</u>	<u>\$73,184</u>
Current and Other Liabilities	\$2,976	\$3,006
Non-current Liabilities	27,178	25,0414
Deferred Inflows	3,793	3,643
Total Liabilities and Deferred Inflows	<u>\$33,947</u>	<u>\$31,690</u>
Net Position:		
Invested in Capital Assets	\$27,788	\$24,606
Restricted	3,144	0
Unrestricted	10,077	16,887
Total Net Position	<u>\$41,009</u>	<u>\$41,493</u>

For more detailed information, see the Statement of Net Position on pages 23 and 24.

WHITEMARSH TOWNSHIP
Management's Discussion and Analysis
Required Supplementary Information
December 31, 2021

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 \$41.01 million as of December 31, 2021, and by \$41.49 million as of December 31, 2020. The largest portion of the Township's net position reflects its capital assets. Net Investment in Capital Assets is reported net of related outstanding debt (net of unspent proceeds). The restricted net assets portion represents resources that are subject to external restrictions on how they may be used. The unrestricted net position for governmental activities is the portion of net position 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 2021 and 2020, not with primary government's governmental activities.

	<u>2021</u>	<u>2020</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,958	\$ 1,700
Operating Grants and Contributions	931	2,128
General Revenues:		
Taxes	19,637	20,081
Other General Revenues	<u>2,340</u>	<u>294</u>
Total Revenues	24,866	24,203
Expenses:		
General Government	4,450	2,755
Public Safety - Police	7,682	7,703
Public Safety - Other	1,741	2,368
Public Works - Sanitation	2,241	2,383
Public Works - Highway	7,461	3,207
Culture and Recreation	1,224	2,240
Conservation of Natural Resources	53	64
Community Development	67	86
Interest on Long Term Debt	<u>427</u>	<u>509</u>
Total Expenses	<u>25,346</u>	<u>21,315</u>
Increase (Decrease) in Net Position	<u>\$ (480)</u>	<u>\$ 2,888</u>

WHITEMARSH TOWNSHIP
Management's Discussion and Analysis
Required Supplementary Information
December 31, 2021

Expenses by Function for the Year Ended December 31, 2021

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.

<u>Functions/Programs</u>	<u>2021</u>		<u>2020</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	\$ 4,450,398	\$ 4,214,475	\$ 3,495,070	\$ 2,014,344
Public Safety - Police	7,682,221	7,022,125	8,334,564	7,071,732
Public Safety - Other	1,740,676	1,578,816	3,217,298	1,517,732
Public Works - Sanitation	2,241,403	410,735	2,383,412	2,383,412
Public Works - Highway	7,460,537	7,460,537	4,445,030	1,969,562
Culture and Recreation	1,316,257	1,316,257	2,609,238	1,870,880
Conservation of Natural Resources	52,688	52,688	64,062	64,062
Community Development	66,800	66,800	85,944	85,944
Interest on Long Term Debt	427,493	427,493	509,261	509,261
Total Governmental Activities	<u>\$ 25,438,473</u>	<u>\$ 22,549,926</u>	<u>\$ 25,143,879</u>	<u>\$ 17,486,929</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 2021, the Township's governmental funds (as presented in the balance sheet on page 27) reported a combined fund balance of \$25.39 million, which is a decrease of \$2.84 million from last year's ending fund balance of \$28.23 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 2021, the fund balance of the General Fund decreased by \$0.26 million from \$10.43 million to \$10.17 million.

The decrease in the Open Space Fund of \$317 thousand resulted from purchase of the Highlands \$3.01 million and \$2.73 million of designated Earned Income Tax Collections plus Interest Earnings of \$12.6 thousand to cover \$209 thousand of Debt Service costs and \$53 thousand of collection and maintenance costs.

Capital Reserve Fund decreased by \$2.34 million as 2021 capital expenditures of \$3.05 million drew down 2018 Series Bond proceeds and prior year capital contributions. Contribution from the General Fund set aside \$687 thousand for future capital needs at the end of 2021.

Positive operating results totaling \$.076 million in the other Non-Major Government Funds.

WHITEMARSH TOWNSHIP
Management's Discussion and Analysis
Required Supplementary Information
December 31, 2021

Major Governmental Funds

In 2021, General Fund Revenue decreased by \$2.22 million from the 2020 levels. The decrease is comprised of Earned Income Taxes \$2.20 million, Real Estate Transfer Tax was up \$277 thousand, Business Taxes up \$378 thousand, Other Act 511 Taxes down \$9 thousand, Intergovernmental Revenue down \$724 thousand, and \$129 thousand up across other revenue classifications. Transfer Tax increases were the result of increases in sales of both new and existing properties, both residential and commercial.

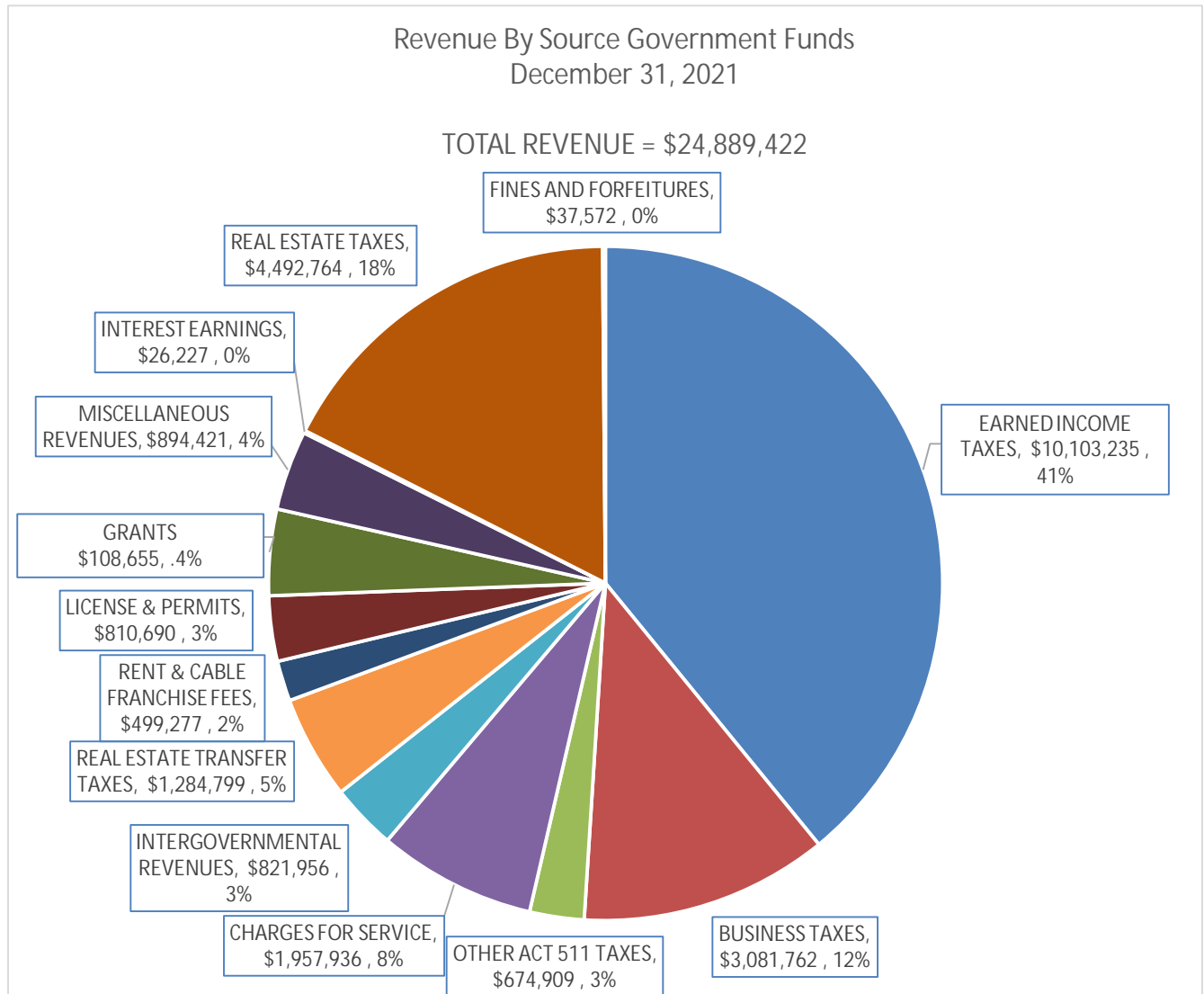
The Capital Reserve Fund is used to account for amounts set aside in prior years to fund capital additions as well as accounting for the expenditure of borrowed funds and repayment of debt service obligations used to fund capital expenditures. In 2021, the Capital Reserve fund balance decreased by \$2.34 million due to net interfund transfers of \$687 thousand, plus HMI Intersection improvements that covered \$3.05 million of expenditures.

For the fiscal year ended December 31, 2021, revenues for governmental fund type activities totaled \$24.89 million.

The earned income tax is the Township's largest revenue source at \$10.10 million (41% of total Governmental Revenues). Real estate tax revenues totaled \$4.49 million (18%). Other Act 511 Taxes generated \$3.76 million (15%). The Township's assessed value of real property exceeded \$1.90 billion at the end of 2021.

The graph and related chart on the next page provides an overview of the Sources of Governmental Revenue for Whitemarsh Township that totaled \$24.89 million for the 2021 Fiscal year.

WHITEMARSH TOWNSHIP
Management’s Discussion and Analysis
Required Supplementary Information
December 31, 2021



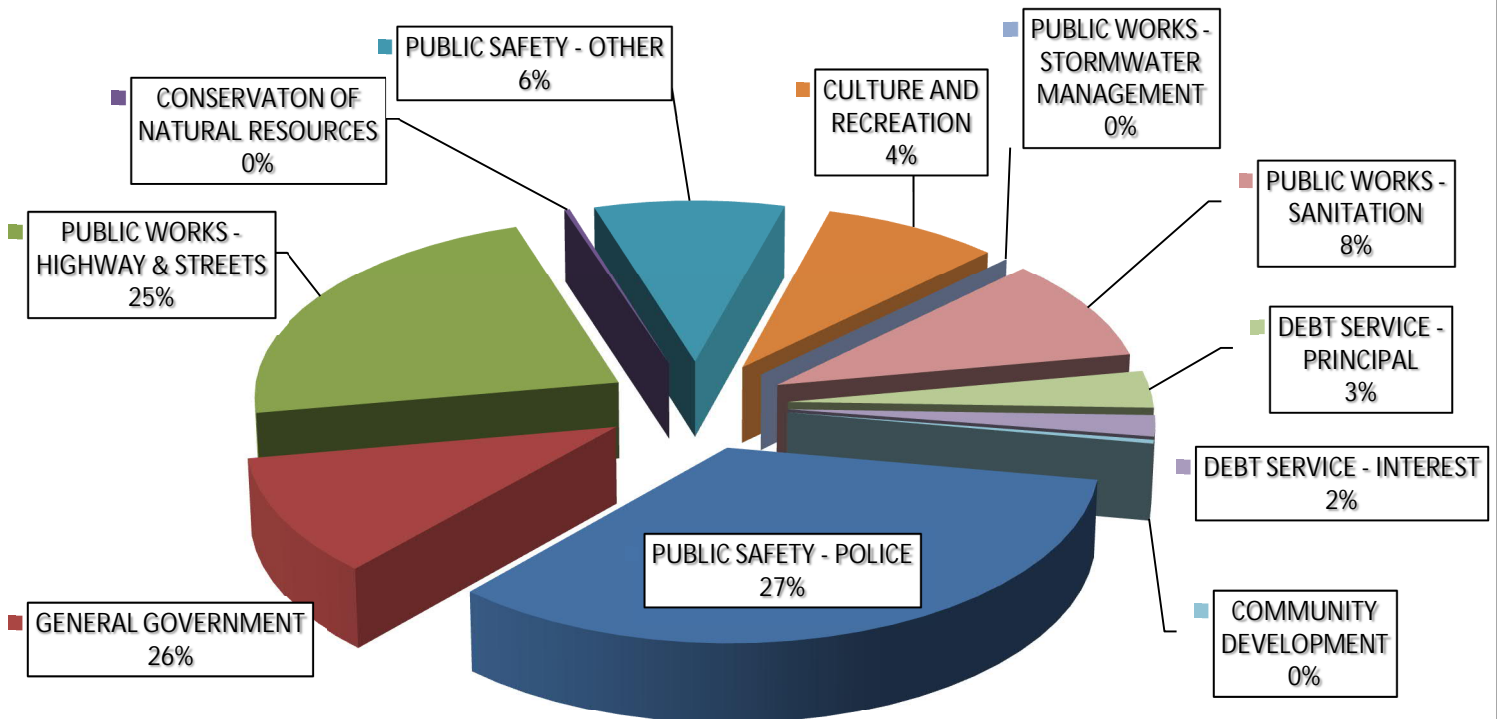
EARNED INCOME TAXES	\$	10,103,235	41%
BUSINESS TAXES	\$	3,081,762	12%
OTHER ACT 511 TAXES	\$	674,909	3%
CHARGES FOR SERVICE	\$	1,957,936	8%
INTERGOVERNMENTAL REVENUES	\$	821,956	3%
REAL ESTATE TRANSFER TAXES	\$	1,284,799	5%
RENT & CABLE FRANCHISE FEES	\$	499,277	2%
LICENSE & PERMITS	\$	810,690	3%
GRANTS	\$	108,655	0%
MISCELLANEOUS REVENUES	\$	894,421	4%
INTEREST EARNINGS	\$	26,227	0%
REAL ESTATE TAXES	\$	4,492,764	18%
FINES AND FORFEITURES	\$	37,572	0%
TOTAL REVENUE	\$	24,797,504	100%

**WHITEMARSH TOWNSHIP
Management’s Discussion and Analysis
Required Supplementary Information
December 31, 2021**

Expenditures for the fiscal year ended December 31, 2021, totaled \$27.80 million. Expenditures for the fiscal year 2021 are comprised of the following items:

**EXPENDITURES BY PURPOSE GOVERNMENT FUNDS
DECEMBER 31, 2021**

TOTAL EXPENDITURES = \$27,801,017



PUBLIC SAFETY - POLICE	\$7,432,662	27%
GENERAL GOVERNMENT	\$7,196,268	26%
PUBLIC WORKS - HIGHWAY & STREETS	\$6,850,811	25%
CONSERVATION OF NATURAL RESOURCES	\$52,688	0%
PUBLIC SAFETY - OTHER	\$1,628,303	6%
CULTURE AND RECREATION	\$1,083,268	4%
PUBLIC WORKS - STORMWATER MANAGEMENT	\$0	0%
PUBLIC WORKS - SANITATION	\$2,212,250	8%
DEBT SERVICE - PRINCIPAL	\$735,000	3%
DEBT SERVICE - INTEREST	\$452,027	2%
COMMUNITY DEVELOPMENT	\$65,571	0%
TOTAL EXPENDITURES	\$27,708,848	100%

WHITEMARSH TOWNSHIP
Management's Discussion and Analysis
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Capital Assets and Debt Administration

Capital Assets

At the end of 2021, the Township had \$41.22 million invested in a broad range of capital assets, including land, buildings, vehicles, and equipment, net of accumulated depreciation. This amount represents a net increase of \$2.42 million above last year's \$38.80 million after recording additions and deductions for the year.

Long-Term Debt

The Township Board of Supervisors passed an ordinance on August 16, 2018, to allow for a \$9,790,000 General Obligation Bond Issue. Bond proceeds will be used to fund expenditures applicable to the Creekside HMI project, as well as refinance the principal outstanding for the 2009 Note borrowing. As a result of a Triple-A rating from Moody's, the 2018 General Obligation Bonds were issued at a \$515,293 premium resulting in additional cash included in the proceeds. In addition, the Township received favorable interest rates on the refinancing of the remaining 2009 General Obligation Notes. The Township used \$3,900,000 of available Open Space Fund to prepay a portion of the 2009 Note. When the prepayment is coupled with the refinancing at fixed interest rates, reduced future debt service requirements for the Open Space as well as the General Fund resulted. Final Maturity for the 2018 General Obligation Bond will be in November of 2039. Debt Service payments on this obligation are funded 22% from the Open Space Fund and 78% from the General Fund. Principal outstanding on the Series of 2018 Bond is \$8,435,000 as of December 31, 2021.

On August 28, 2014, the Township made settlement on a \$6,000,000 General Obligation Note with TD Bank. The Note proceeds were used to fund capital assets, including equipment, building improvements, traffic improvements, and stormwater 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 15th 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 Note is \$4,560,000 as of December 31, 2021.

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 \$19.30 million. The Township's non-electoral debt limit is 250% of the aforementioned borrowing base or \$48.25 million. At the end of 2021, the Township's level of outstanding debt for Primary Government Governmental Activities totaled \$12.99 million, which is well below the Township's "Borrowing Base" capacity.

WHITEMARSH TOWNSHIP
Management’s Discussion and Analysis
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December 31, 2021

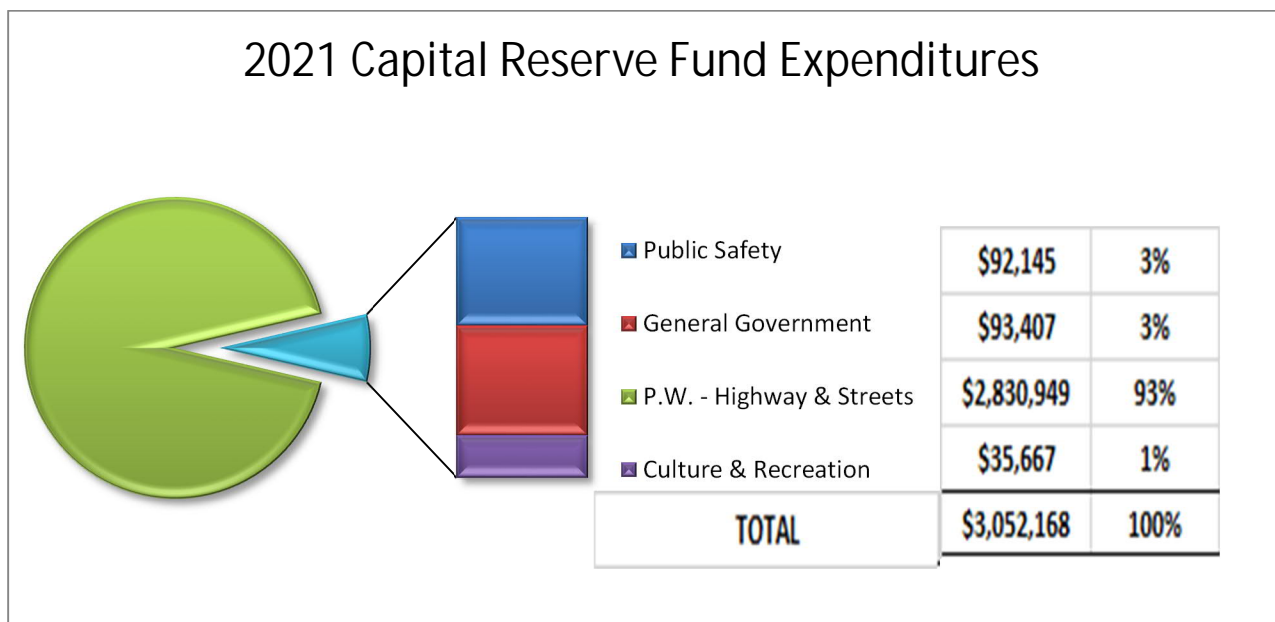
Economic Factors and Next Year’s Budgets

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.

In 2021 we received reimbursement for COVID-19 expense for a total of \$1,404. Also, in 2021 we received the first payment of the Federal American Rescue Plan Act (ARPA) money of \$960,026, and we placed the money in a separate interest-bearing bank account. The Board of Supervisors has approved the following projects to be fund by the ARPA money. Westaway Storm Sewer, Meeting Room A/V upgrades, Replace the windows in the Administration building, New Sign board, Pine Tree and Jackson Drive Outfall projects and other Storm Sewer Projects.

The Township’s Capital Reserve Fund utilizes a combination of loan proceeds from the 2014 TD Bank loan and 2018 Series Bond, 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 stormwater-related infrastructure improvements. In 2021 Capital Reserve Fund expenditures totaling \$3,052,168. The expenditures totaling \$3,052,168 were funded by the 2014 TD Bank Loan and from Interfund transfers from the General Fund.

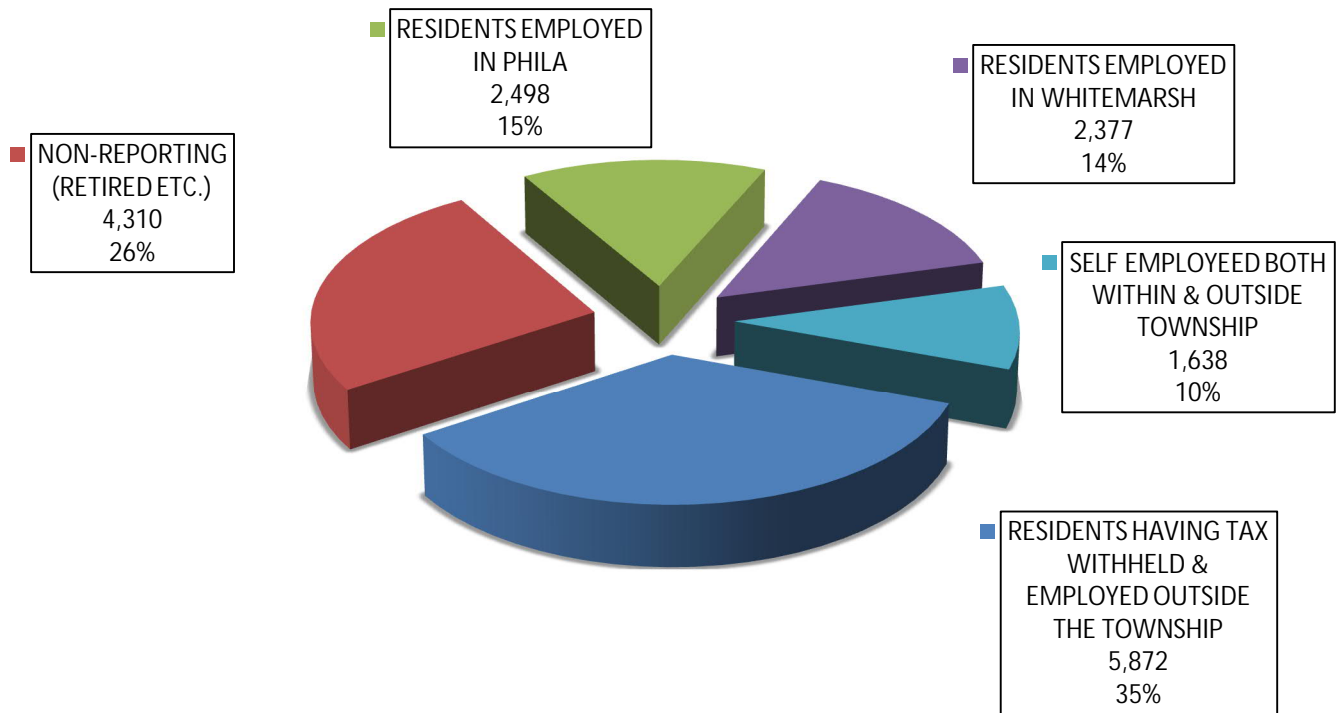


**WHITEMARSH TOWNSHIP
Management’s Discussion and Analysis
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Graphs shown below depict the distribution of registered residents for the 2021 earned income tax between residents and non-residents, in addition to the non-reporting individuals.

RESIDENTS REGISTERED FOR 2021 EIT

TOTAL REGISTERED = 16,695



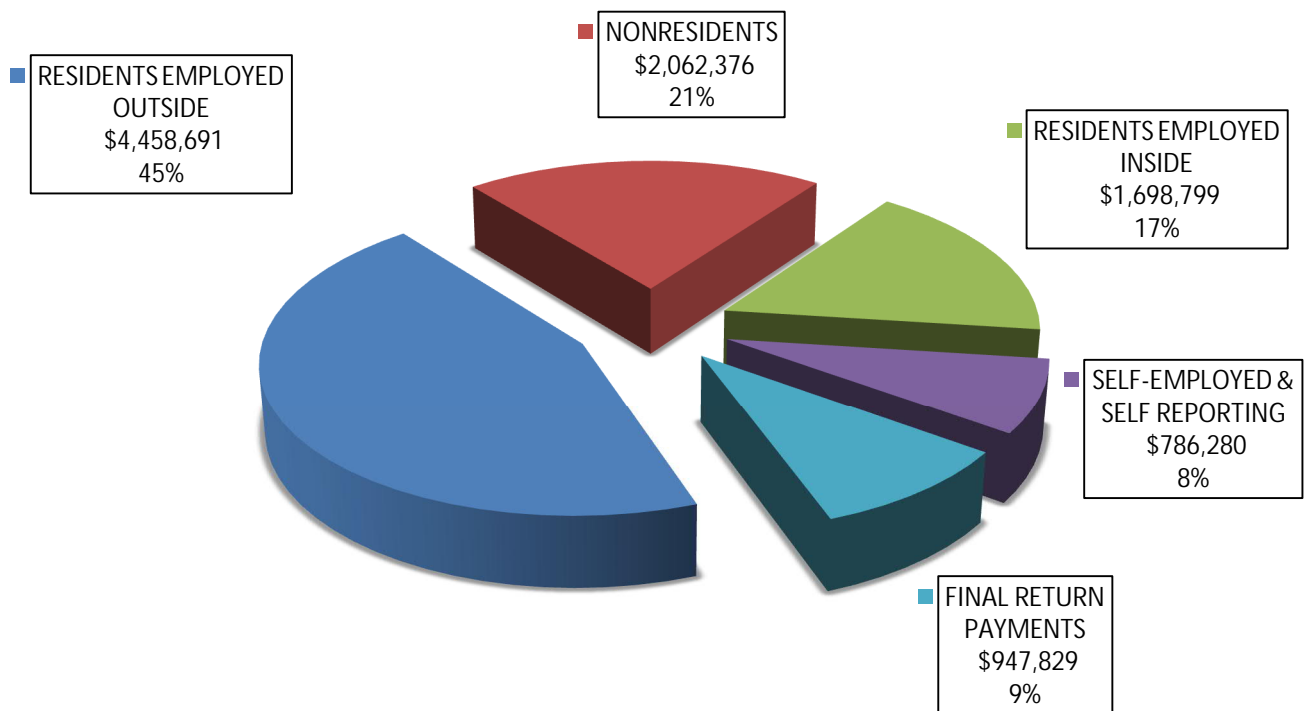
RESIDENTS HAVING TAX WITHHELD & EMPLOYED OUTSIDE THE TOWNSHIP	5,872	35.2%
NON-REPORTING (RETIRED ETC.)	4,310	25.8%
RESIDENTS EMPLOYED IN PHILA	2,498	15.0%
RESIDENTS EMPLOYED IN WHITEMARSH	2,377	14.2%
SELF EMPLOYED (BOTH WITHIN & OUTSIDE TOWNSHIP)	1,638	9.8%
TOTAL REGISTERED	16,695	100.0%

**WHITEMARSH TOWNSHIP
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The graph below depicts the sources of \$9,953,975 Earned Income Tax received (cash basis) for 2021. The 2021 cash collections increased by \$843,913 from the 2020 level of \$9,110,062. The 9.3% increase in yearly cash collections is attributed to increase reporting from self-reporting individuals.

SOURCE OF EARNED INCOME TAX 2021

TOTAL EARNED INCOME TAX = \$9,953,975



■ RESIDENTS EMPLOYED OUTSIDE	\$4,458,691	45%
■ NONRESIDENTS	\$2,062,376	21%
■ RESIDENTS EMPLOYED INSIDE	\$1,698,799	17%
■ SELF-EMPLOYED & SELF REPORTING	\$786,280	8%
■ FINAL RETURN PAYMENTS	\$947,829	9%
TOTAL EARNED INCOME TAX	\$9,953,975	100%

WHITEMARSH TOWNSHIP
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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 \$58,994,140 as of December 31, 2021. Tax increment revenues paid to the TIF Project by Whitemarsh Township during 2021 amounted to \$70,734.

Acquisition of the Angus and Sheep Tracts

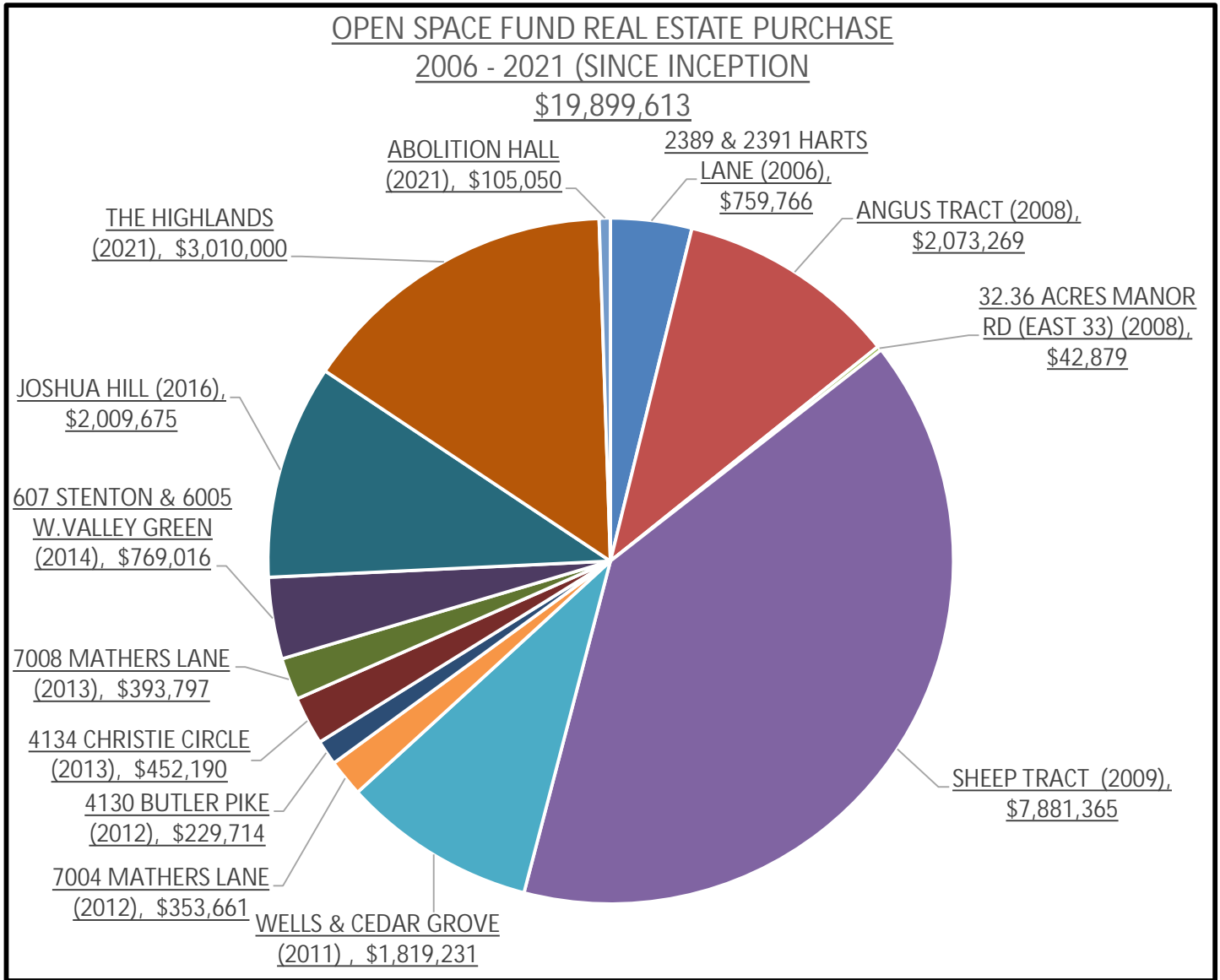
In a question appearing on the November 7, 2007, General Election Ballot, 62% of Whitemarsh Township residents voted in favor of adopting an increase of .25% in the earned income tax rate for the purpose of land preservation pursuant to Act 153, Open Space Lands Act. The Township Board of Supervisors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

Revenues from the .25% increase generated \$2,736,000 for the preservation of Open Space in 2021. 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 acquisition is the commitment of 100% of the positive real property tax increments collected on behalf of the Township from the Hill at Whitemarsh 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 Whitemarsh Continuing Care Retirement Community, a Pennsylvania not-for-profit corporation.

Acquisition and Maintenance of Properties from the Open Space Fund

In 2013, the Township began funding a reserve for the maintenance of properties purchased with Open Space Funds. In addition to funds being used for property maintenance, improvement, and upkeep, funds held in reserve can also be utilized for the acquisition of additional property at Board discretion. The maintenance reserve balance as of December 31, 2021, is \$1,746,008. Since the inception of the Open Space Fund, the Township has acquired properties totaling \$19,899,613.

**WHITEMARSH TOWNSHIP
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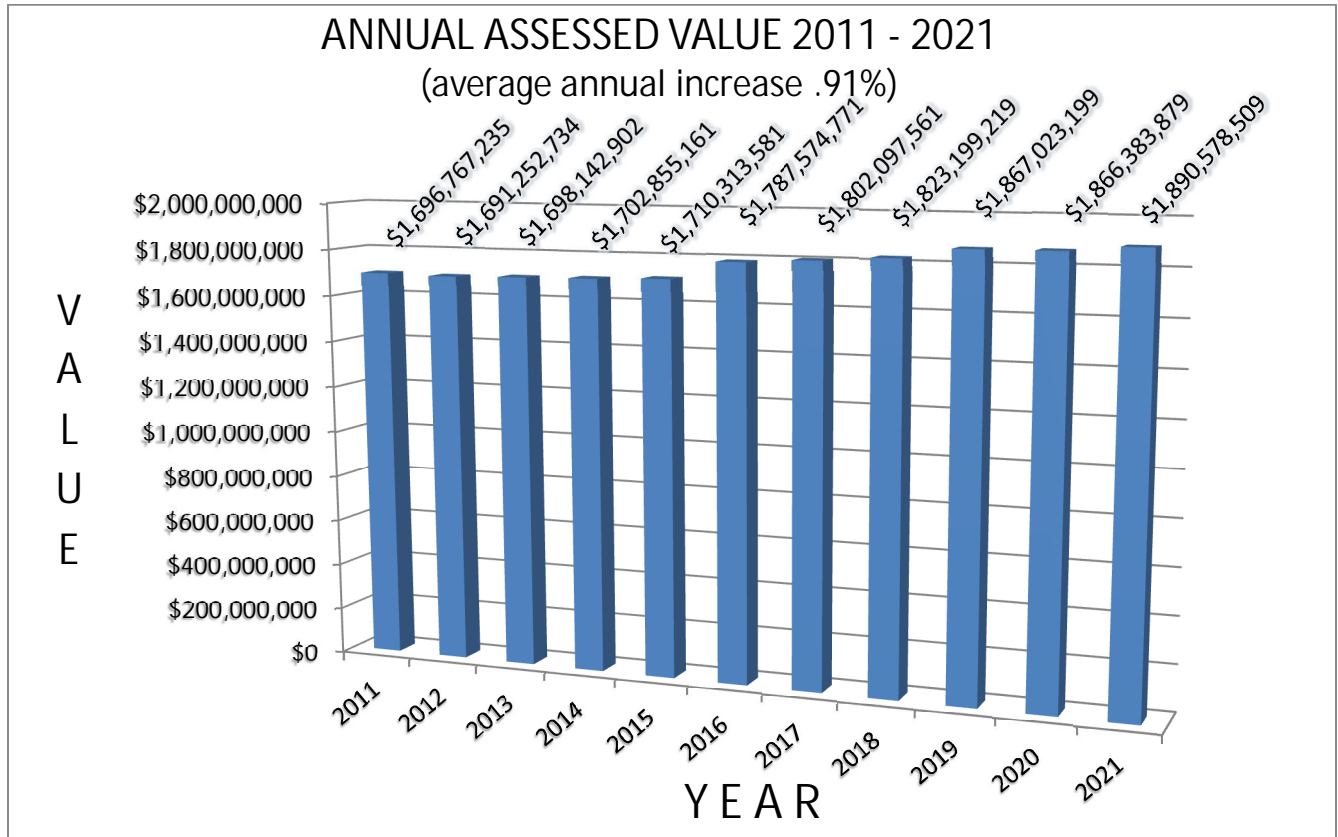


- The Board of Supervisors executed a contract in 2017 for \$29,920 with *Bergmann* (Architects, Engineers, and Planners with home offices in Rochester, NY) for a Selective Update of the 2003 Comprehensive Plan. A comprehensive plan is a policy document intended to guide growth and development of the Township for approximately the next decade; its content is guided by the state Planning Code, known as the PA Municipalities Planning Code. The Update was intended to cover the Land Use and Housing elements of the 2003 Plan. However, goals, policies, and proposed implementation actions were actually developed in four areas of concern: Land Use; Housing; Circulation; and Quality of Life (the latter two as they affected and were affected by, the Land Use and Housing elements). During the course of the Update process, the contract with *Bergmann* was amended in July 2018 and July 2019 for preparation for, and attendance at additional meetings found necessary to obtain all required input and review. The final approved cost of the Selective Update was \$42,500.

WHITEMARSH TOWNSHIP
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A Steering Committee directed the work of the consultant; the Steering Committee included representatives of Township Staff, various Township Boards and Commissions, as well as representatives of the development and real estate communities. Work sessions were held with the Township Planning Commission at strategic junctures and a full review and revisions were completed by the Commission prior to recommending the draft document to the Board of Supervisors. Three dedicated public meetings were also held during development of the Plan. The Planning Commission recommended adoption of the draft Plan to the Board of Supervisors after holding a public meeting (required by the state Planning Code,) in October 2020. The Board adopted the *Selective Comprehensive Plan Update* on November 12, 2020, after holding a public hearing (also required by the state Planning Code).

- The Township strives to maintain a balance between preserving open space, attracting new business, and increasing the value of residential property. The Township has seen slight increases in the overall assessed value of the Township since 2018 in addition to the positive increases of revenue generated from the earned income tax, business taxes and real estate transfer taxes. While we have not had an increase to the general fund millage since 2001, the Township did increase the fire millage in 2020 to 0.4869 mils setting the overall Township millage to 2.3633 in 2020. The graph below provides an overview of the change in assessed value over the last ten years.



WHITEMARSH TOWNSHIP
Management’s Discussion and Analysis
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The Township conducts single-stream curbside recycling collection for approximately 5,514 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 2021, we received \$16,853 in revenue for single-stream curbside recycling collection.

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. In 2018, the Township renewed its agreement with Comcast for an additional ten years. The amount of revenue generated by the franchise fee during 2021 was \$460,332. Annual revenues from Cable Franchise Fees going forward are expected to approximate \$460,000 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. In addition, as a part of the 2018 Cable Franchise agreement renewal, Comcast provided the Township with a one-time educational and governmental access capital grant in the amount of \$30,000 used in support of the production of local educational and governmental channel programming or any other cable or technology. 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 the 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 date, the Township is in the process of negotiating new cable contracts with Verizon.

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>2021</u>	<u>2020</u>
Fire Companies and Ambulance	\$ 1,255,073	\$ 1,142,553
William Jeanes Memorial Library	\$ 764,651	\$ 773,852

WHITEMARSH TOWNSHIP
Management's Discussion and Analysis
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Regional Street Lighting Procurement Program

Whitemarsh Township participated in the Pennsylvania Sustainable Energy Financing Program for the conversion of existing street lighting to more efficient LED lighting. The Township 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 five-year term of the proposed loan. The 2020 energy cost savings fell within the expected \$36,707 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. The projected savings include the effect of contracts with Constellation to lock in lower utility rates for transmission and generation costs through December 2022. 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 \$3,050 from this agreement in 2021.

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.whitemarshtwp.org."

WHITEMARSH TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Primary Government Governmental Activities	Component Units	
		Whitemarsh Township Authority	William Jeanes Memorial Library
<u>Assets and Deferred Outflows of Resources</u>			
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 25,342,091	\$ 4,496,915	\$ 663,626
Investments	-	-	182,004
Accounts Receivable	-	589,854	-
Taxes Receivable	2,669,305	-	-
Due from Primary Government	-	-	125,600
Other Receivable	24,166	31,369	-
<u>Total Current Assets</u>	<u>28,035,562</u>	<u>5,118,138</u>	<u>971,230</u>
<u>Restricted Assets</u>			
Cash, Escrow Funds - Developers	-	194,363	-
<u>Capital Assets</u>			
Land and Conservation Easements	24,659,486	862,410	62,979
Construction in Progress	-	1,311,224	-
Infrastructure - Sewer System (Net)	-	17,818,520	-
Infrastructure - Other (Net)	12,821,622	-	-
Building and Improvements (Net)	2,570,707	-	3,152,073
Equipment (Net)	460,675	-	110,899
Vehicles (Net)	706,483	-	-
<u>Total Capital Assets</u>	<u>41,218,973</u>	<u>19,992,154</u>	<u>3,325,951</u>
<u>Other Assets</u>			
Net Pension Asset	2,481,759	-	-
<u>Total Assets</u>	<u>71,736,294</u>	<u>25,304,655</u>	<u>4,297,181</u>
<u>Deferred Outflows of Resources</u>			
Pension	623,596	-	-
Other Postemployment Benefit Plan	2,721,811	-	-
<u>Total Deferred Outflows of Resources</u>	<u>3,345,407</u>	<u>-</u>	<u>-</u>
<u>Total Assets and Deferred Outflows of Resources</u>	<u>75,081,701</u>	<u>25,304,655</u>	<u>4,297,181</u>

(Continued)

The accompanying notes are an integral part of the financial statements

WHITEMARSH TOWNSHIP
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2021

	Primary Government Governmental Activities	Component Units	
		Whitemarsh Township Authority	William Jeanes Memorial Library
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>			
<u>Current Liabilities</u>			
Accounts Payable and Accrued Expenses	\$ 1,335,214	\$ 762,859	\$ -
Due to Component Units	125,600	-	-
Due to Primary Government	-	14,335	-
Unearned Revenue	960,026	910,348	697
Current Portion of Bonds and Notes Payable	681,000	527,810	-
<u>Total Current Liabilities</u>	<u>3,101,840</u>	<u>2,215,352</u>	<u>697</u>
<u>Non-Current Liabilities</u>			
Escrow Deposits - Developers	-	194,363	-
Bonds and Notes Payable, Net Current Portion and Unamortized Bond Premium	12,749,544	10,408,350	-
Compensated Absences	1,580,304	-	-
Net Other Postemployment Benefit Plan Liability	12,847,968	-	-
<u>Total Non-Current Liabilities</u>	<u>27,177,816</u>	<u>10,602,713</u>	<u>-</u>
<u>Total Liabilities</u>	<u>30,279,656</u>	<u>12,818,065</u>	<u>697</u>
<u>Deferred Inflows of Resources</u>			
Pension	2,632,003	-	-
Other Postemployment Benefit Plan	1,160,522	-	-
<u>Total Deferred Inflows of Resources</u>	<u>3,792,525</u>	<u>-</u>	<u>-</u>
<u>Net Position</u>			
Net Investment in Capital Assets	27,788,429	9,055,994	-
Restricted	3,143,735	-	2,722,468
Unrestricted	10,077,356	3,430,596	1,574,016
<u>Total Net Position</u>	<u>41,009,520</u>	<u>12,486,590</u>	<u>4,296,484</u>
<u>Total Liabilities, Deferred Inflows of Resources, and Net Position</u>	<u>\$ 75,081,701</u>	<u>\$ 25,304,655</u>	<u>\$ 4,297,181</u>

The accompanying notes are an integral part of the financial statements

WHITEMARSH TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units		
					Primary Government - Governmental Activities	Whitemarsh Township Authority	William Jeanes Memorial Library
Primary Government							
Governmental Activities:							
General Government	\$ 4,450,443	\$ 127,268	\$ 108,655	\$ -	\$ (4,214,520)		
Public Safety - Police	7,682,221	-	660,096	-	(7,022,125)		
Public Safety - Other	1,740,676	-	161,860	-	(1,578,816)		
Public Works - Sanitation	2,241,403	1,830,668	-	-	(410,735)		
Public Works - Highway	7,460,537	-	-	-	(7,460,537)		
Culture and Recreation	1,224,088	-	-	-	(1,224,088)		
Conservation of Natural Resources	52,688	-	-	-	(52,688)		
Community Development	66,800	-	-	-	(66,800)		
Interest on Long Term Debt	427,493	-	-	-	(427,493)		
Total Governmental Activities	25,346,349	1,957,936	930,611	-	(22,457,802)		
Component Units							
Whitemarsh Township Authority	4,352,812	3,860,965	-	112,242	(379,605)		-
William Jeanes Memorial Library	1,072,987	8,300	1,057,217	-	-		(7,470)
Total Component Units	5,425,799	3,869,265	1,057,217	112,242	(379,605)		(7,470)
General Revenues							
Real Estate Taxes					4,492,764	-	-
Real Estate Transfer Taxes					1,284,799	-	-
Earned Income Taxes					10,103,235	-	-
Business Gross Receipts Taxes					3,081,762	-	-
Other Act 511 Taxes					674,909	-	-
Investment Income					26,478	10,112	29,241
Sales of Fixed Assets					5,220	-	-
Fines and Forfeits					37,572	-	-
Licenses and Permits					810,690	-	-
Refunds of PY Expenditures					63,395	-	-
Special Assessments					3,050	-	-
Rent and Cable Fees					499,277	-	-
Miscellaneous Revenue					894,421	85,500	-
Total General Revenues					21,977,572	95,612	29,241
Change in Net Position					(480,230)	(283,993)	21,771
Net Position - Beginning of Year					41,489,750	12,770,583	4,274,713
Net Position - End of Year					\$ 41,009,520	\$ 12,486,590	\$ 4,296,484

The accompanying notes are an integral part of the financial statements

WHITEMARSH TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Capital Reserve	Open Space Reserve	Non- Major Funds	Total Governmental Funds
<u>Assets</u>					
Cash and Cash Equivalents	\$ 8,958,529	\$ 1,923,086	\$ 10,195,130	\$ 4,265,346	\$ 25,342,091
Taxes Receivable	2,190,308	-	441,035	37,962	2,669,305
Other Receivables	17,818	-	-	6,348	24,166
<u>Total Assets</u>	<u>\$ 11,166,655</u>	<u>\$ 1,923,086</u>	<u>\$ 10,636,165</u>	<u>\$ 4,309,656</u>	<u>\$ 28,035,562</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>					
<u>Liabilities</u>					
Accounts Payable and Accrued Liabilities	\$ 402,075	\$ 482,664	\$ -	\$ 26,878	\$ 911,617
Accrued Wages Payable	186,167	-	-	13,701	199,868
Other Accrued Expenses	88,034	-	-	-	88,034
Interfund Payables	-	-	-	-	-
Due to Component Units	125,600	-	-	-	125,600
Unearned American Rescue Plan Revenue	-	-	-	960,026	960,026
Other Liabilities	69,337	-	-	-	69,337
<u>Total Liabilities</u>	<u>871,213</u>	<u>482,664</u>	<u>-</u>	<u>1,000,605</u>	<u>2,354,482</u>
<u>Deferred Inflows of Resources</u>					
Unavailable Real Estate Taxes	125,713	-	-	165,065	290,778
Total Deferred Inflows of Resources	125,713	-	-	165,065	290,778
<u>Fund Balance</u>					
Restricted	-	-	-	3,143,986	3,143,986
Assigned for:					
Budget for 2022	2,575,872	-	-	-	2,575,872
Business Tax Refunds	500,000	-	-	-	500,000
Other Postemployment Benefits	512,425	-	-	-	512,425
Capital Projects and Improvements	-	1,440,422	-	-	1,440,422
Acquisition of Other Equipment	-	-	10,636,165	-	10,636,165
Unassigned Fund Balance	6,581,432	-	-	-	6,581,432
<u>Total Fund Balances</u>	<u>10,169,729</u>	<u>1,440,422</u>	<u>10,636,165</u>	<u>3,143,986</u>	<u>25,390,302</u>
<u>Total Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>\$ 11,166,655</u>	<u>\$ 1,923,086</u>	<u>\$ 10,636,165</u>	<u>\$ 4,309,656</u>	<u>\$ 28,035,562</u>

The accompanying notes are an integral part of the financial statements

WHITEMARSH TOWNSHIP
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
 TO STATEMENT OF NET POSITION
 DECEMBER 31, 2021

Total Governmental Fund Balances \$ 25,390,302

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	\$ 53,140,957	
Accumulated depreciation	(11,921,984)	41,218,973

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

Note Payable	13,430,544	
Accrued Interest Expense	57,764	
Compensated Absences	1,580,304	
Net Pension Asset, Net of Related Deferred Outflows and Deferred Inflows of Resources	(473,352)	
Net Other Postemployment Benefits, Net of Related Deferred Outflows of Resources	11,286,679	(25,881,939)

Property taxes, earned income 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

290,778

Internal Service Fund Consolidation

(8,594)

Net Position of Government Activities

\$ 41,009,520

The accompanying notes are an integral part of the financial statements

WHITEMARSH TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General	Capital Reserve	Open Space Reserve	Non- Major Funds	Total Governmental Funds
<u>Revenues</u>					
Real Estate Taxes	\$ 3,878,287	\$ -	\$ -	\$ 614,477	\$ 4,492,764
Real Estate Transfer Taxes	1,284,799	-	-	-	1,284,799
Earned Income Taxes	7,033,598	-	3,069,637	-	10,103,235
Business Gross Receipt Taxes	3,081,762	-	-	-	3,081,762
Other Act 511 Taxes	674,909	-	-	-	674,909
Licenses and Permits	810,690	-	-	-	810,690
Grants	-	-	-	108,906	108,906
Fines and Forfeits	37,572	-	-	-	37,572
Interest Earnings	9,004	3,339	12,613	1,271	26,227
Rents and Cable Fees	499,277	-	-	-	499,277
Intergovernmental Revenues	819,956	-	-	2,000	821,956
Charges for Services	115,055	-	-	1,842,881	1,957,936
Special Assessments	-	-	-	3,050	3,050
Miscellaneous Revenues	100,833	21,035	-	772,553	894,421
Total Revenues	18,345,742	24,374	3,082,250	3,345,138	24,797,504
<u>Expenditures</u>					
General Government	3,964,782	93,407	3,138,079	-	7,196,268
Public Safety - Police	7,340,517	92,145	-	-	7,432,662
Public Safety - Other	1,628,303	-	-	-	1,628,303
Public Works - Sanitation	-	-	-	2,212,250	2,212,250
Public Works - Highway and Streets	3,859,323	2,830,949	-	160,539	6,850,811
Culture and Recreation	180,006	35,667	-	867,595	1,083,268
Conservation of Natural Resources	-	-	52,688	-	52,688
Community Development	65,571	-	-	-	65,571
Debt Service - Principal	735,000	-	-	-	735,000
Debt Service - Interest	243,259	-	208,768	-	452,027
Total Expenditures	18,016,761	3,052,168	3,399,535	3,240,384	27,708,848
<u>Excess of Revenues Over (Under)</u>					
<u>Expenditures</u>	328,981	(3,027,794)	(317,285)	104,754	(2,911,344)
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Fixed Assets	5,220	-	-	-	5,220
Refund of Prior-Year Expenditures	58,395	-	-	5,000	63,395
Transfers In	267,154	687,484	-	340,305	1,294,943
Transfers Out	(921,639)	-	-	(373,304)	(1,294,943)
Total Other Financing Sources and Uses	(590,870)	687,484	-	(27,999)	68,615
Net Changes in Fund Balances	(261,889)	(2,340,310)	(317,285)	76,755	(2,842,729)
Fund Balances - Beginning of Year	10,431,618	3,780,732	10,953,450	3,067,231	28,233,031
Fund Balances - End of Year	\$ 10,169,729	\$ 1,440,422	\$ 10,636,165	\$ 3,143,986	\$ 25,390,302

The accompanying notes are an integral part of the financial statements

WHITEMARSH TOWNSHIP
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES TO STATEMENT OF ACTIVITIES
 FOR THE YEAR DECEMBER 31, 2021

Net Changes in Fund Balances - Governmental Funds \$ (2,842,729)

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

Depreciation Expense	\$ (1,194,614)	
Capital Outlays	<u>3,617,748</u>	2,423,134

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position. In addition, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of bond and note principal	735,000	
Amortization of bond premium	<u>24,538</u>	759,538

Internal Service Funds are reported as proprietary funds in the fund statement but are consolidated in the entity wide statements. (41,293)

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. (543,094)

The net change in the net pension asset, as well as the change in related deferred outflows of resources, is reported in the statement of activities, but is not reported in the fund financial statements. 1,457,720

The net change in the net OPEB 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 (958,074)

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. (735,432)

Change in Net Position of Governmental Activities \$ (480,230)

The accompanying notes are an integral part of the financial statements

WHITEMARSH TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	<u>Assets</u>	<u>Internal Service Funds</u>
<u>Current Assets</u>		
Cash and Cash Equivalents		\$ -
<u>Total Current Assets</u>		<u>-</u>
<u>Noncurrent Assets:</u>		
<u>Capital Assets</u>		
Fleet Garage (Net)		57,735
Equipment (Net)		31,408
<u>Total Capital Assets</u>		<u>89,143</u>
<u>Total Assets</u>		<u>89,143</u>
	<u>Liabilities and Net Position</u>	
<u>Current Liabilities:</u>		
Accounts Payable		\$ 5,897
Accrued Wages Payable		2,652
<u>Total Liabilities</u>		<u>8,549</u>
<u>Net Position</u>		
Investment in Capital Assets		89,143
Unrestricted		(8,549)
<u>Total Net Position</u>		<u>80,594</u>
<u>Total Liabilities and Net Position</u>		<u>\$ 89,143</u>

The accompanying notes are an integral part of the financial statements

WHITEMARSH TOWNSHIP
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION – PROPRIETARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Internal Service Funds</u>
<u>Operating Revenues</u>	
Charges for Services	<u>\$ 363,527</u>
<u>Total Operating Revenues</u>	<u>363,527</u>
<u>Operating Expenses</u>	
Business Expense	46,251
Contracted Services	59,101
Depreciation	4,624
Gas and Oil	8,102
Parts and Accessories	101,827
Repairs and Maintenance - Building	11,462
Salaries	153,669
Tires and Tubes	16,110
Tools	5,436
Utilities	<u>2,817</u>
<u>Total Operating Expenses</u>	<u>409,399</u>
<u>Change in Net Position</u>	(45,872)
<u>Net Position - Beginning of Year</u>	<u>126,466</u>
<u>Net Position - End of Year</u>	<u>\$ 80,594</u>

The accompanying notes are an integral part of the financial statements

WHITEMARSH TOWNSHIP
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENED DECEMBER 31, 2021

	<u>Internal Service Funds</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Interfund Services Provided	\$ 363,527
Payments to Suppliers	(245,504)
Payments to Employees	(154,724)
	<hr/>
<u>Net Cash and Cash Equivalents Provided by Operating Activities</u>	<u>(36,701)</u>
	<hr/>
<u>Net Decrease in Cash and Cash Equivalents</u>	<u>(36,701)</u>
	<hr/>
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>36,701</u>
	<hr/>
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ -</u>
	<hr/> <hr/>
<u>Reconciliation of Operating Income to Net Cash Used in Operating Activities</u>	
Loss from Operations	\$ (45,917)
Adjustments to Reconcile Loss From Operations to Net Cash and Cash Equivalents Used in Operating Activities:	
Depreciation	4,624
Change in Asset and Liabilities:	
Accounts Payable	5,647
Accrued Wages Payable	(1,055)
	<hr/>
<u>Net Cash and Cash Equivalents Used in Operating Activities</u>	<u>\$ (36,701)</u>
	<hr/> <hr/>

The accompanying notes are an integral part of the financial statements

WHITEMARSH TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2021

	<u>Component Unit</u>		
	<u>Police</u>	<u>Pension</u>	<u>Custodial</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 679,244		\$ 1,133,536
Investments	31,426,798		-
Accounts Receivable	-		-
Accrued Interest	35,904		-
	<u>32,141,946</u>		<u>1,133,536</u>
<u>Total Current Assets</u>	<u>\$ 32,141,946</u>		<u>\$ 1,133,536</u>
<u>Net Position</u>			
<u>Net Position</u>			
Restricted for Pension Benefits	32,141,946		-
Restricted for Escrowed Subdivision Fees	-		1,048,717
Restricted for Taxpayers/Governments	-		84,819
	<u>32,141,946</u>		<u>1,133,536</u>
<u>Total Net Position</u>	<u>32,141,946</u>		<u>1,133,536</u>
<u>Total Liabilities and Net Position</u>	<u>\$ 32,141,946</u>		<u>\$ 1,133,536</u>

The accompanying notes are an integral part of the financial statements

WHITEMARSH TOWNSHIP
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Component Unit</u> Police Pension Fund	<u>Custodial Funds</u>
Additions		
Contributions		
Municipal Contributions	\$ 1,072,416	\$ -
Employee Contributions	230,413	-
<u>Total Contributions</u>	<u>1,302,829</u>	<u>-</u>
 <u>Investment Earnings</u>		
Net Increase in Fair Value of Investments	<u>3,071,306</u>	<u>1,489</u>
<u>Total Investment Earnings</u>	<u>3,071,306</u>	<u>1,489</u>
<u>Total Additions</u>	<u>4,374,135</u>	<u>1,489</u>
 <u>Deductions</u>		
Benefits Paid	1,138,172	-
Developer Escrow Remittances	-	272,023
Administrative Expenses	<u>7,400</u>	<u>41,747</u>
<u>Total Deductions</u>	<u>1,145,572</u>	<u>313,770</u>
 <u>Change in Net Postion</u>	<u>3,228,563</u>	<u>(312,281)</u>
Net Position - Beginning of Year	28,913,383	-
Restatement, Note 17	-	1,445,817
<u>Net Position - Beginning of Year, as restated</u>	<u>28,913,383</u>	<u>1,445,817</u>
<u>Net Position - End of Year</u>	<u>\$ 32,141,946</u>	<u>\$ 1,133,536</u>

The accompanying notes are an integral part of the financial statements

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies

Whitemarsh Township complies with U.S. generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and 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.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

A. The Financial Reporting Entity (Continued)

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, 2021 have been summarized and discretely presented on the government-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, 2021 have been summarized and discretely presented on the government-wide financial statements of the Township. Complete financial statements of the Library may be obtained from their administrative offices.

Barren Hill Volunteer Fire Company, Spring Mill Fire Company No. 1, and Whitemarsh Community Ambulance Association receive contributions from the Township; however, most 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 the Township's 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 way 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.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

The effect of interfund activities has been eliminated from the government-wide 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. Unspent debt proceeds for capital purposes are added back to the net result.
- 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 does not meet the definition of “restricted” or “net investment in capital assets.”

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. Proprietary and Fiduciary fund financial statements are represented by fund type.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

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, earned income tax revenues, and most other revenues to be available if collected within sixty 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 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 (a Special Revenue Fund) was established to accumulate resources for stormwater 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.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Governmental fund balances are classified as follows:

- a. Nonspendable – 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.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

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 in a custodial capacity for individuals, government entities, or others. The Township has two private-purpose trust funds which account for all pension activity and are reported as component units. 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 position and the determination of capital maintenance are critical.

The Township has two custodial 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. Custodial Funds use the accrual basis of accounting.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

C. Use of Estimates

The preparation of financial statements in conformity with U.S. 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 (“PLGIT”), and amounts deposited with the Pennsylvania Treasurer’s INVEST Program for Local Governments. Investments are stated at fair 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 acquisition 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 Township threshold for capitalization is \$10,000.

The capital assets (net of salvage value) of governmental activities are 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

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

G. Property Taxes

The tax on real estate in Whitemarsh Township for 2021 was 2.3633 mills (\$2.3633 per \$1,000 of assessed valuation) as levied by the Board of Supervisors. Assessed valuations of property are determined by Montgomery County. For 2021, taxes were billed on March 1 and were payable under the following terms: a 2% discount March 1 through May 31; full amount June 1 through August 31; and a 10% penalty after August 31. 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. Adopted GASB Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The Township has implemented the effects of this Statement for the reporting period ended December 31, 2021. The adoption of this statement requires the replacement of Agency Funds with Custodial Funds and the presentation of the Statement of Changes in Fiduciary Net Position for the Custodial Funds.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is effective for fiscal years beginning after December 15, 2020 (GASB No. 95 postponed the effective date one year from December 15, 2019 to 2020). The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in the government-wide financial statements and a business-type activity or enterprise fund. The Township has adopted this Statement.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (regarding LIBOR)*. Sections of this Statement are required to be adopted in two phases by the Township for the year ended December 31, 2021 and ending December 31, 2022. Adoption of the 2021 sections had no effect on the Township's financial statements.

J. Pending GASB Adoptions

In June 2017, the GASB issued Statement No. 87, Leases, which is effective for fiscal years beginning after June 15, 2021 (GASB No. 95 postponed the effective date 18 months from December 15, 2019 to June 15, 2021). The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Township is required to adopt Statement No. 87 for its 2022 financial statements.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations, which is effective for fiscal years beginning after December 15, 2021 (GASB No. 95 postponed the effective date one year from December 15, 2020 to 2021). The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Township is required to adopt Statement No. 91 for its 2022 financial statements.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020, which is effective on the dates identified below (GASB No. 95 postponed the effective dates on certain portions of this Statement). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The requirements related to the effective date of Statement 87, *Leases*, and Implementation Guide 2019-3; Leases for Interim Financial Reports are effective upon issuance.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

J. Pending GASB Adoptions (Continued)

- The requirements related to intra-equity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

As discussed above, in March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates, which is effective for fiscal years beginning after June 15, 2021, except for paragraphs 11b, 13, and 14 which are effective at later dates (GASB No. 95 postponed the effective date by one year from June 15, 2020, to 2021). This Statement relates to governments that have entered into agreements in which variable payments made or received depend on an interbank offer rate (IBOR) — most notable the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. The Township is required to adopt Statement No. 93 for its 2022 financial statements.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, which is effective for fiscal years beginning after June 15, 2022. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which is defined as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The Township is required to adopt Statement No. 94 for its 2023 financial statements.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

J. Pending GASB Adoptions (Continued)

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is effective for fiscal years beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The Township is required to adopt Statement No. 96 for its 2023 financial statements.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, which is effective immediately for paragraphs 4 and 5 of the Statement, and effective for fiscal years beginning after June 15, 2021 for paragraphs 6-9 of the Statement and for all other requirements. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Township is required to adopt a portion of Statement No. 97 immediately, with the balance adopted for its 2022 financial statements.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*, which is effective on the dates identified below. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Statement addresses a variety of topics and includes specific provisions about the following:

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

J. Pending GASB Adoptions (Continued)

- The requirements related to LIBOR, SNAP distributions, nonmonetary transactions, pledges of future revenues, clarification of certain provisions in Statement 34, and terminology updates related to Statements 53 and 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. This Statement is required to be adopted for the Township's 2024 financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement is required to be adopted for the Township's 2024 financial statements.

Township management is in the process of analyzing these pending changes in accounting principles and the impact, if any, they will have on the Township's financial statements.

Note 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.

Note 3 Deposits and Investments

A. 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, 2021, the bank balances and the carrying amounts of deposits of the primary government in these financial statements are as follows:

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 3 Deposits and Investments (Continued)

A. Deposits (Continued)

	Carrying Amount	Bank Balance		
		Total	Covered by FDIC	Secured
Checking and Savings Accounts	\$ 20,229,305	\$ 20,229,305	\$ 250,000	\$ 19,979,305
Pennsylvania Local Government Investment Trust (PLGIT)	4,253,877	4,253,877	-	4,253,877
Pennsylvania Treasurer's Investment Program	329,079	304,764	-	304,764
Total	<u>\$ 24,812,261</u>	<u>\$ 24,787,946</u>	<u>\$ 250,000</u>	<u>\$ 24,537,946</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.

B. 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.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 3 Deposits and Investments (Continued)

A. Deposits (Continued)

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.

B. Investments

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 fixed income investment of the Police Pension Fund, totaling \$8,630,731 as of December 31, 2021, had the following credit quality ratings:

Market Value	Credit Quality Distribution - Standared & Poor's / Moody's					
	AAA/ <u>Aaa</u>	AA/ <u>Aa</u>	A/ <u>A</u>	BBB/ <u>Baa</u>	Other	
12/31/2021						
PFM Multi-Manager Fixed Income Fund	\$ 8,630,731	42.9%	5.9%	15.6%	20.8%	14.8%

Note 4 Unearned Revenue

Primary Government

Unearned revenue on the Statement of Net Position and the Balance Sheet – Governmental Funds, totaling \$960,277 as of December 31, 2021, represents unspent American Rescue Plan receipt.

Component Unit – Whitemarsh Township Authority

Unearned revenue totaling \$910,348 as of December 31, 2021 represents charges for services to be provided in the subsequent fiscal year.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 5 Deferred Inflows and Outflows of Resources

A. Government-Wide Financial Statements

Police Pension Plan

As described in Note 12, as of December 31, 2021, the Township reported deferred outflows of resources totaling \$623,596 related to changes of assumptions and deferred inflows of resources totaling \$2,632,003 related to differences between expected and actual experience and differences between projected and actual investment earnings.

Other Postemployment Benefit Plan

As described in Note 14, as of December 31, 2021, the Township reported deferred outflows of resources totaling \$2,721,811 related to changes of assumptions and for benefit payments made subsequent to the measurement date, and deferred inflows of resources totaling \$1,160,522 related to changes of assumptions.

B. 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 \$290,778, include liened by the Township. These resources have been recognized as revenue in the government-wide financial statements.

Note 6 Capital Assets

B. Township

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance - 1/1/2021	Additions	Disposals	Balance - 12/31/2021
<u>Governmental Activities</u>				
Capital Assets, not being Depreciated:				
Land and Conservation Easements	\$ 21,649,486	\$ 3,010,000	\$ -	\$ 24,659,486
Total Capital Assets not being Depreciated	<u>21,649,486</u>	<u>3,010,000</u>	<u>-</u>	<u>24,659,486</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	4,720,690	96,539	-	4,817,229
Furniture and Equipment	3,113,983	207,703	(443,051)	2,878,635
Vehicles	4,013,294	303,506	(537,445)	3,779,355
Infrastructure	17,006,252	-	-	17,006,252
Total Capital Assets being Depreciated	<u>28,854,219</u>	<u>607,748</u>	<u>(980,496)</u>	<u>28,481,471</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(2,132,100)	(114,422)	-	(2,246,522)
Furniture and Equipment	(2,592,392)	(268,619)	443,051	(2,417,960)
Vehicles	(3,315,943)	(294,374)	537,445	(3,072,872)
Infrastructure	(3,667,431)	(517,199)	-	(4,184,630)
Total Accumulated Depreciation	<u>(11,707,866)</u>	<u>(1,194,614)</u>	<u>980,496</u>	<u>(11,921,984)</u>
Total Capital Assets being Depreciated, Net	<u>17,146,353</u>	<u>(586,866)</u>	<u>-</u>	<u>16,559,487</u>
Governmental Activities Capital Assets, Net	<u>\$ 38,795,839</u>	<u>\$ 2,423,134</u>	<u>\$ -</u>	<u>\$ 41,218,973</u>

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 6 Capital Assets (Continued)

B. Township

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

Governmental Activities:

General Government	\$ 95,202
Public Safety - Police	206,111
Public Safety - Other	112,373
Public Works - Sanitation	29,153
Public Works - Highway	609,726
Culture and Recreation	140,820
Community Development	<u>1,229</u>
 Total	 <u><u>\$ 1,194,614</u></u>

B. Component Units

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

Whitemarsh Township Authority

	Balance - 1/1/2021	Additions	Reductions	Transfers	Balance - 12/31/2021
Capital Assets, not being Depreciated:					
Land	\$ 862,410	\$ -	\$ -	\$ -	\$ 862,410
Construction in Progress	2,182,654	1,803,386	-	(2,674,816)	\$ 1,311,224
Total Capital Assets not being Depreciated	<u>3,045,064</u>	<u>1,803,386</u>	<u>-</u>	<u>(2,674,816)</u>	<u>2,173,634</u>
Capital Assets, being Depreciated:					
Sewer System	25,059,067	52,284	(55,400)	94,909	25,150,860
Maintenance equipment	2,658,533	48,015	(78,927)	-	2,627,621
Furniture and fixtures	-	-	-	507,995	507,995
Vehicles	263,359	-	(10,000)	-	253,359
Building	-	-	-	1,605,577	1,605,577
Land Improvements	-	-	-	466,335	466,335
Total Capital Assets being Depreciated	<u>27,980,959</u>	<u>100,299</u>	<u>(144,327)</u>	<u>2,674,816</u>	<u>30,611,747</u>
Less Accumulated Depreciation for:					
Sewer System	(10,763,232)	(414,944)	55,400.00	-	(11,122,776)
Machinery and Equipment	(1,245,189)	(198,480)	78,927.00	-	(1,364,742)
Furniture and fixtures	-	(30,239)	-	-	(30,239)
Vehicles	(258,293)	(5,066)	10,000.00	-	(253,359)
Buildings	-	(16,725)	-	-	(16,725)
Land improvements	-	(5,386)	-	-	(5,386)
Total Accumulated Depreciation	<u>(12,266,714)</u>	<u>(670,840)</u>	<u>144,327</u>	<u>-</u>	<u>(12,793,227)</u>
Total Capital Assets being Depreciated, Net	<u>15,714,245</u>	<u>(570,541)</u>	<u>-</u>	<u>2,674,816</u>	<u>17,818,520</u>
Business Type Activities Capital Assets, Net	<u>\$ 18,759,309</u>	<u>\$ 1,232,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,992,154</u>

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 6 Capital Assets (Continued)

B. Component Units (Continued)

William Jeanes Memorial Library

	Balance - 1/1/2021	Additions	Disposals	Balance - 12/31/2021
Capital Assets, not being Depreciated:				
Land Improvements	\$ 62,979	\$ -	\$ -	\$ 62,979
Total Capital Assets not being Depreciated	<u>62,979</u>	<u>-</u>	<u>-</u>	<u>62,979</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	5,157,302	-	-	5,157,302
Equipment	551,184	-	-	551,184
Totals at Estimated Historical Cost	<u>5,708,486</u>	<u>-</u>	<u>-</u>	<u>5,708,486</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(1,867,016)	(138,213)	-	(2,005,229)
Equipment	(416,277)	(24,008)	-	(440,285)
Total Accumulated Depreciation	<u>(2,283,293)</u>	<u>(162,221)</u>	<u>-</u>	<u>(2,445,514)</u>
Total Capital Assets being Depreciated, Net	<u>3,425,193</u>	<u>(162,221)</u>	<u>-</u>	<u>3,262,972</u>
Totals	<u>\$ 3,488,172</u>	<u>\$ (162,221)</u>	<u>\$ -</u>	<u>\$ 3,325,951</u>

Note 7 Long-Term Debt

A. Primary Government

Bonds Payable

On September 25, 2018, the Township issued General Obligation Bonds, Series of 2018, totaling \$9,790,000. The proceeds of the bonds were used for the current refunding of the Township's outstanding General Obligation Note, Series of 2009 and to provide funds for certain capital projects.

The bonds are stated to mature on November 15th of each year from 2021 through 2032, with remaining principal payments due in 2035 and 2039, with interest payable semiannually on May 15th and November 15th of each year. The interest rate on the bonds ranges from 3% to 4%. Debt service payments for this series are made from the General Fund and the Open Space Fund.

The proceeds of the Note Payable – Series of 2014 – TD Bank are being 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 on May 15th and November 15th, principal is payable annually on November 15th, and the final maturity is on November 15, 2039. Debt service payments for this series are made from the General Fund and the Open Space Fund.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 7 Long-Term Debt (Continued)

A. Primary Government (Continued)

The following is a summary of notes payable of the primary government as of December 31, 2021.

General Obligation Bonds, Series of 2018	\$	8,435,000
Note Payable, Series of 2014		4,560,000
Total Bonds and Notes Payable	\$	12,995,000

Maturities of debt on the above loans are as follows:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 681,000	\$ 503,450	\$ 1,184,450
2023	710,000	476,210	1,186,210
2024	734,000	453,110	1,187,110
2025	758,000	429,200	1,187,200
2026	783,000	404,480	1,187,480
2027-2031	4,414,000	1,526,520	5,940,520
2032-2036	3,097,000	702,520	3,799,520
2037-2041	1,818,000	147,280	1,965,280
Total Due in Future Years	\$ 12,995,000	\$ 4,642,770	\$ 17,637,770

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.

Compensated Absences (Continued)

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.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 7 Long-Term Debt (Continued)

A. Primary Government (Continued)

All payments related to compensated absences are made from the Township's General Fund.

Other Long-Term Debt

The Township's net other postemployment benefits obligation is described in Note 15. The Township's net pension liability is described in Note 13. All payments related to other postemployment 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, 2021:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Amount Due Within <u>One Year</u>
Bonds and Notes Payable	\$ 13,730,000	\$ -	\$ 735,000	\$ 12,995,000	\$ 681,000
Bond Premium	460,082	-	24,538	435,544	-
Bonds and Notes Payable, Net	<u>14,190,082</u>	<u>-</u>	<u>759,538</u>	<u>13,430,544</u>	<u>681,000</u>
Compensated Absences	1,037,210	543,094	-	1,580,304	-
Net Other Postemployment Benefits Liability	<u>10,548,861</u>	<u>2,299,107</u>	<u>-</u>	<u>12,847,968</u>	<u>-</u>
Totals	<u>\$ 25,776,153</u>	<u>\$ 2,842,201</u>	<u>\$ 759,538</u>	<u>\$ 27,858,816</u>	<u>\$ 681,000</u>

B. 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.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 7 Long-Term Debt (Continued)

B. Whitemarsh Township Authority (Continued)

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 Authority refinanced its Sewer Revenue Note, Series of 2011 (the "2011 Note") with a Sewer Revenue Note, Series of 2014 with Univest Bank and Trust Co. in the amount of \$10,000,000 (the "2014 Note"). Proceeds from the 2014 Note were used to pay the principal and accrued interest through the payoff date of the 2011 Note, fund closing costs of the 2014 Note, and provide funds for new projects of the Authority. 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 5.25% or less than 2.55%. Semiannual interest payments began on December 1, 2014, with principal payments beginning on December 1, 2015. The Authority received advances on the loan through April 30, 2017. The Authority is required to maintain a debt service coverage ratio of at least 1.05 to 1 on an annual basis and covenants that its receipts and revenues are at all times sufficient to pay 105% of the debt service requirement. As a result of this refinancing, the Township is no longer a guarantor of the Authority.

On March 10, 2020, the Authority refinanced its Sewer Revenue Note, Series of 2014 (the "2014 Note") with a Sewer Revenue Note, Series A of 2020 (the "2020 A Note") with First National Bank & Trust Company of Newtown in the amount of \$8,362,000. Proceeds from the 2020 A Note were used to pay the principal and accrued interest through the payoff date of the 2014 Note on March 10, 2020 and fund closing costs of the 2020 A Note. Under the 2020 A Note, interest accrues at 2.05% through June 1, 2030 and a variable rate thereafter with an interest rate cap of 4.75% through maturity on December 1, 2038. Semiannual interest payments begin on June 1, 2020 with principal payments beginning on December 1, 2020. The Authority covenants that its receipts and revenues are sufficient to fund the debt service requirement of the 2020 A Note.

On March 31, 2020, the Authority borrowed \$3,524,500, Sewer Revenue Note, Series AA of 2020 (the "2020 AA Note") with Phoenixville Federal Bank & Trust. Proceeds from the 2020 AA Note will be used to fund the related closing costs and to provide funds for new capital projects of the Authority. Under the 2020 AA Note, interest accrues at 2.75% through maturity on December 1, 2039. Semiannual interest payments commence on June 1, 2020 with principal payments beginning on December 1, 2021. The Authority covenants that its receipts and revenues will be sufficient to fund the debt service requirements.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 7 Long-Term Debt (Continued)

B. Whitemarsh Township Authority (Continued)

Debt Maturities

The annual requirements to amortize principal and interest under the 2020 Note are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 527,810	\$ 248,006	\$ 775,816
2023	539,500	236,312	775,812
2024	551,460	224,356	775,816
2025	563,690	212,127	775,817
2026	576,170	199,648	775,818
2027-2031	2,924,090	954,991	3,879,081
2032-2036	3,078,420	800,674	3,879,094
2037-2038	2,175,020	152,445	2,327,465
Total Debt Service	10,936,160	<u>\$ 3,028,559</u>	<u>\$ 13,964,719</u>
Less: Current Maturities	(527,810)		
Net Long-term Debt	<u>\$ 10,408,350</u>		

Changes in Sewer Revenue Notes for the year ended December 31, 2021 were as follows:

	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Series A of 2020	\$ 7,937,740	\$ 403,720	\$ 7,534,020	\$ 402,940
Series AA of 2020	2,191,969	122,360	3,402,140	124,870
Totals	<u>\$ 10,129,709</u>	<u>\$ 526,080</u>	<u>\$ 10,936,160</u>	<u>\$ 527,810</u>

Note 8 Commitments

Capital Project Commitments

As of December 31, 2021, the Township had outstanding capital project and other commitments totaling \$1,548,130.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 9 Contingent Liabilities

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.

Note 10 Interfund Transfers and Balances

During 2021, 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	Capital reserve for fire companies	\$ 581,334
General Fund	Light and Hydrant Fund	Operational costs	16,500
General Fund	Park Fund	Operational costs	123,805
General Fund	Capital Equipment Reserve	Equipment	50,000
General Fund	Capital Reserve Fund	Equipment	581,334
Capital Equipment Reserve	Capital Reserve Fund	Equipment	106,150
Liquid Fuels Fund	General Fund	Road maintenance and repairs	267,154
Refuse Fee Fund	General Fund	Collection and disposal	150,000

Note 11 Police Pension Plan

A. 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, 2021, pension plan membership consisted of the following participants:

Active Employees	34
Inactive Members Currently Receiving Benefits	27
Inactive Members Entitled to But not yet Receiving Benefits	<u>2</u>
Total	<u>63</u>

*Includes 2 members in the DROP

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 11 Police Pension Plan (Continued)

A. Plan Description and Provisions (Continued)

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 upon officer's death.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 11 Police Pension Plan (Continued)

A. Plan Description and Provisions (Continued)

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.

B. 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 component unit 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 or asset in the Statement of Net Position.

Investments

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

Summary by Type

Investments held as of December 31, 2021 are summarized as follows:

Mutual Funds - Fixed Income:		
PFM Multi Manager Fixed Income Fund	\$	8,630,731
Mutual Funds - Equity:		
PFM Multi Manager Domestic Equity Fund		13,049,558
PFM Multi Manager International Equity Fund		6,903,333
Other Investments		2,843,176
Total	\$	<u>31,426,798</u>

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 11 Police Pension Plan (Continued)

C. Plan Investments

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on plan investments was 10.0%. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

D. 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 2021 totaled \$1,072,416 from the Township, \$230,413 from employees.

The total pension liability and net pension asset were measured as of December 31, 2021, was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2021. 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 asset of the Police Pension Plan for the year ended December 31, 2021 are as follows:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Service Cost	\$ 610,505	\$ -	\$ 610,505
Interest on Total Pension Liability	2,109,019	-	2,109,019
Changes for Experience	(614,666)	-	(614,666)
Changes of Assumptions	601,235	-	601,235
Employer Contributions	-	1,072,416	(1,072,416)
Employee Contributions	-	230,413	(230,413)
Other Contributions	-	-	-
Net Investment	-	3,071,306	(3,071,306)
Benefit Payments	(1,138,172)	(1,138,172)	-
Administrative Expenses	-	(7,400)	7,400
Net Changes	<u>1,567,921</u>	<u>3,228,563</u>	<u>(1,660,642)</u>
Balances as of December 31, 2020	<u>28,092,266</u>	<u>28,913,383</u>	<u>(821,117)</u>
Balances as of December 31, 2021	<u>\$ 29,660,187</u>	<u>\$ 32,141,946</u>	<u>\$ (2,481,759)</u>

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 11 Police Pension Plan (Continued)

E. Net Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

In the government-wide financial statements for the year ended December 31, 2021, the Township recognized pension expense totaling \$(385,304) for the Police Pension Plan. As of December 31, 2021, the Township reported deferred outflows of resources totaling \$623,596 related to changes of assumptions, and deferred inflows of resources totaling \$2,632,003 related to differences between expected and actual experience and differences between projected and actual investment earnings. The amounts 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 Outflows</u>	<u>Deferred Inflows</u>
2022	\$ 161,488	\$ 599,415
2023	161,488	1,147,601
2024	100,206	570,379
2025	100,206	212,165
2026	100,208	102,443
	<u>\$ 623,596</u>	<u>\$ 2,632,003</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	1/1/21
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% (average, including inflation)
Investment Rate of Return	7.50% (including inflation)
Retirement Age	The later of age 51, or age at the completion of 25 years of service
Mortality Rates	PubS-2010 mortality table including rates for disabled retirees and contingent survivors. Rates projected generationally using using Scale MP-2018 to reflect mortality improvement.

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.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 11 Police Pension Plan (Continued)

E. Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions (Continued)

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	40.00%	5.50% - 7.50%
International Equity	21.00%	4.50% - 6.50%
Fixed Income	38.00%	1.00% - 3.00%
Cash	1.00%	0.00% - 1.00%
Total	<u>100.00%</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. The Township has always met the funding requirements of the Pennsylvania Law Act of 1984. 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 (Asset) 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:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Net Pension Liability	\$ 1,340,682	\$ (2,481,759)	\$ (5,649,341)

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 12 Non-Uniform Pension Plan

A. Plan Description and Provisions

The Whitemarsh Township Non-Uniformed Pension Plan (Whitemarsh Township 401(a) Plan) is a single employer defined contribution Profit Sharing Plan controlled by the provisions of Ordinance No. 475. The original effective date was January 1, 1986, restated with an effective date of January 1, 2021.

Eligibility Requirements and Benefit Provisions

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

- Eligibility – All employees of the employer are eligible employees.
- Normal Retirement – Age 65 (Not to exceed 65)
- 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.
- Contribution – Members may contribute to the plan three to six percent of annual salary. Township contributions match the members’ contributions up to six percent. 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. Contributions to the plan totaled \$365,246 in 2021.
- Investments – Members are permitted to direct investments.

Note 13 Whitemarsh Township 457(b) Defined Contribution Plan

On January 1, 1986, the Township established a defined contribution 457(b) pension plan to provide pension benefits for all employees. The Plan was amended and restated effective January 1, 2020. Under the plan, an individual received his own account to which all contributions are made. The employee determines how his/her account is invested. The Township acts as administrator of the Plan. Contributions to the plan totaled \$433,575 in 2021.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 14 Other Postemployment Benefit Plan

The Township provides other postemployment health care insurance to employees who retire from the Township who meet certain minimum age and service requirements. GASB Statement No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, requires governments to account for other postemployment benefits (OPEB) Plan on an accrual basis. The effect is the recognition of an actuarially-determined expense on the statement of activities when a future retiree earns their post-employment benefits, rather than when they use their postemployment benefits. The postemployment benefit liability is recognized on the statement of net position over time.

A. Plan Description

The Whitemarsh Township Postemployment Benefits Plan (the Plan) is a single employer defined benefit plan, administered by the Township, for which the provisions are established by Township ordinance. The Plan is not accounted for as a trust fund since an irrevocable trust has not been established to account for the plan. The Plan does not issue a stand-alone financial report. The activity of the Plan is reported in the Township's General Fund.

B. Plan Benefits

Police Officers

The Township provides a postemployment 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.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 14 Other Postemployment Benefit Plan (Continued)

B. Plan Benefits (Continued)

For officers who retire on or after January 1, 2008 but prior to January 1, 2011, 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 ten years. 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 coverage through the Aetna Medicare Advantage plan. Dental insurance is available through the Township as long as the retiree pays the full premium. Spousal coverage 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 may continue to the surviving spouse for this or her lifetime, as long as the spouse pays the full premium. 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.

For officers who retire on or after January 1, 2011, the Township agrees to provide full payment of the least expensive annual medical insurance premiums being provided by the Township to the retiree and spouse for a period not to exceed twelve years. The retiree may continue coverage through the Township after the twelve-year period as long as the retiree pays the full premium. 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. Coverage through the Township ceases once the retiree becomes Medicare eligible. 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 to the surviving spouse as if the retiree had not died.

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

As of January 1, 2021, the following police employees were covered by the benefit terms:

Active Participants	36
Vested Former Participants	4
Retired Participants	<u>19</u>
Total	<u><u>59</u></u>

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 14 Other Postemployment Benefit Plan (Continued)

B. Plan Benefits (Continued)

Non-Uniformed Personnel

Postemployment 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. If an employee becomes disabled, he or she may continue coverage through the Township by paying the full premium.

As of January 1, 2021, the following employees were covered by the benefit terms:

Active Participants	36
Vested Former Participants	0
Retired Participants	<u>0</u>
Total	<u><u>36</u></u>

C. Total OPEB Liability

The Township's total OPEB liability of \$12,847,968 was measured as of January 1, 2021, based on an actuarial valuation as of the same date.

D. Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Healthcare Cost Trend Rates

2019 through 2023	5.5%
2024 through 2075	Gradually decrease from 5.4% to 4.0% based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Discount Rate

The discount rate of 3.26% was based on the Standard & Poor's Municipal Bond 20-Year High Grade Rate Index at January 1, 2021. The previous actuarial valuation assumed a discount rate of 3.64%.

Salary Increases

An assumption for salary increases of 5% is used only for spreading contributions over future pay under the entry age normal cost method.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 14 Other Postemployment Benefit Plan (Continued)

D. Actuarial Assumptions and Other Inputs (Continued)

Mortality and Disability Rates

Mortality rates were based on the IRS 2017 Static Combined Table for Small Plans; incorporated into the table are rates for annuitants projected seven years and rates for non-annuitants are projected fifteen years using Scale AA to reflect mortality improvement. Disability rates are based on SOA 1987 Group LTD Table – Males, three-month elimination.

Retirement

It is assumed that police officers will retire at the later of age 53, their age at completion of 25 years of service, or their age on the valuation date; that 100% of eligible police officer retirees and their spouses elect coverage under the Plan; that 50% of participants elect coverage upon disability; and 100% of vested former members and their spouses will return to the Plan at age 62.

It is assumed non-uniformed employees will retire at the later of age 65 or their age on the valuation date; that 5% of eligible non-uniformed employees elect coverage under the Plan; and 50% of participants elect coverage upon disability.

Eighty percent of employees are assumed to be married and have a spouse covered by the Plan at retirement. No non-spouse dependents are assumed.

Actuarial Experience Studies

Due to the size of the plan, actuarial experience studies are not considered credible and are not performed for the Plan.

Retiree Contributions

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

Actuarial Cost Method

Under the Entry Age Normal Cost Method, the normal cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The accrued liability as of the valuation date is the excess of the present value of future benefits over the present value of future normal cost. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets. Actuarial gains and losses serve to reduce or increase the unfunded accrued liability.

Participant Data

Participant data is based on information as of January 1, 2020.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 14 Other Postemployment Benefit Plan (Continued)

E. Changes in Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2020	\$ 10,548,861
Changes for the Year:	
Service Cost	421,708
Interest	351,874
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	1,852,085
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments	(326,560)
Administrative expense	-
Other changes	-
Net changes	2,299,107
Balance at 12/31/2021	\$ 12,847,968

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

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93%) or 1-percentage-point higher (2.93%) than the current discount rate:

Sensitivity of the Net OPEB liability to changes in the Discount Rate

	1% Decrease (0.93%)	Current Rates (1.93%)	1% Increase (2.93%)
Net OPEB Liability	\$ 14,253,051	\$ 12,847,968	\$ 11,613,548

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

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

Sensitivity of the net OPEB Liability to Changes in Healthcare Cost Trend Rate

	1% Decrease	Current Trend Rates	1% Increase
Net OPEB Liability	\$ 11,289,390	\$ 12,847,968	\$ 14,816,899

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 14 Other Postemployment Benefit Plan (Continued)

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the Township recognized an OPEB expense of \$958,074. As of December 31, 2021, the Township reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 781,189
Changes in assumptions	2,721,811	379,333
Total	<u>\$ 2,721,811</u>	<u>\$ 1,160,522</u>

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

Year ending June 30:	
2022	\$ 184,492
2023	184,492
2024	184,492
2025	184,492
2026	184,492
Thereafter	638,829
Total	<u>\$ 1,561,289</u>

Note 15 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, 2020 through August 31, 2022; the base rent for this period is \$6,493.75 per month. The lease contains one remaining renewal option that commences on September 1, 2022 and expires on February 28, 2025. Total rent received under this lease for the fiscal year ended December 31, 2021 was \$76,381.

Note 16 Note Payable

On May 4, 2020, William Jeanes Memorial Library received a Paycheck Protection Program loan ("PPP loan") in the amount of \$115,900 from its bank. PPP loans were established under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and are administered by the U. S. Small Business Administration ("SBA"). The loan amount was eligible for partial or full forgiveness pursuant to the Paycheck Protection Program, based on the payment of qualifying expenses, including at least 75% for payroll costs, and the maintenance of employee count and compensation levels. The note was fully forgiven in 2021.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 17 Restatement

The beginning net position of the Custodial Fund has been restated for the implementation of GASB 84. The adoption of this statement requires the replacement of Agency Funds with Custodial Funds and the presentation of the Statement of Changes in Fiduciary Net Position for the Custodial Funds.

Net Position was restated as follows:

	Escrow Fund	Real Estate Tax Collector Fund	Total Custodial Funds
Beginning Net Position	\$ -	\$ -	\$ -
Restatement for Escrow	1,360,998	-	1,360,998
Restatement for Real Estate Tax Collector	-	84,819	84,819
Beginning Net Position, as restated	<u>\$ 1,360,998</u>	<u>\$ 84,819</u>	<u>\$ 1,445,817</u>

Note 18 Excess of Expenditures Over Appropriation

For the year ended December 31, 2021, expenditures exceed appropriations in the following General Fund Department levels (the legal level of budgetary control):

Public Safety - Other	\$ 241,710
Community Development	\$ 65,571

These excess expenditures were funded by available fund balance in the General Fund.

For the year ended December 31, 2021, expenditures exceed appropriations in the following Capital Reserve Fund Department levels (the legal level of budgetary control):

General Government	\$ 86,593
Public Safety - Police	\$ 45,355
Public Safety - Highway and streets	\$ 1,128,851
Culture and Recreation	\$ 287,333

These excess expenditures were funded by available fund balance in the Capital Reserve Fund.

For the year ended December 31, 2021, expenditures exceed appropriations in the following Open Space Fund Department levels (the legal level of budgetary control):

General Government	\$ 3,070,629
Conservation of Natural Resources	\$ 52,688

These excess expenditures were funded by available fund balance in the Open Space Fund.

Note 19 Risks and Uncertainties

As the effects of the Coronavirus pandemic continue to evolve and are dependent upon future developments, the impact of Coronavirus on the Township's operations and financial results are uncertain at this time.

Whitemarsh Township
Notes to Financial Statements
December 31, 2021

Note 20 Subsequent Events

The Township's management has evaluated subsequent events to determine if events or transactions occurring through September 29, 2022, the date which the financial statements were available for issuance, require potential adjustment to, or disclosures in, the accompanying financial statements. Based upon the evaluation, the Township's management did not identify any subsequent events other than the event noted above that require adjustment or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Whitemarsh Township
Budgetary Comparison Statement - General Fund
For the Year Ended December 31, 2021

	Budget		Actual	Variance with Final Budget Positive
	Original	Final		
Revenues				
Real Estate Taxes	\$ 3,876,863	\$ 3,876,863	\$ 3,878,287	\$ 1,424
Real Estate Transfer Taxes	800,000	800,000	1,284,799	484,799
Earned Income Taxes	8,715,000	8,715,000	7,033,598	(1,681,402)
Business Gross Receipt Taxes	2,120,000	2,120,000	3,081,762	961,762
Other Act 511 Taxes	1,463,000	1,463,000	674,909	(788,091)
Licenses and Permits	597,700	597,700	810,690	212,990
Fines and Forfeits	65,000	65,000	37,572	(27,428)
Interest Earnings	70,000	70,000	9,004	(60,996)
Rents and Cable Fees	580,000	580,000	499,277	(80,723)
Intergovernmental Revenues	675,000	675,000	819,956	144,956
Charges for Services	66,600	66,600	115,055	48,455
Miscellaneous Revenues	424,500	424,500	100,833	(323,667)
Total Revenues	<u>19,453,663</u>	<u>19,453,663</u>	<u>18,345,742</u>	<u>(1,107,921)</u>
Expenditures:				
Current:				
General Government	4,453,502	4,453,502	3,278,161	1,175,341
Public Safety - Police	7,607,614	7,607,614	7,340,517	267,097
Public Safety - Other	1,386,593	1,386,593	1,628,303	(241,710)
Public Works - Sanitation	2,059,620	-	-	-
Public Works - Highway and Streets	3,927,104	3,927,104	3,859,323	67,781
Culture and Recreation	1,075,040	1,075,040	866,627	208,413
Community Development	-	-	65,571	(65,571)
Debt Service	1,049,302	1,049,302	978,259	71,043
Total Expenditures	<u>21,558,774</u>	<u>19,499,154</u>	<u>18,016,761</u>	<u>1,482,393</u>
Excess of Revenues over (under) Expenditures	(2,105,111)	(45,491)	328,981	374,472
Other Financing sources/(uses):				
Proceeds from Sale of Fixed Assets	-	-	5,220	5,220
Refund of Prior-Year Expenditures	-	-	58,395	58,395
Transfers In	2,470,000	2,470,000	267,154	(2,202,846)
Transfers Out	(2,405,305)	(2,405,305)	(921,639)	1,483,666
Total Other Financing sources/(uses)	<u>64,695</u>	<u>64,695</u>	<u>(590,870)</u>	<u>(719,180)</u>
Net Change in Fund Balance	(2,040,416)	19,204	(261,889)	1,093,652
Fund Balance - Beginning of Year	<u>2,040,416</u>	<u>2,040,416</u>	<u>10,431,618</u>	<u>8,391,202</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 2,059,620</u>	<u>\$ 10,169,729</u>	<u>\$ 9,484,854</u>

Whitemarsh Township
Budgetary Comparison Statement - Capital Reserve Fund
For the Year Ended December 31, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest Earnings	\$ 10,500	\$ 10,500	\$ 3,339	\$ (7,161)
Intergovernmental Revenues	106,150	106,150	-	(106,150)
Miscellaneous	-	-	21,037	21,037
Total Revenues	<u>116,650</u>	<u>116,650</u>	<u>24,376</u>	<u>(92,274)</u>
Expenditures:				
Current:				
General Government	180,000	180,000	93,407	(86,593)
Public Safety - Police	137,500	137,500	92,145	(45,355)
Public Safety - Highway and streets	3,959,800	3,959,800	2,830,949	(1,128,851)
Culture and Recreation	323,000	323,000	35,667	(287,333)
Debt Service - Principal	-	-	-	-
Total Expenditures	<u>4,600,300</u>	<u>4,600,300</u>	<u>3,052,168</u>	<u>(1,548,132)</u>
Other Financing Sources (Uses):				
Transfers In	106,150	106,150	687,484	581,334
Total Other Financing uses	<u>106,150</u>	<u>106,150</u>	<u>687,484</u>	<u>581,334</u>
Net Change in Fund Balance	(4,483,650)	(4,483,650)	(2,340,308)	2,037,192
Fund Balance - Beginning of Year	<u>5,184,892</u>	<u>5,184,892</u>	<u>3,780,732</u>	<u>(1,404,160)</u>
Fund Balance - End of Year	<u>\$ 701,242</u>	<u>\$ 701,242</u>	<u>\$ 1,440,424</u>	<u>\$ 633,032</u>

Whitemarsh Township
Budgetary Comparison Statement - Open Space Reserve Fund
For the Year Ended December 31, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest Earnings	\$ 60,000	\$ 60,000	\$ 12,613	\$ (47,387)
Intergovernmental Revenues	2,215,000	2,215,000	-	(2,215,000)
Taxes	-	-	3,069,637	3,069,637
Total Revenues	<u>2,275,000</u>	<u>2,275,000</u>	<u>3,082,250</u>	<u>807,250</u>
Expenditures:				
Current:				
General Government	67,450	67,450	3,138,079	(3,070,629)
Conservation of Natural Resources			52,688	(52,688)
Debt Service - Principal				
Debt Service - Interest	<u>208,768</u>	<u>208,768</u>	<u>208,768</u>	<u>-</u>
Total Expenditures	<u>276,218</u>	<u>276,218</u>	<u>3,399,535</u>	<u>(3,123,317)</u>
Net Change in Fund Balance	1,998,782	1,998,782	(317,285)	(2,316,067)
Fund Balance - Beginning of Year	<u>-</u>	<u>27,500</u>	<u>10,953,450</u>	<u>10,925,950</u>
Fund Balance - End of Year	<u>\$ 1,998,782</u>	<u>\$ 2,026,282</u>	<u>\$ 10,636,165</u>	<u>\$ 8,609,883</u>

Whitemarsh Township
Notes to Budgetary Comparison Schedules
December 31, 2021

Note 1 Included Funds

The Township presents budgetary comparison schedules for its General Fund, Capital Reserve Fund, and the Open Space Reserve Fund.

Note 2 Budgetary Basis of Accounting

The Township prepares its budgets on a GAAP basis.

WWhitemarsh Township
Schedule of Changes in the Township's Net Pension Liability and Related Ratios -
Police Pension Fund (1)
For the Last Eight Fiscal Years

	Police							
	2021	2020	2019 *	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 610,505	\$ 587,377	\$ 559,407	\$ 550,305	\$ 524,100	\$ 514,831	\$ 490,315	\$ 477,607
Interest	2,109,019	1,998,618	1,894,785	1,765,697	1,678,782	1,583,378	1,498,016	1,446,459
Changes of Benefit Terms			-	-	-	-	-	-
Differences Between Actual and Expected Experience, if any	(614,666)	-	487,623	-	(230,722)	-	-	(409,738)
Assumptions Changes	601,235	-	-	-	428,977	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,138,172)	(1,109,179)	(1,086,276)	(1,132,681)	(994,194)	(985,332)	(829,591)	(849,618)
Net change in Total Pension Liability	1,567,921	1,476,816	1,855,539	1,183,321	1,406,943	1,112,877	1,158,740	664,710
Total Pension Liability - Beginning	28,092,266	26,615,450	24,759,911	23,576,590	22,169,647	21,056,770	19,898,030	19,233,320
Total Pension Liability - Ending (a)	29,660,187	28,092,266	26,615,450	24,759,911	23,576,590	22,169,647	21,056,770	19,898,030
Plan Fiduciary Net Position								
Contributions - Employer and State Aid	1,072,416	1,008,631	1,020,946	868,885	859,263	844,904	1,040,977	759,358
Contributions - Member	230,413	221,409	207,561	204,552	192,533	190,784	186,137	176,578
Contributions - Other		1,350	650	-	1,100	-	1,600	-
Net Investment Income	3,071,306	3,747,784	4,346,386	(1,032,796)	2,876,786	1,187,895	111,471	999,788
Benefit Payments	(1,138,172)	(1,109,179)	(1,086,276)	(1,132,681)	(994,194)	(985,332)	(829,591)	(849,618)
Administrative Expense	(7,400)	(68,562)	(83,577)	(86,223)	(97,322)	(80,039)	(77,951)	(83,756)
Miscellaneous	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Position	3,228,563	3,801,433	4,405,690	(1,178,263)	2,838,166	1,158,212	432,643	1,002,350
Plan Fiduciary Net Position - Beginning	28,913,383	25,111,950	20,706,260	21,884,523	19,046,357	17,888,145	17,455,502	16,453,152
Plan Fiduciary Net Position - Ending (b)	32,141,946	28,913,383	25,111,950	20,706,260	21,884,523	19,046,357	17,888,145	17,455,502
Net Pension Liability (a) - (b)	(2,481,759)	(821,117)	1,503,500	4,053,651	1,692,067	3,123,290	3,168,625	2,442,528
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	108.4%	102.9%	94.4%	83.6%	92.8%	85.9%	85.0%	87.7%
Covered Payroll	\$ 4,279,131	\$ 4,473,614	\$ 4,307,088	\$ 4,115,524	\$ 3,919,925	\$ 3,742,264	\$ 3,912,280	\$ 3,576,287
Net Pension Liability as a Percentage of Covered Payroll	-58.0%	-18.4%	34.9%	98.5%	43.2%	83.5%	81.0%	68.3%

W Whitemarsh Township
Schedule of Township Contributions - Police Pension Fund
For the Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially Determined Contribution	\$ 1,072,416	\$ 1,008,631	\$ 1,020,946	\$ 868,885	\$ 859,263	\$ 844,904	\$ 1,040,977	\$ 759,358	\$ 751,213	\$ 705,932
Contribution in Relation to the Actuarially Determined Contribution	\$ 1,072,416	\$ 1,008,631	\$ 1,020,946	\$ 868,885	\$ 859,263	\$ 844,904	\$ 1,040,977	\$ 759,358	\$ 751,213	\$ 705,932
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,279,131	\$ 4,473,614	\$ 4,307,088	\$ 4,115,524	\$ 3,919,925	\$ 3,742,264	\$ 3,912,280	\$ 3,576,287	\$ 3,710,416	\$ 3,688,843
Contributions as a Percentage of Covered Payroll	25.06%	22.55%	23.70%	21.11%	21.92%	22.58%	26.61%	21.23%	20.25%	19.14%

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 contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Valuation Date	1/1/2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Asset Valuation Method	Market Value of asset Market Value of assets as determined by the trustee
Inflation	3.00%
Salary Increases	5.00%
Investment Rate of Return	7.25%
Retirement Age	The later of age 51, a The later of age 51, age at the completion of 25 years of service.
Mortality	It is assumed that 10 It is assumed that 100% of eligible participants will elect the deferred retirement option plan. PubS-2010 mortality table including rates fo using Scale MP-2018 to reflect mortality improvement.

Notes to Schedule

Schedules are intended to show information for 10 years. Additional years will be disclosed as they become available in future years.

WWhitemarsh Township
Schedule of Investment Returns -
Police Pension Fund
For the Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual Money-weighted Rate of Return Net of Investment Expense	10.0%	14.1%	19.8%	-4.2%	15.2%	6.7%	0.6%	6.2%	15.3%	13.5%

WM

WWhitemarsh Township
Schedule of Changes in the Township's Net OPEB Liability and Related Ratios (1)
For the Last Four Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 421,708	\$ 424,856	\$ 439,084	\$ 361,870
Interest	351,874	394,578	345,545	351,043
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	(976,487)	-	-
Changes of Assumptions	1,852,085	445,012	(521,581)	1,098,313
Benefit Payments	<u>(326,560)</u>	<u>(336,637)</u>	<u>(352,150)</u>	<u>(490,505)</u>
Net Change in Total OPEB Liability	2,299,107	(48,678)	(89,102)	1,320,721
Total OPEB Liability - Beginning	<u>10,548,861</u>	<u>10,597,539</u>	<u>10,686,641</u>	<u>9,365,920</u>
Total OPEB Liability - Ending (a)	<u>\$ 12,847,968</u>	<u>\$ 10,548,861</u>	<u>\$ 10,597,539</u>	<u>\$ 10,686,641</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ -	\$ -	\$ -	\$ -
Net Investment Income	-	-	-	-
Benefit Payments	-	-	-	-
Administrative Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan Fiduciary Net Position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 12,847,968</u>	<u>\$ 10,548,861</u>	<u>\$ 10,597,539</u>	<u>\$ 10,686,641</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered Payroll	\$ 6,985,859	\$ 6,985,859	\$ 6,610,644	\$ 6,610,644
Net OPEB Liability as a Percentage of Covered Payroll	183.91%	151.0%	160.3%	161.7%

Notes to Schedule

* Schedules are intended to show information for 10 years. Additional years will be disclosed as they become available in future years.

OTHER SUPPLEMENTARY INFORMATION

Whitemarsh Township
Combining Balance Sheet
All Non-Major Governmental Funds
December 31, 2021

Nonmajor Special Revenue Funds

	Capital Equip Reserve Fund	Traffic Improvement Fund	Impact Fee Fund	Liquid Fuels Fund	Park Fund	ARP Fund	Light & Hydrant Fund	Refuse Fee Fund	Total
<u>Assets</u>									
Cash and Cash Equivalents	\$ 288,865	\$ 300,496	\$ 986,120	\$ 931,256	\$ 409,717	\$ 960,277	\$ 308,213	\$ 80,402	\$ 4,265,346
Miscellaneous Receivables	-	-	-	-	-	-	6,348	-	6,348
Taxes Receivable	-	-	-	-	1,312	-	-	36,650	37,962
Total Assets	<u>\$ 288,865</u>	<u>\$ 300,496</u>	<u>\$ 986,120</u>	<u>\$ 931,256</u>	<u>\$ 411,029</u>	<u>\$ 960,277</u>	<u>\$ 314,561</u>	<u>\$ 117,052</u>	<u>\$ 4,309,656</u>
<u>Liabilities and Fund Balance</u>									
<u>Liabilities</u>									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,878	\$ -	\$ 26,878
Wages Payable	-	-	-	-	13,701	-	-	-	13,701
Unearned Revenues	-	-	-	-	-	960,026	-	-	960,026
Total Liabilities	-	-	-	-	13,701	960,026	26,878	-	1,000,605
<u>Deferred Inflows of Resources</u>									
Unavailable Real Estate Taxes	-	-	-	-	132,259	-	4,246	28,560	165,065
Unavailable Revenues	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	132,259	-	4,246	28,560	165,065
<u>Fund Balances</u>									
Restricted	<u>288,865</u>	<u>300,496</u>	<u>986,120</u>	<u>931,256</u>	<u>265,069</u>	<u>251</u>	<u>283,437</u>	<u>88,492</u>	<u>3,143,986</u>
Total Fund Balances	<u>288,865</u>	<u>300,496</u>	<u>986,120</u>	<u>931,256</u>	<u>265,069</u>	<u>251</u>	<u>283,437</u>	<u>88,492</u>	<u>3,143,986</u>
Total Liabilities and Fund Balances	<u>\$ 288,865</u>	<u>\$ 300,496</u>	<u>\$ 986,120</u>	<u>\$ 931,256</u>	<u>\$ 411,029</u>	<u>\$ 960,277</u>	<u>\$ 314,561</u>	<u>\$ 117,052</u>	<u>\$ 4,309,656</u>

Whitemarsh Township
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Non-Major Governmental Funds
For the Year Ended December 31, 2021

Nonmajor Special Revenue Funds

	Capital Equip Reserve Fund	Traffic Improvement Fund	Impact Fee Fund	Liquid Fuels Fund	Park Fund	ARP Fund	Light & Hydrant Fund	Refuse Fee Fund	Total
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 437,201	\$ -	\$ 177,276	\$ -	\$ 614,477
Grants	-	-	-	-	-	-	-	108,906	108,906
Fines and Forfeits	-	-	-	-	-	-	-	-	-
Interest Income	103	61	367	478	11	251	-	-	1,271
Charges for Service	-	-	-	-	12,213	-	-	1,830,668	1,842,881
Intergovernmental	-	-	-	-	2,000	-	-	-	2,000
Special Assessments	-	-	-	-	-	-	3,050	-	3,050
Miscellaneous Income	-	-	-	-	261,530	-	-	16,854	278,384
State Motor Vehicle Fuel Tax	-	-	-	494,169	-	-	-	-	494,169
Total Revenues	103	61	367	494,647	712,955	251	180,326	1,956,428	3,345,138
Expenditures									
Public Works - Sanitation	-	-	-	-	-	-	-	2,212,250	2,212,250
Public Works - Highways and Streets	-	-	-	-	-	-	160,539	-	160,539
Culture and Recreation	-	-	19,012	-	848,583	-	-	-	867,595
Total Expenditures	-	-	19,012	-	848,583	-	160,539	2,212,250	3,240,384
Excess (Deficit) of Revenues Over Expenditures	103	61	(18,645)	494,647	(135,628)	251	19,787	(255,822)	104,754
Other Financing Sources (Uses)									
Refunds	-	-	-	-	5,000	-	-	-	5,000
Transfers Out	(106,150)	-	-	(267,154)	-	-	-	-	(373,304)
Transfers In	50,000	-	-	-	123,805	-	16,500	150,000	340,305
Total Other Financing Sources (Uses)	(56,150)	-	-	(267,154)	128,805	-	16,500	150,000	(27,999)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(56,047)	61	(18,645)	227,493	(6,823)	251	36,287	(105,822)	76,755
Fund Balances - Beginning of Year	344,912	300,435	1,004,765	703,763	271,892	-	247,150	194,314	3,067,231
Fund Balances - End of Year	\$ 288,865	\$ 300,496	\$ 986,120	\$ 931,256	\$ 265,069	\$ 251	\$ 283,437	\$ 88,492	\$ 3,143,986



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

To the Board of Supervisors
Whitemarsh Township
Lafayette Hill, Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Whitemarsh Township as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Whitemarsh Township's basic financial statements, and have issued our report thereon dated September 29, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Whitemarsh Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Whitemarsh Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Whitemarsh Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Whitemarsh Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

830 Sir Thomas Court, Suite 100, Harrisburg, PA 17109
3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929
420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401
210 Tollgate Hill Road, Greensburg, PA 15601



Zelenkofske Axlerod LLC

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To the Board of Supervisors
Whitemarsh Township
Lafayette Hill, Pennsylvania

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
September 29, 2022