

**WEST WHITELAND TOWNSHIP
Board of Auditors Meeting
Wednesday, May 19, 2021
4:30pm**



Virtual Meeting - Join Zoom Meeting

<https://us02web.zoom.us/j/86986606026?pwd=YmtERW1OQWpHOWJEdWZaVlVreUJoUT09>

Meeting ID: 869 8660 6026

Password: 066544

If unable to join using the link above, audio is available via 301-715-8592 using the meeting ID and password above.

Agenda

1. Call to Order
2. Approval of Minutes – January 5, 2021
3. Review of 2020 audited financial statements by Rhiannon Schroepfer and Bob Boland from Maillie
4. Discussion and questions related to the audited financial statements
5. Adjournment

Board of Auditors Meeting Schedule

❖ **January 4, 2022 at 4:30pm (tentative date)**

**WEST WHITELAND TOWNSHIP
BOARD OF AUDITORS
Minutes from the Meeting of:
January 5, 2021**

CALL TO ORDER

The meeting of the West Whiteland Board of Auditors was called to order by Christian Callahan at 4:30 p.m. Due to the ongoing coronavirus pandemic, the meeting was held online via Zoom. Also, in virtual attendance were Member Ed Auble, Member Chet Woolard, Finance Director Beth Jones, and Township Manager Mimi Gleason.

ORGANIZATION OF THE BOARD OF AUDITORS

Upon nomination and motion by Mr. Auble and second by Mr. Callahan, Mr. Woolard was appointed Chairman of the Board of Auditors by unanimous vote.

Upon nomination and motion by Mr. Callahan and second by Mr. Woolard, Mr. Auble was appointed Vice Chairman of the Board of Auditors by unanimous vote.

Upon nomination and motion by Mr. Woolard and second by Mr. Auble, Mr. Callahan was appointed Secretary of the Board of Auditors by unanimous vote.

AUDITORS COMPENSATION

Mr. Callahan made a motion, seconded by Mr. Woolard, to waive Auditors compensation for 2021. The motion was unanimously approved.

AUDITORS 2021 Meeting Schedule

a. Audit field work schedules

Ms. Jones said the Township has requested that field work be done March 8 – 12. She is waiting for confirmation from Maillie on those dates. Mr. Woolard requested more time to review the financial statements before the May 19 meeting and suggested that perhaps a draft copy could be distributed. Ms. Jones said she will request delivery of the final copy by May 7 so the members have time to review before the May 19 meeting.

b. Auditors next meeting.

Mr. Callahan made a motion, seconded by Mr. Auble, to schedule the next meeting for Wednesday, May 19th at 4:30 p.m. The motion was unanimously approved.

The meeting was adjourned at approximately 4:40 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Beth Jones".

Beth Jones
Recording Secretary

WEST WHITELAND TOWNSHIP

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2020

INTRODUCTORY SECTION

WEST WHITELAND TOWNSHIP

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WEST WHITELAND TOWNSHIP

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FINANCIAL SECTION

Independent Auditors' Report

To the Board of Supervisors
West Whiteland Township
Chester County, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of West Whiteland Township as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise West Whiteland Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

West Whiteland Township's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of West Whiteland Township as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

To the Board of Supervisors
West Whiteland Township
Chester County, Pennsylvania

Emphasis of Matter

As discussed in Note K, the spread of the COVID-19 coronavirus is affecting the United States and global economies and may have an impact on West Whiteland Township's operational and financial performance. At this point, West Whiteland Township cannot reasonably estimate the impact on its operations or financial results. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5 through 16, budgetary comparison information on pages 69 and 70, pension information on pages 71 through 74 and postemployment benefits other than pension information on page 75 through 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Maillie LLP

West Chester, Pennsylvania
April 15, 2021

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

The management discussion and analysis of West Whiteland Township's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the Township's financial statements, which begin on page 17.

FINANCIAL HIGHLIGHTS

- The assets of the Township exceeded its liabilities at the close of the 2020 fiscal year by \$78 million (net position). Of this amount, \$38 million represents unrestricted net position, and may be used to meet ongoing or future needs. The remainder is either capital assets (\$34 million) or restricted for particular purposes (\$6 million).
- Governmental activities (general government, codes, planning, police, emergency services, public works and parks) made up \$57.2 million of the total year-end net position. This was an increase of \$1.1 million as a result of its continuing efforts to budget effectively and spend prudently. See the analysis beginning on page 10 for more details.
- Business-type activities (sewer and solid waste) made up \$20.6 million of the total year-end net position. This was a decrease of \$0.5 million, related to a decrease in collected service fees as development-related sewer tapping fees that increased in previous year(s) have started to return to more typical levels.
- The Governmental Funds reported combined ending fund balances of \$30.4 million. This represented an increase of \$4 million also driven by the charges associated with new development along with developer contributions to the Transportation and Open Space funds. See the analysis beginning on page 11 for more details.
- At the end of 2020, unrestricted fund balance (the committed, assigned, and unassigned components) for the general fund was \$10.9 million, over 100% of general fund expenditures.
- In 2020, there was no property tax increase; the millage rate was 0.714 mills. This represents a slight reduction in the overall rate for most residents as the separate hydrant tax was eliminated.
- The township bills property owners for use of the sewer system. In 2018, the Township moved to a system by which Non-Residential property owners are billed based on water consumption. This change increased the fairness of sewer rent as owners and tenants paid based on what they use.
- In 2020, there was no sewer rent increase, the residential properties remained at \$285/EDU.
- There was no change in the trash and recycling fee or the bag price.

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

- At year end, the Non-Uniform Pension Plan was 102.75% funded vs. 97.77% at year-end 2019. The Police Pension Plan was 104.65% funded vs. 98.66% at year-end 2019.
- The Other Post-Employment Benefit (OPEB) Trust was established in 2016 to fund post-employment medical benefits for police officers. In 2020, the Board of Supervisors elected to use \$800,000 of General Fund reserves to provide the remaining funds necessary to fully fund the OPEB Trust. The OPEB Trust was 109.02% funded with a net asset of \$0.3 million as of the end of 2020. Officers hired since 2006 are not eligible for post-employment medical benefits, but are eligible for post-employment life insurance.
- The global COVID-19 pandemic led to a few revenue streams being less robust than in prior years and actual revenue \$873,207 less than budget. Staff was conscientious about their spending¹ and the Township ended the year with a relatively small deficit of approximately \$147,000. Contributing to this small deficit was a transfer from General Fund reserves to the OPEB Trust of \$644,000 more than budgeted. See the next item for additional information about the Board-approved transfers and the net change in fund balance discussed on page 69.
- The Board of Supervisors approved a number of transfers out of the General Fund reserves at 2020 Year end in the amount of \$3.8M. The transfers must be reflected in the General Fund reporting that follows and artificially increases the reported General Fund net position to negative \$3.9M.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here serve as an introduction to West Whiteland Township's basic financial statements.

The Township's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements and (3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances in a manner similar to a private sector business. For this reason, they are reported on a full accrual basis. They include fixed assets and depreciation, long-term liabilities, pension liabilities and the recognition of the Township's annual costs for other post-employment benefit (OPEB).

The Statement of Net Position presents financial information on all of the Township's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Township's property base and the condition of the Township's assets, to assess the overall health of the Township.

¹ Budgeted expenses show at \$10.15M on page 69. This number reflects expenses *without* budgeted transfers in from reserves to pay for certain projects and their related expenses.

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

The Statement of Activities shows how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, codes and planning, public safety, health and welfare, public works, and culture and recreation. The business-type activities of the Township are its sewer, trash and recycling services.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental, proprietary and fiduciary. The fund designation determines whether the full or modified accrual basis of accounting is used. The governmental fund financial statements exclude fixed assets from the statements. This means that capital costs in the capital funds are classified as expenditures.

Governmental Funds: Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements report on operating results for the fiscal year, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund financial statements exclude fixed assets and long-term liabilities such as pension obligations. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund – including the township fund and historic resource fund, the transportation improvement fund, the public service fund, the highway aid fund (liquid fuels), and the debt service fund, which are considered to be major funds. Data from the other three governmental funds (West Whiteland Fire Company equipment replacement fund, Township equipment replacement fund, and the Technology fund) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The Township adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget in the *required supplementary information* section of this report.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

WEST WHITELAND TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2020

Proprietary Funds: The Township maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions as *business-type activities* in the government-wide financial statements. The Township uses enterprise funds to account for its sewer operation and for its trash and recycling service. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Township's various functions. The Township uses an internal service fund to account for its fleet maintenance. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary Funds (Sewer Fund and Solid Waste Fund) provide the same type of information as the business-type activities reported in the government-wide statements, only in more detail. They are reported on a full accrual basis. The proprietary fund financial statements provide separate information for the sewer and solid waste funds, both of which are considered major funds of the Township, as well as, the internal service fleet maintenance fund.

The basic proprietary fund financial statements can be found on pages 23 through 25 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to finance the Township's operations. They are reported on a modified accrual basis.

The Township maintains three different types of fiduciary funds. The pension trust fund is used to report resources held in trust for retirees and beneficiaries covered by the Township's two pension plans. The OPEB trust fund is used to report resources held in trust for other post-employment benefits. The Custodial Fund reports resources held by the Township in a custodial capacity for individuals, private organizations and other governments.

The basic fiduciary fund financial statements can be found on pages 26 and 27 of this report.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 68 of this report.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects the condensed statements of net position:

Table 1
Condensed Statements of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current and other assets	\$ 31,810,765	\$ 26,826,608	\$ 13,625,429	\$ 15,422,357	\$ 45,436,194	\$ 42,248,965
Capital assets	42,250,186	42,531,061	7,340,130	7,602,177	49,590,316	50,133,238
Other assets	1,381,858	-	82,304	-	1,464,162	-
TOTAL ASSETS	75,442,809	69,357,669	21,047,863	23,024,534	96,490,672	92,382,203
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amount on refunding	16,660	22,589	-	-	16,660	22,589
Deferred outflows, pensions and OPEB	1,264,909	1,605,283	220,553	270,549	1,485,462	1,875,832
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,281,569	1,627,872	220,553	270,549	1,502,122	1,898,421
LIABILITIES						
Long-term liabilities	16,363,503	12,207,788	127,083	143,160	16,490,586	12,350,948
Other liabilities	820,293	869,635	341,470	1,940,958	1,161,763	2,810,593
TOTAL LIABILITIES	17,183,796	13,077,423	468,553	2,084,118	17,652,349	15,161,541
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows, pensions and OPEB	2,301,288	1,723,770	205,749	155,799	2,507,037	1,879,569
NET POSITION						
Net investment in capital assets	26,745,406	32,411,099	7,340,130	7,602,177	34,085,536	40,013,276
Restricted	5,874,850	6,189,769	-	-	5,874,850	6,189,769
Unrestricted	24,619,038	17,583,480	13,253,984	13,452,989	37,873,022	31,036,469
	\$ 57,239,294	\$ 56,184,348	\$ 20,594,114	\$ 21,055,166	\$ 77,833,408	\$ 77,239,514

For more detailed information, see the statement of net position (page 17).

Total assets exceeded liabilities by \$77 million at the close of the 2020 fiscal year. The largest portion of the Township's net position (44%) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles and infrastructure), less any related outstanding debt that was used to acquire those assets. The Township uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Township's investment in capital assets is reported net of related debt, the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Township's net position (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$38 million is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business type activities. The same situation held true for the prior fiscal year.

The Township's overall net position increased \$0.6 million from the prior year. This improvement results from increases in earned income tax revenue, due to increased township population resulting from new construction becoming available for lease and purchase, and prudent expense management.

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

The annual changes in the governmental activities and business-type activities may be more easily seen in the Statement of Activities. The following chart summarizes the revenues and expenses of the governmental activities and business-type activities from the full accrual perspective:

Table 2
Condensed Statements of Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program revenues						
Charges for services	\$ 911,197	\$ 1,708,282	\$ 4,511,740	\$ 4,884,644	\$ 5,422,937	\$ 6,592,926
Operating grants and contributions	1,272,341	1,377,895	110,128	276,353	1,382,469	1,654,248
Capital grants and contributions	397,647	24,300	-	-	397,647	24,300
General revenues						
Real estate taxes	1,161,541	1,215,364	-	-	1,161,541	1,215,364
Earned income tax	6,377,634	6,101,048	-	-	6,377,634	6,101,048
Other taxes	2,125,359	2,419,749	-	-	2,125,359	2,419,749
Investment earnings	268,399	601,088	132,098	352,274	400,497	953,362
Other	179,118	730,897	-	92,678	179,118	823,575
Gain on sale of assets	99,716	201,270	-	-	99,716	201,270
TOTAL REVENUES	12,792,952	14,379,893	4,753,966	5,605,949	17,546,918	19,985,842
EXPENSES						
General government	1,406,769	2,055,883	-	-	1,406,769	2,055,883
Codes and planning	993,185	1,292,364	-	-	993,185	1,292,364
Police and emergency services	5,867,821	6,512,826	-	-	5,867,821	6,512,826
Public works	2,992,171	2,915,473	-	-	2,992,171	2,915,473
Health and welfare	28,000	32,000	-	-	28,000	32,000
Solid waste	-	-	889,850	824,298	889,850	824,298
Sewer	-	-	3,874,168	5,315,525	3,874,168	5,315,525
Parks and facilities	468,616	581,886	-	-	468,616	581,886
Interest on debt	432,444	268,575	-	-	432,444	268,575
TOTAL EXPENSES	12,189,006	13,659,007	4,764,018	6,139,823	16,953,024	19,798,830
CHANGE IN NET POSITION BEFORE TRANSFERS	603,946	720,886	(10,052)	(533,874)	593,894	187,012
TRANSFERS	451,000	131,945	(451,000)	(131,945)	-	-
CHANGE IN NET POSITION	1,054,946	852,831	(461,052)	(665,819)	593,894	187,012
NET POSITION AT BEGINNING OF YEAR	56,184,348	55,331,517	21,055,166	21,720,985	77,239,514	77,052,502
NET POSITION AT END OF YEAR	\$ 57,239,294	\$ 56,184,348	\$ 20,594,114	\$ 21,055,166	\$ 77,833,408	\$ 77,239,514

For more detailed information, see the statement of activities (page 18).

WEST WHITELAND TOWNSHIP
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2020

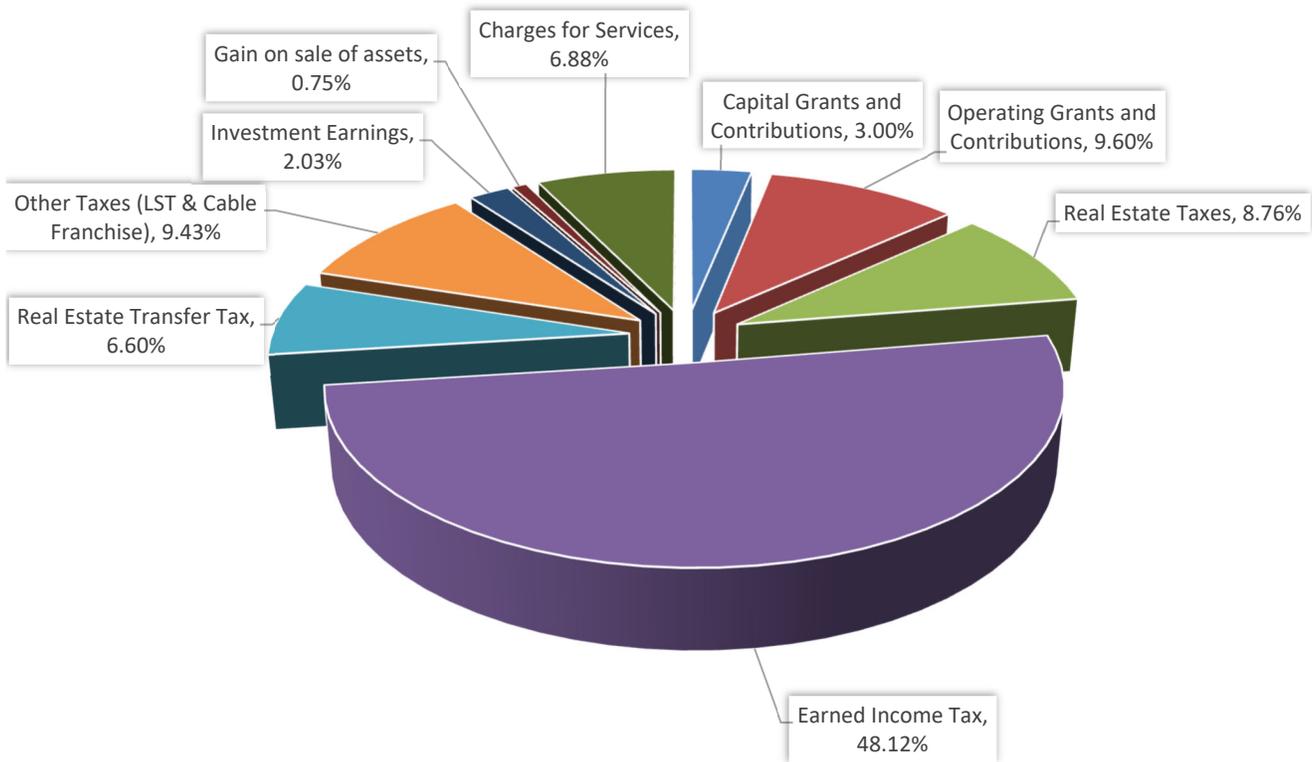
Governmental Activities - During the 2020 fiscal year, net position for governmental activities increased \$1.1 million for an ending balance of \$57.2 million.

Revenues from governmental activities decreased from 2019 by \$1.6 million. The reduction in revenue was driven by COVID-19 related unanticipated decreases in charges for services, specifically licenses and permits related to the on-going development, real estate transfer tax, local services tax, property tax (related to a few big ticket reassessments), and investment income earnings.

Governmental activity expenses decreased by \$1.47 million, mostly due to staff’s diligent efforts to save money and delay projects due to the uncertainty created by the COVID-19 pandemic.

The following chart depicts the distribution of 2020 governmental revenues.

Table 3 - 2020 Governmental Revenues (Excluding Transfers)



WEST WHITELAND TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2020

Business-Type Activities - During the current fiscal year, business-type activities net position decreased by \$0.7 million, resulting in an ending balance of \$20.6 million.

Total revenues for our business-type activities decreased by \$0.9 million over 2019. There were a variety of causes. The consumption-based sewer fee for non-residential properties reflected less use by businesses during the pandemic resulting in \$373,000 less revenue. Residential receipts, based on a flat fee, remained stable. The Township did not receive an annual solid waste grant from the state in 2020 that was budgeted at \$98,000. This is a timing issue; the payment of \$93,000 was received from the state in April 2021. Interest earnings were \$220,000 less than the previous year due to deep drops in interest rates on Township reserves. In 2019, there was an "Other" expense related to sewer components being dedicated to the Township from a developer and no similar dedication in 2020. It is anticipated that the Township will see more dedications in future years as new developments under construction are completed and their sewer components are dedicated to the Township.

Service charge revenue for solid waste increased by \$17,938, attributable to the increasing population in the Township as there was no change to the \$49 annual trash/recycling fee for residents in the Pay-As-You-Throw (PAYT) program or to the purchase price for Township trash bags (\$2.50/bag).

Total expenditures for all business-type activities decreased by \$1,380,000 in comparison to the prior year, mostly attributable to decreases in projects paid for using the sewer fund and a reduction in solid waste staffing. Staff recommended and the Board of Supervisors approved an increase in the annual trash/recycling fee for 2021 to help off-set continuing programs increases.

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

FINANCIAL AND BUDGETARY ANALYSIS OF THE GOVERNMENTAL FUNDS

At December 31, 2020, the Township's total Governmental Funds reported combined fund balances of \$30.4 million, an increase of \$4.0 million. Approximately 26% of this amount (\$8 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is 1) not in spendable form (inventory and prepaid expenses), 2) restricted for particular purposes (\$5.9 million for roads, open space improvements, and historic preservation), 3) committed or assigned for particular purposes (\$16.5 million for capital projects and acquisitions and the operating reserve fund).

See Note A - Fund Balance for additional information and the Balance Sheet Governmental Funds on page 21 to show details of how the fund balance is classified. The statement of revenues, expenditures and changes in fund balances shows in more detail the drivers of the changes in fund balance. In summary, General Fund revenues decreased by \$1.0 million and General Fund total expenditures increased by \$760,000. The fundamental drivers of these summary amounts were discussed in the Government-wide section under Governmental Activities and the Township directs readers there for details.

Governmental Fund revenue, outside of the General Fund, increased by \$280,000 and expenses outside of the General Fund increased by \$200,000. Our Governmental Funds outside of the General Fund are primarily used for large projects or purchases. These expenses are discussed in the Government-wide Financial Statements discussed on pages 9-12.

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

CAPITAL ASSETS

At the end of 2020, the Township had \$42.3 million invested in governmental capital assets and \$7.3 million invested in proprietary capital assets, both net of depreciation. The types of assets the Township owned included items that are typical of a local municipality. As an example, these include police vehicles, municipal buildings, public works vehicles and equipment, park facilities, roads, sewer lines, sewer pumping stations and traffic signals. In total, the 2020 total year-end asset value decreased from 2019 by approximately \$500,000 due to current depreciation.

The following reconciliation summarizes the change in capital assets, which is presented in detail on page 40 of the financial statement notes.

Table 3
Capital Assets - Governmental Activities

	<u>2020</u>	<u>2019</u>
NONDEPRECIABLE ASSETS		
Land	\$ <u>4,209,497</u>	\$ <u>4,209,497</u>
OTHER CAPITAL ASSETS, net of depreciation		
Buildings and improvements	20,390,354	21,369,321
Machinery and equipment	1,475,793	1,557,763
Infrastructure	<u>16,174,542</u>	<u>15,394,480</u>
	<u>38,040,689</u>	<u>38,321,564</u>
	<u>\$ 42,250,186</u>	<u>\$ 42,531,061</u>

Table 4
Capital Assets - Proprietary Funds

	<u>2020</u>	<u>2019</u>
OTHER CAPITAL ASSETS, net of depreciation		
Sewer treatment plant and improvements	\$ 5,598,485	\$ 5,819,393
Furniture and equipment	1,412,736	1,377,259
Vehicles	<u>328,909</u>	<u>405,525</u>
	<u>\$ 7,340,130</u>	<u>\$ 7,602,177</u>

Major capital asset events during the course of the year included:

- Replacement of Township assets that had reached their maximum life such as vehicles and equipment.
- Sewer system maintenance events including manhole and sewer line repairs.
- Construction of a ped/bike pathway connecting the Chester Valley Trail to the Exton Train Station.

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

LONG-TERM DEBT

At the end of 2020, West Whiteland Township had \$15 million in bonds and notes outstanding versus \$9.8 million last year. The Township paid down \$880 thousand in principal in 2020 with the issuance of new debt in August 2020, retired the 2007 debt with \$2.595 million from the 2020 bond proceeds. In 2020, West Whiteland Township maintained an "Aaa (Stable Outlook)" bond rating, which is Moody's highest rating.

Table 5
Outstanding Debt at Year-End
2020

Year of Issue	Original Issue	Average Interest Rate	Final Maturity	Outstanding January 1, 2020	Additions	Retirements	Outstanding December 31, 2020
2007	\$ 5,000,000	3.663%	2027	\$ 2,595,000	\$ -	\$ (2,595,000)	\$ -
2016	8,335,000	3.000%	2029	7,160,000	-	(620,000)	6,540,000
2020	8,665,000	1.528%	2034	-	8,665,000	(260,000)	8,405,000
							<u>\$ 14,945,000</u>

Note: All 2020 debt activity and outstanding debt is general obligation non-electoral long-term debt.

Pennsylvania statutes limit the amount of general obligation debt the Township may issue. West Whiteland Township's current non-electoral borrowing capacity is significantly in excess of the Township's outstanding general obligation debt of \$15 million.

ECONOMIC FACTORS

West Whiteland Township is located approximately 30 miles outside of Philadelphia, in the center of Chester County, the most prosperous county in Pennsylvania. The Township is defined by the "Exton Crossroads" of Route 30 and Route 100, part of a multi-faceted transportation network and the heart of West Whiteland's business district. In addition to the Exton Crossroads, there is highway access to King of Prussia, Philadelphia, and Harrisburg via the Route 30 bypass and PA Turnpike; two SEPTA train stations in the township, one of which is an Amtrak stop, with service to Philadelphia, Harrisburg, New York, and Washington D.C.; and the Chester Valley Trail (CVT), a bike and pedestrian trail that connects to King of Prussia and Philadelphia.

Residential development continues to be robust in and around West Whiteland, despite the global pandemic. As of spring 2021, over 1,500 residential units are either ready for sale/lease or under construction in West Whiteland, with plans for additional units under review. The residential units include apartments, townhomes and carriage homes, and single-family units. Four new apartment complexes were approved, three of which have completed construction – Keva Flats, J. Creekside, and Hanover – with the final complex, Ashbridge, nearing completion. These new apartments are located within or adjacent to some of West Whiteland's largest commercial centers – Main Street at Exton, Exton Square Mall, Whiteland Towne Center, and Festival Shopping Center/Oaklands Corporate Center. Surrounding municipalities also have many units under construction. The increasing population is reassuring local retailers, despite concerns related to COVID-19 business restrictions, which remain a core feature of the Exton Crossroads economy. New stores and restaurants continue to move into West Whiteland, especially in Main Street at Exton, Whiteland Towne Center, and Fairfield Shopping Center.

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

As this MD&A is being written, the Township – and the world – are continuing to experience the effects of the COVID-19 pandemic. The pandemic has brought economic uncertainty as the Township looks ahead at 2021 and beyond buoyed a bit by federal assistance that is anticipated by June 2021 and again after June of 2022. While the full extent of the pandemic's impact on the Township is unknown as of this writing, the Township has substantial reserves – more than 2x the annual budget – and the Q1 2021 earned income tax collection is up over Q1 2020 by 13%.

2021'S BUDGET AND RATES

The continual budgetary and operational challenge is to take short-term advantage of expense-side reductions and anticipated American Rescue Plan federal funding to fill 2020 revenue gaps, while planning ahead for needed investments, manage our long-term obligations, and save for a rainy day, all while continuing to exercise fiscal discipline. The current Covid-19 pandemic experience and its yet unknown impacts aside, the Township budgeted a deficit in the General Fund of \$345,000.

The 2021 General Fund Operating Budget includes revenue projections comparable to projected 2020. The 2021 General Fund budget for expenses is comparable to 2020 projected actuals and remains relatively flat compared to 2019 and 2020 budgeted amounts. The cost of debt service was budgeted to increase slightly than 2020 actuals driven by the new underlying debt structure for fixed debt. The budget includes modest increase in some expenses driven by the normal increases to personnel-related costs, utilities, and day-to-day maintenance costs.

The Sewer Operating Fund is expected to have a surplus of about \$477,000 in 2021. The largest expense for the Sewer Operating Fund is the cost of treatment services paid to third parties, Downingtown Area Regional Authority (DARA) and West Goshen Sewer Authority (WGSA). Additionally, capital expenses for those treatment plants are paid for from the Sewer Operating Fund. This is done in order to show all treatment costs together, although the capital costs are reimbursed by the Sewer Construction Fund. In 2021, the capital costs to third parties include \$450,000, down from \$580,000 in 2020, for continued DARA and WGSA improvements.

The Sewer Construction Fund is budgeted to experience flat revenue over the 2020 actuals.

The Solid Waste Fund is projecting a small deficit of \$87,000 in 2021 despite increasing the annual trash/recycling fee paid by residents to \$69. The fee needed to be increased due to a new hauler contract with increased costs. The Board of Supervisors recognized that an increase was necessary but were hesitant to increase the fee to the extent necessary (\$89/year) to balance the annual budget over a concern for residents' economic hardships related to COVID-19. The plan is to use fund reserves to make up the deficit and increase the fee to \$89 in 2022. While the Township did increase the annual trash and recycling fee, as noted above, the cost of PAYT garbage bags for 2021 remains at \$2.5/bag.

Conservative budgeting for decades has helped to produce surpluses that have led to healthy reserves. The Township's financial position is strong, and we continue to review and update the capital plan for long-term projects, reserves, and debt.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide the West Whiteland Township citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the revenue it receives. If you have questions about this report or need additional financial information, please contact the Finance Director at West Whiteland Township, 101 Commerce Drive, Exton, PA 19341, or visit our website at www.westwhiteland.org.

WEST WHITELAND TOWNSHIP**STATEMENT OF NET POSITION****DECEMBER 31, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 20,533,977	\$ 7,948,984	\$ 28,482,961
Investments	8,616,482	4,697,972	13,314,454
Receivables	2,634,540	704,869	3,339,409
Internal balances	-	-	-
Inventories	6,262	10,353	16,615
Prepaid expenses	19,504	263,251	282,755
Capital assets			
Capital assets, not being depreciated	4,209,497	-	4,209,497
Capital assets, being depreciated, net	38,040,689	7,340,130	45,380,819
Net pension asset	1,086,981	82,304	1,169,285
Net OPEB asset	294,877	-	294,877
TOTAL ASSETS	<u>75,442,809</u>	<u>21,047,863</u>	<u>96,490,672</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	16,660	-	16,660
Deferred outflows related to pensions	1,263,092	220,553	1,483,645
Deferred outflows related to OPEB	1,817	-	1,817
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,281,569</u>	<u>220,553</u>	<u>1,502,122</u>
LIABILITIES			
Accounts payable and accrued expenses	747,685	341,470	1,089,155
Unearned revenues	20,000	-	20,000
Accrued interest	52,608	-	52,608
Long-term liabilities			
Portion due or payable within one year			
Bonds and note payable	930,000	-	930,000
Portion due or payable after one year			
Bonds and note payable	14,015,000	-	14,015,000
Bond premiums	576,440	-	576,440
Compensated absences	842,063	127,083	969,146
TOTAL LIABILITIES	<u>17,183,796</u>	<u>468,553</u>	<u>17,652,349</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,909,482	205,749	2,115,231
Deferred inflows related to OPEB	391,806	-	391,806
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,301,288</u>	<u>205,749</u>	<u>2,507,037</u>
NET POSITION			
Net investment in capital assets	26,745,406	7,340,130	34,085,536
Restricted	5,874,850	-	5,874,850
Unrestricted	24,619,038	13,253,984	37,873,022
TOTAL NET POSITION	<u>\$ 57,239,294</u>	<u>\$ 20,594,114</u>	<u>\$ 77,833,408</u>

See accompanying notes to the basic financial statements.

WEST WHITELAND TOWNSHIP

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 1,406,769	\$ 80,581	\$ 253,112	\$ -
Codes and planning	993,185	670,578	-	-
Police and emergency services	5,867,821	104,886	337,361	-
Public works	2,992,171	41,082	681,868	397,647
Health, welfare and sanitation	28,000	-	-	-
Culture and recreation	468,616	14,070	-	-
Interest on long-term debt	432,444	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	12,189,006	911,197	1,272,341	397,647
BUSINESS-TYPE ACTIVITIES				
Sewer	3,874,168	3,725,120	106,200	-
Solid waste	889,850	786,620	3,928	-
TOTAL BUSINESS-TYPE ACTIVITIES	4,764,018	4,511,740	110,128	-
TOTAL TOWNSHIP ACTIVITIES	\$ 16,953,024	\$ 5,422,937	\$ 1,382,469	\$ 397,647

GENERAL REVENUES

Taxes

Real estate

Earned income

Other

Unrestricted investment earnings

Miscellaneous

Gain on sale of assets

TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION AT BEGINNING OF YEAR

NET POSITION AT END OF YEAR

See accompanying notes to the basic financial statements.

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental</u>	<u>Business-Type</u>	
<u>Activities</u>	<u>Activities</u>	<u>Totals</u>
\$ (1,073,076)	\$ -	\$ (1,073,076)
(322,607)	-	(322,607)
(5,425,574)	-	(5,425,574)
(1,871,574)	-	(1,871,574)
(28,000)	-	(28,000)
(454,546)	-	(454,546)
(432,444)	-	(432,444)
<u>(9,607,821)</u>	<u>-</u>	<u>(9,607,821)</u>
-	(42,848)	(42,848)
<u>-</u>	<u>(99,302)</u>	<u>(99,302)</u>
-	(142,150)	(142,150)
<u>(9,607,821)</u>	<u>(142,150)</u>	<u>(9,749,971)</u>
1,161,541	-	1,161,541
6,377,634	-	6,377,634
2,125,359	-	2,125,359
268,399	132,098	400,497
179,118	-	179,118
99,716	-	99,716
451,000	(451,000)	-
<u>10,662,767</u>	<u>(318,902)</u>	<u>10,343,865</u>
1,054,946	(461,052)	593,894
<u>56,184,348</u>	<u>21,055,166</u>	<u>77,239,514</u>
<u>\$ 57,239,294</u>	<u>\$ 20,594,114</u>	<u>\$ 77,833,408</u>

WEST WHITELAND TOWNSHIP

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2020

	<u>General Fund</u>	<u>Transportation Improvement Fund</u>
ASSETS		
Cash and cash equivalents	\$ 4,519,015	\$ 1,829,827
Investments	4,885,453	1,377,282
Receivables		
Taxes	1,569,464	-
Accounts	430,066	-
Due from other funds	-	-
Prepaid expenses	19,504	-
Inventories	6,262	-
	<u> </u>	<u> </u>
TOTAL ASSETS	\$ <u>11,429,764</u>	\$ <u>3,207,109</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 424,294	\$ -
Due to other funds	78	-
Unearned revenues	20,000	-
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>444,372</u>	<u>-</u>
FUND BALANCES		
Nonspendable		
Inventory	6,262	-
Prepaid expense	19,504	-
Restricted		
Historic preservation	18,227	-
Highway and street projects	-	3,207,109
Open space acquisition and improvement	-	-
Committed to		
Operating Reserve Fund	2,916,000	-
Capital acquisition, construction and improvement	-	-
Assigned		
Debt service	-	-
Capital projects	-	-
Unassigned	8,025,399	-
	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>10,985,392</u>	<u>3,207,109</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>11,429,764</u>	\$ <u>3,207,109</u>

See accompanying notes to the basic financial statements.

<u>Public Service Fund</u>	<u>Debt Service Fund</u>	<u>Highway Aid Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 10,558,389	\$ 1,445	\$ 980,976	\$ 2,644,325	\$ 20,533,977
504,751	-	-	1,848,996	8,616,482
-	-	-	-	1,569,464
10	-	-	-	430,076
78	-	-	-	78
-	-	-	-	19,504
-	-	-	-	6,262
<u>\$ 11,063,228</u>	<u>\$ 1,445</u>	<u>\$ 980,976</u>	<u>\$ 4,493,321</u>	<u>\$ 31,175,843</u>
\$ 213,593	\$ -	\$ 81,504	\$ 28,294	\$ 747,685
-	-	-	-	78
-	-	-	-	20,000
<u>213,593</u>	<u>-</u>	<u>81,504</u>	<u>28,294</u>	<u>767,763</u>
-	-	-	-	6,262
-	-	-	-	19,504
-	-	-	-	18,227
-	-	899,472	-	4,106,581
-	-	-	1,750,042	1,750,042
-	-	-	-	2,916,000
10,849,635	-	-	-	10,849,635
-	1,445	-	-	1,445
-	-	-	2,714,985	2,714,985
-	-	-	-	8,025,399
<u>10,849,635</u>	<u>1,445</u>	<u>899,472</u>	<u>4,465,027</u>	<u>30,408,080</u>
<u>\$ 11,063,228</u>	<u>\$ 1,445</u>	<u>\$ 980,976</u>	<u>\$ 4,493,321</u>	<u>\$ 31,175,843</u>

WEST WHITELAND TOWNSHIP

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

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ <u>30,408,080</u>
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. These assets consist of:</p>	
Cost of capital assets	89,443,976
Accumulated depreciation	<u>(47,193,790)</u>
TOTAL CAPITAL ASSETS (see Note E)	<u>42,250,186</u>
<p>Deferred charges used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:</p>	
Deferred amount on refunding	16,660
Deferred inflows and outflows related to pension activities	(646,390)
Deferred inflows and outflows related to OPEB activities	<u>(389,989)</u>
	<u>(1,019,719)</u>
<p>Because the focus of Governmental Funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets are not recorded as receivables or are offset by deferred revenues in the Governmental Funds and thus are not included in fund balance.</p>	
	<u>635,000</u>
<p>Long-term asset, including Net OPEB asset and net pension asset, are not receivable in the current period and therefore are not reported in the funds.</p>	
Net OPEB asset	294,877
Net pension asset	<u>1,086,981</u>
TOTAL LONG-TERM ASSETS	<u>1,381,858</u>
<p>Long-term liabilities, including bonds/note payable, are not due and payable in the current period and therefore are not reported in the funds.</p>	
Accrued interest	(52,608)
Bonds/note payable	(14,945,000)
Bond premiums	(576,440)
Compensated absences	<u>(842,063)</u>
TOTAL LONG-TERM LIABILITIES	<u>(16,416,111)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ <u>57,239,294</u></u>

See accompanying notes to the basic financial statements.

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WEST WHITELAND TOWNSHIP**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	<u>General Fund</u>	<u>Transportation Improvement Fund</u>
REVENUES		
Taxes		
Property	\$ 1,161,541	\$ -
Transfer	875,027	-
Earned income tax	6,142,634	-
Local services tax	848,780	-
Fees, licenses and permits	1,068,083	-
Investment income and rent	158,686	38,736
Intergovernmental revenues	590,473	-
Fines and forfeitures	99,576	-
Program revenues	43,338	-
Other	74,591	108,549
TOTAL REVENUES	<u>11,062,729</u>	<u>147,285</u>
EXPENDITURES		
Current		
General government	1,206,121	-
Public safety	8,015,577	-
Health and human services	28,000	-
Highways and roads	744,994	-
Culture and recreation	307,139	-
Debt service		
Principal	-	-
Interest and other charges	-	-
TOTAL EXPENDITURES	<u>10,301,831</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>760,898</u>	<u>147,285</u>
OTHER FINANCING SOURCES (USES)		
Refunding bonds	-	-
Premiums on bond issuances	-	-
Proceeds from sale of fixed assets	-	-
Transfers in	143,048	-
Transfers out	(4,829,386)	(807,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,686,338)</u>	<u>(807,000)</u>
NET CHANGE IN FUND BALANCES	(3,925,440)	(659,715)
FUND BALANCES AT BEGINNING OF YEAR	<u>14,910,832</u>	<u>3,866,824</u>
FUND BALANCES AT END OF YEAR	<u>\$ 10,985,392</u>	<u>\$ 3,207,109</u>

See accompanying notes to the basic financial statements.

<u>Public Service Fund</u>	<u>Debt Service Fund</u>	<u>Highway Aid Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,161,541
-	-	-	-	875,027
-	-	-	-	6,142,634
-	-	-	-	848,780
-	-	-	-	1,068,083
26,630	635	2,187	41,524	268,398
397,647	-	573,319	-	1,561,439
-	-	-	-	99,576
-	-	-	-	43,338
204,279	-	-	2,000	389,419
<u>628,556</u>	<u>635</u>	<u>575,506</u>	<u>43,524</u>	<u>12,458,235</u>
-	-	-	273,455	1,479,576
-	-	-	42,979	8,058,556
-	-	-	-	28,000
2,087,220	-	179,383	333,509	3,345,106
-	-	-	791	307,930
-	880,000	-	-	880,000
208,518	234,766	-	-	443,284
<u>2,295,738</u>	<u>1,114,766</u>	<u>179,383</u>	<u>650,734</u>	<u>14,542,452</u>
<u>(1,667,182)</u>	<u>(1,114,131)</u>	<u>396,123</u>	<u>(607,210)</u>	<u>(2,084,217)</u>
6,070,000	-	-	-	6,070,000
233,294	-	-	-	233,294
-	-	-	117,582	117,582
3,858,084	1,113,986	-	1,046,700	6,161,818
-	(23,348)	-	(51,084)	(5,710,818)
<u>10,161,378</u>	<u>1,090,638</u>	<u>-</u>	<u>1,113,198</u>	<u>6,871,876</u>
8,494,196	(23,493)	396,123	505,988	4,787,659
<u>2,355,439</u>	<u>24,938</u>	<u>503,349</u>	<u>3,959,039</u>	<u>25,620,421</u>
<u>\$ 10,849,635</u>	<u>\$ 1,445</u>	<u>\$ 899,472</u>	<u>\$ 4,465,027</u>	<u>\$ 30,408,080</u>

WEST WHITELAND TOWNSHIP

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 4,787,659

Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$2,375,838) exceeds capital outlays (\$2,112,829). (263,009)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets (17,866)

The issuance of long-term debt (e.g., bonds, note, leases) provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on net assets. Also, Governmental Funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of debt	880,000
Proceeds from the issuance of debt	(6,070,000)
Bond issuance premiums	(233,294)
Amortization of deferred charges	38,476

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

Accrued interest	10,840
Pension plan expense	736,441
OPEB plan expense	957,022

In the statement of activities, certain operating expenses--compensated absences (vacations and sick leave) and special termination benefits (early retirement)--are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). (6,323)

Because some local services taxes will not be collected for several months after the Township's fiscal year ends, they are not considered as "available" revenues in the Governmental Funds. Total taxes deferred increased by the following in the current period.

235,000

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,054,946

See accompanying notes to the basic financial statements.

WEST WHITELAND TOWNSHIP

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2020

	Business-Type Activities			
	Enterprise Funds			Total Enterprise Funds
	Sewer Fund	Sewer Capital Fund	Solid Waste Fund	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 3,823,307	\$ 3,708,895	\$ 416,782	\$ 7,948,984
Investments	424,799	4,273,173	-	4,697,972
Receivables, other	594,031	-	110,838	704,869
Due from other funds	-	-	822	822
Inventory	-	-	10,353	10,353
Prepaid expenses	263,251	-	-	263,251
TOTAL CURRENT ASSETS	<u>5,105,388</u>	<u>7,982,068</u>	<u>538,795</u>	<u>13,626,251</u>
PROPERTY AND EQUIPMENT				
Sewer treatment plant and improvements	13,760,218	-	-	13,760,218
Furniture and equipment	3,510,544	-	-	3,510,544
Vehicles	482,896	-	-	482,896
Accumulated depreciation	<u>(10,413,528)</u>	<u>-</u>	<u>-</u>	<u>(10,413,528)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>7,340,130</u>	<u>-</u>	<u>-</u>	<u>7,340,130</u>
NET PENSION ASSET	<u>75,179</u>	<u>-</u>	<u>7,125</u>	<u>82,304</u>
TOTAL ASSETS	<u>12,520,697</u>	<u>7,982,068</u>	<u>545,920</u>	<u>21,048,685</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>201,447</u>	<u>-</u>	<u>19,106</u>	<u>220,553</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	146,432	60,851	134,187	341,470
Due to other funds	822	-	-	822
TOTAL CURRENT LIABILITIES	<u>147,254</u>	<u>60,851</u>	<u>134,187</u>	<u>342,292</u>
NONCURRENT LIABILITIES				
Compensated absences	<u>127,083</u>	<u>-</u>	<u>-</u>	<u>127,083</u>
TOTAL LIABILITIES	<u>274,337</u>	<u>60,851</u>	<u>134,187</u>	<u>469,375</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>187,925</u>	<u>-</u>	<u>17,824</u>	<u>205,749</u>
NET POSITION				
Net investment in capital assets	7,340,130	-	-	7,340,130
Unrestricted	<u>4,919,752</u>	<u>7,921,217</u>	<u>413,015</u>	<u>13,253,984</u>
TOTAL NET POSITION	<u>\$ 12,259,882</u>	<u>\$ 7,921,217</u>	<u>\$ 413,015</u>	<u>\$ 20,594,114</u>

See accompanying notes to the basic financial statements.

WEST WHITELAND TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities			Total Enterprise Funds
	Enterprise Funds			
	Sewer Fund	Sewer Capital Fund	Solid Waste Fund	
OPERATING REVENUES				
Charges for services	\$ 3,305,277	\$ 419,793	\$ 786,120	\$ 4,511,190
Other revenue	50	106,200	500	106,750
TOTAL OPERATING REVENUES	<u>3,305,327</u>	<u>525,993</u>	<u>786,620</u>	<u>4,617,940</u>
OPERATING EXPENSES				
Sewer operations	3,272,944	133,256	-	3,406,200
Refuse operation	-	-	889,850	889,850
Depreciation	467,968	-	-	467,968
TOTAL OPERATING EXPENSES	<u>3,740,912</u>	<u>133,256</u>	<u>889,850</u>	<u>4,764,018</u>
OPERATING INCOME (LOSS)	<u>(435,585)</u>	<u>392,737</u>	<u>(103,230)</u>	<u>(146,078)</u>
NONOPERATING REVENUES				
Intergovernmental	-	-	3,928	3,928
Interest and investment revenue	16,904	113,718	1,476	132,098
TOTAL NONOPERATING REVENUES	<u>16,904</u>	<u>113,718</u>	<u>5,404</u>	<u>136,026</u>
INCOME (LOSS) BEFORE OTHER SOURCES (USES)	<u>(418,681)</u>	<u>506,455</u>	<u>(97,826)</u>	<u>(10,052)</u>
OTHER SOURCES (USES)				
Operating transfers in	744,973	30,000	-	774,973
Operating transfers out	(174,000)	(1,049,973)	(2,000)	(1,225,973)
TOTAL OTHER SOURCES (USES)	<u>570,973</u>	<u>(1,019,973)</u>	<u>(2,000)</u>	<u>(451,000)</u>
CHANGE IN NET POSITION	152,292	(513,518)	(99,826)	(461,052)
NET POSITION AT BEGINNING OF YEAR	<u>12,107,590</u>	<u>8,434,735</u>	<u>512,841</u>	<u>21,055,166</u>
NET POSITION AT END OF YEAR	<u>\$ 12,259,882</u>	<u>\$ 7,921,217</u>	<u>\$ 413,015</u>	<u>\$ 20,594,114</u>

See accompanying notes to the basic financial statements.

WEST WHITELAND TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities			
	Enterprise Funds			
	Sewer Fund	Sewer Capital Fund	Solid Waste Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 3,206,354	\$ 525,993	\$ 780,964	\$ 4,513,311
Payments to employees for services	25,987	-	(21,643)	4,344
Payments to suppliers for goods and services	(4,653,120)	(429,140)	(844,311)	(5,926,571)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,420,779)</u>	<u>96,853</u>	<u>(84,990)</u>	<u>(1,408,916)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from grants	-	-	3,928	3,928
Purchase of property, plant and equipment	(205,921)	-	-	(205,921)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(205,921)</u>	<u>-</u>	<u>3,928</u>	<u>(201,993)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund revenues	557,291	(1,019,973)	(2,000)	(464,682)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(179,380)	2,703,057	-	2,523,677
Interest and dividends on investments	16,904	113,718	1,476	132,098
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(162,476)</u>	<u>2,816,775</u>	<u>1,476</u>	<u>2,655,775</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,231,885)	1,893,655	(81,586)	580,184
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,055,192</u>	<u>1,815,240</u>	<u>498,368</u>	<u>7,368,800</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,823,307</u>	<u>\$ 3,708,895</u>	<u>\$ 416,782</u>	<u>\$ 7,948,984</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (435,585)	\$ 392,737	\$ (103,230)	\$ (146,078)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	467,968	-	-	467,968
Pension expense	(42,391)	-	(4,021)	(46,412)
(Increase) decrease in				
Receivables	(98,973)	-	(10,338)	(109,311)
Due from other funds	-	-	4,682	4,682
Inventory	-	-	18,795	18,795
Prepaid expense	(47,049)	-	-	(47,049)
Increase (decrease) in				
Payables	(1,312,726)	(295,884)	9,122	(1,599,488)
Compensated absences	47,977	-	-	47,977
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (1,420,779)</u>	<u>\$ 96,853</u>	<u>\$ (84,990)</u>	<u>\$ (1,408,916)</u>

See accompanying notes to the basic financial statements.

WEST WHITELAND TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

	Pension (and Other Employee Benefit) Trust Funds		Custodial Funds	Total Fiduciary Funds
	Pension Trust Funds	OPEB Fund		
ASSETS				
CURRENT ASSETS				
Cash	\$ 411,790	\$ 115,690	\$ 99,078	\$ 626,558
Investments, at fair value				
Mutual funds	18,616,654	3,532,579	-	22,149,233
Corporate bonds	10,312,171	-	-	10,312,171
Prepaid expenses	64,841	-	-	64,841
Receivables	933,788	-	-	933,788
TOTAL ASSETS	<u>30,339,244</u>	<u>3,648,269</u>	<u>99,078</u>	<u>34,086,591</u>
LIABILITIES				
Accounts payable	<u>77,354</u>	<u>84,455</u>	<u>-</u>	<u>161,809</u>
NET POSITION				
Restricted for pensions	30,261,890	3,563,814	-	33,825,704
Restricted for custodial purposes	<u>-</u>	<u>-</u>	<u>99,078</u>	<u>99,078</u>
TOTAL NET POSITION	<u>\$ 30,261,890</u>	<u>\$ 3,563,814</u>	<u>\$ 99,078</u>	<u>\$ 33,924,782</u>

See accompanying notes to the basic financial statements.

WEST WHITELAND TOWNSHIP
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Pension (and Other Employee Benefit) Trust Funds		Custodial Funds	Total Fiduciary Funds
	Pension Trust Funds	OPEB Fund		
ADDITIONS				
Contributions				
Member contributions	\$ 260,784	\$ -	\$ -	\$ 260,784
Employer contributions	948,714	1,005,360	-	1,954,074
Other	-	-	50,322	50,322
TOTAL CONTRIBUTIONS	<u>1,209,498</u>	<u>1,005,360</u>	<u>50,322</u>	<u>2,265,180</u>
Investment income				
Net decrease in fair value of investments	2,672,586	325,030	-	2,997,616
Interest and dividends	476,786	52,318	71	529,175
TOTAL INVESTMENT INCOME	<u>3,149,372</u>	<u>377,348</u>	<u>71</u>	<u>3,526,791</u>
Investment expense	(39,832)	-	-	(39,832)
INVESTMENT INCOME (LOSS), net	<u>3,109,540</u>	<u>377,348</u>	<u>71</u>	<u>3,486,959</u>
TOTAL ADDITIONS	<u>4,319,038</u>	<u>1,382,708</u>	<u>50,393</u>	<u>5,752,139</u>
DEDUCTIONS				
Actuary fees	12,260	1,770	-	14,030
Miscellaneous	5,000	10,011	14,363	29,374
Benefits	1,461,769	205,360	-	1,667,129
TOTAL DEDUCTIONS	<u>1,479,029</u>	<u>217,141</u>	<u>14,363</u>	<u>1,710,533</u>
CHANGE IN NET POSITION	2,840,009	1,165,567	36,030	4,041,606
NET POSITION AT BEGINNING OF YEAR	<u>27,421,881</u>	<u>2,398,247</u>	<u>63,048</u>	<u>29,883,176</u>
NET POSITION AT END OF YEAR	<u>\$ 30,261,890</u>	<u>\$ 3,563,814</u>	<u>\$ 99,078</u>	<u>\$ 33,924,782</u>

See accompanying notes to the basic financial statements.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

West Whiteland Township (the "Township") is a municipal corporation existing and operating under the Second Class Township Code of the Commonwealth of Pennsylvania. In evaluating the Township (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Township have been addressed. Financial accountability is present if the Township appoints a voting majority of a component unit's governing body and has the ability to impose its will on the component unit or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the Township. There are no component units of the Township.

Fiduciary Component Units:

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

The Non-Uniformed Employees' Pension Plan is a single employer defined benefit pension plan that provides pensions for all full-time Township employees, excluding police officers, who perform at least 1,000 hours of service in a given Plan year. Although the plan is a separate legal entity it is reported as if it is part of the government as it is governed by a board comprised of members appointed by the Board of the Township and the Township is responsible for funding the plan. The plan is reported as a fiduciary fund and does issues separate financial statements.

The Postemployment Benefits Other Than Pensions Plan is a single employer defined benefit plan that provides medical and prescription drug insurance benefits to eligible retired employees, spouses and dependents. Although the plan is a separate legal entity it is reported as if it is part of the government as it is governed by the Board of the Township and the Township is responsible for funding the plan. The plan is reported as a fiduciary fund and does not issue separate financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Separate financial statements are provided for Governmental Funds, Proprietary Funds and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Funds and Fiduciary Funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. In some situations, the availability period in connection with expenditures-driven grants will extend beyond this period when all eligibility criteria have been met, and it can be reasonably assumed that the reason for the delay in reimbursement will not become a permanent impairment. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, franchise taxes and licenses associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major Governmental Funds on the Governmental Funds financial statements:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Transportation Improvement Fund* accounts for financial resources used in the construction or improvement of Township roadways.

The *Public Service Fund* accounts for financial resources used in the acquisition and construction or improvement of major Township capital facilities.

The *Debt Service Fund* accounts for principal and interest debt payments.

The *Highway Aid Fund* accounts for revenue from the State Motor License Fund (gasoline tax distribution, etc.) and the approved expenditures of such monies for highway purposes.

The Township reports the following major Proprietary Funds:

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

The *Sewer Capital Fund* accounts for financial resources used in the acquisition and construction or improvement of major sewer capital facilities.

The *Solid Waste Fund* accounts for the activities of the Township's refuse services.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the Township reports the following Fiduciary Fund types:

The *Pension and Other Employee Benefit Trust Funds* account for the activities of the Police Pension Plan and the Non-Uniformed Employees' Pension Plan, which accumulate resources for pension benefit payments to qualified employees and the OPEB Fund accounts for post-retirement benefits. Fees are charged to the various funds to cover their respective costs.

The *Custodial Funds* account for monies held by the Township on a purely custodial basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments in lieu of taxes and other charges between the Township's sewer function and various other functions of the Township, if existing. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary Funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Sewer Fund, Sewer Capital Fund and Solid Waste Fund are charges to customers for services.

The Sewer Capital Fund also recognizes as operating revenues the portion of tapping fees intended to recover the cost of connecting new customers to the system. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Township's practice to use restricted resources first, then unrestricted resources as they are needed.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition, and short-term highly liquid and highly rated instruments (such as money market funds, commercial paper, banker's acceptances, and U.S. Treasury and agency obligations).

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable Governmental Funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All property tax receivables are shown net of an allowance for uncollectibles. At December 31, 2020, all tax receivables were deemed to be fully collectible; therefore, there is no tax receivable allowance due.

Property taxes are levied as of January 1 on property values assessed as of the same date. Taxes are billed February and payable under the following terms:

- A 2% discount February 1 through April 30,
- Face amount May 1 through June 30 and
- A 10% penalty after June 30.

In an effort to provide some relief due to COVID-19, for taxpayers that pay property taxes directly to the Township the 2% discount period was extended through June 30, 2020.

Any unpaid bills at December 31 are subject to lien, and penalties and interest are assessed.

Inventories

Inventories are presented at the lower of cost or market on a first-in, first-out method and are expensed when used.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$10,000 (amount not rounded) for infrastructure and \$5,000 (amount not rounded) for all other capital assets, with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Prior to January 1, 2003, Governmental Funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	40
Building improvements	7-30
Roads and bridges	30-50
Guiderails, manholes and curbing	20-30
Storm sewer pipes	50
Sewer pipes	50
Utility and heavy equipment	10-18
Vehicles and equipment	5-15
Signs and traffic signals	7-15

Compensated Absences

The Police Officers Association union contract allows for the carry forward of vacation balances for two years. Police officers can accumulate up to 480 hours of comp time.

Non-uniform employees may carry forward vacation balances for one year. Non-uniform employees may carry forward sick time up to 90 days to be used only in the event of a serious medical condition.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

In the government-wide financial statements and Proprietary Fund Types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund Type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, Governmental Fund Types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has three items that qualify for reporting in this category. The deferred outflow of resources related to pensions is reported in the government-wide statement of net position and the Proprietary Fund statement of net position and is the result of various factors detailed in Note H and Note I. The deferred outflow of resources related to OPEB is reported in the government-wide statement of net position and is the result various factors disclosed in Note J. The deferred charge on refunding is reported in the government-wide statement of net position and results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has two items that qualify for reporting in this category. The deferred inflow of resources related to pensions is reported in the government-wide statement of net position and the Proprietary Fund statement of net position and is the result of various factors detailed in Note H and Note I. The deferred inflow of resources related to OPEB is reported in the government-wide statement of net position and is the result various factors disclosed in Note J.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position Flow Assumption

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

Fund Balance

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

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

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Assigned fund balance is intended to be used by the Township for specific purposes but does not meet the criteria to be classified as restricted or committed.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In the General Fund, the Township strives to maintain committed fund balance of a maximum 25% of General Fund revenues to be used for unanticipated emergencies. For 2020, the Board of Supervisors committed \$2,916,000 for this purpose.

Use of Estimates

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

NOTE B - DEPOSITS AND INVESTMENTS

Deposits

Currently, the Township uses a combination of investments and deposits at banking institutions for cash management purposes. All cash balances, with the exception of one, are in interest-bearing vehicles.

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 uses both insurance provided by the Federal Deposit Insurance Corporation and collateralization to guard against custodial credit risk. Under the Township's current procedures, in addition to the insurance provided by the Federal Deposit Insurance Corporation, deposits held by banking institutions are fully collateralized. The Township requires all of its banking partners to pledge collateral held by an independent third-party institution, not in the Township's name, in the amount of at least 102% of the deposit value.

As of December 31, 2020, \$250,000 of the Township's total bank balance of \$56,190,902 was insured by the Federal Deposit Insurance Corporation. Of the remaining \$55,940,902, \$139,939 is deposited in state investment pools (uninsured), \$29,340,615 is deposited in short-term highly liquid and highly rated instruments (uninsured), and the remaining balance of \$26,460,348 was uninsured and collateralized by securities held by the pledging financial institution.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

Investments

As of December 31, 2020, the Township had the following investments:

Investment Type	Amortized Cost	Fair Value	Investment Maturities	
			Less Than 1 Year	1 to 5 Years
Certificates of deposit	\$ 12,567,856	\$ -	\$ 12,567,856	\$ -
Mutual funds	-	22,149,233	22,149,233	-
Corporate bonds	-	10,312,171	10,312,171	-
State investment pools	746,598	-	746,598	-
	<u>\$ 13,314,454</u>	<u>\$ 32,461,404</u>	<u>\$ 45,775,858</u>	<u>\$ -</u>

Investments in state investment pools are in the PLGIT program, which are funds similar to mutual funds. GASB Statement No. 3, Paragraph 69, provides that certain types of cash and investments, such as cash investments in a State Treasurer's investment pool or mutual fund, cannot be assigned a credit risk category because the government does not own specific securities. Therefore, the PLGIT cash deposits included in these statements will not be assigned a credit risk category. These assets maintain a stable net asset value of \$1 per share. At December 31, 2020, the Township's deposits in the state investment pool was rated AAAM by Standard & Poor's.

Investments held with qualifying external state investment pools are valued at amortized cost in accordance with GASB Statement No. 79. The Township has \$746,598 invested in PLGIT CD account, which has a maturity of up to one year, depending upon the termination date of any particular series within the PLGIT CD portfolio and a premature withdrawal.

Certificates of deposit held by banks of \$12,567,856 are stated at cost plus interest earned.

Fair Value Measurement - The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Township has the following recurring fair value measurements as of December 31, 2020:

Investments in mutual funds of \$22,149,233 and corporate bonds of \$10,312,171 are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk - The Township recognizes interest rate risk and extension risk with some of these obligations. The Township has stratified its portfolio so that the investments with extension risk are comprised of monies needed on a long-term basis. Investments with interest rate risk are selected so that the risk of interest decline below area savings accounts rates is minimal.

WEST WHITELAND TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk - Statutes authorize the Township to invest in: 1) obligations, participations and other instruments of any Federal agency, 2) repurchase agreements with respect to U.S. Treasury bills or obligations, 3) negotiable certificates of deposit, 4) bankers' acceptances, 5) commercial paper, 6) shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, and 7) savings or demand deposits. The specific conditions under which the District may invest in these categories are detailed in Pennsylvania Act No. 53 of 1973, as amended by Pennsylvania Act No. 10 of 2016. Investments are stated at fair value. The Township's investment policy does not further limit its investment choices.

Concentration of Credit Risk - The Township places no limit on the amount that may be invested in any one issuer. As of December 31, 2020, the Township had no individual investments that exceeded more than 5% of the Township's total investments.

Reconciliation to Financial Statements

INVESTMENTS ON STATEMENT OF NET POSITION	\$ 13,314,454
INVESTMENTS IN FIDUCIARY ACCOUNTS	<u>32,461,404</u>
TOTAL INVESTMENTS	<u><u>\$ 45,775,858</u></u>

NOTE C - RECEIVABLES

Receivables for the Township as of December 31, 2020, are as follows:

GENERAL FUND	
Taxes receivable	\$ 1,569,464
Accounts receivable	<u>430,066</u>
	<u><u>\$ 1,999,530</u></u>
PUBLIC SERVICE FUND	
Other receivables	<u><u>\$ 10</u></u>
SEWER FUND	
Other receivables	<u><u>\$ 594,031</u></u>
SOLID WASTE FUND	
Other receivables	<u><u>\$ 110,838</u></u>

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances as of December 31, 2020, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Public Service Fund	General Fund	\$ 78
Solid Waste Fund	Sewer Fund	<u>822</u>
		<u>\$ 900</u>

Interfund transfers as of December 31, 2020, were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 143,048	\$ 4,829,386
Debt Service Fund	1,113,986	23,348
Township Equipment Fund	580,000	-
Technology Fund	296,700	-
WWFC Equipment Fund	170,000	-
Public Services	3,858,084	-
Sewer Fund	744,973	174,000
Sewer Capital Fund	30,000	1,049,973
Open Space Fund	-	51,084
Transportation Improvement Fund	-	807,000
Solid Waste Fund	<u>-</u>	<u>2,000</u>
	<u>\$ 6,936,791</u>	<u>\$ 6,936,791</u>

Interfund balances are primarily a result of various funds financing capital projects.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,209,497	\$ -	\$ -	\$ 4,209,497
Capital assets being depreciated				
Infrastructure	44,557,363	1,731,082	-	46,288,445
Buildings and improvements	33,814,710	-	-	33,814,710
Machinery and equipment	5,145,832	381,747	(396,254)	5,131,325
TOTAL CAPITAL ASSETS BEING DEPRECIATED	83,517,905	2,112,829	(396,254)	85,234,480
Accumulated depreciation				
Infrastructure	(29,162,883)	(951,020)	-	(30,113,903)
Buildings and improvements	(12,445,389)	(978,967)	-	(13,424,356)
Machinery and equipment	(3,588,069)	(445,851)	378,388	(3,655,532)
TOTAL ACCUMULATED DEPRECIATION	(45,196,341)	(2,375,838)	378,388	(47,193,791)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	38,321,564	(263,009)	(17,866)	38,040,689
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	42,531,061	(263,009)	(17,866)	42,250,186
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated				
Sewer treatment plant and improvements	13,671,760	88,458	-	13,760,218
Furniture and equipment	3,154,652	117,463	-	3,272,115
Vehicles	721,325	-	-	721,325
TOTAL CAPITAL ASSETS BEING DEPRECIATED	17,547,737	205,921	-	17,753,658
Accumulated depreciation				
Sewer treatment plant and improvements	(7,852,367)	(309,366)	-	(8,161,733)
Furniture and equipment	(1,777,393)	(81,986)	-	(1,859,379)
Vehicles	(315,800)	(76,616)	-	(392,416)
TOTAL ACCUMULATED DEPRECIATION	(9,945,560)	(467,968)	-	(10,413,528)
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net	7,602,177	(262,047)	-	7,340,130
CAPITAL ASSETS, net	\$ 50,133,238	\$ (525,056)	\$ (17,866)	\$ 49,590,316

Depreciation expense was charged to governmental activities as follows:

General government	\$ 188,250
Codes and planning	72,458
Police and emergency services	382,394
Public works	1,527,332
Culture and recreation	205,404
	<u>\$ 2,375,838</u>

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE F - LONG-TERM DEBT

General Obligation Bonds and Note

The Township issues general obligation bonds and notes to provide funds for the acquisition, construction and improvement of facilities and the purchase of equipment and open space.

General obligation bonds and note currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
In September 2016, the Township issued \$8,335,000 in General Obligation Refunding Bonds to refund \$8,630,000 of outstanding 2011 Series General Obligation Bonds	2.00% to 5.00%	\$ <u>6,540,000</u>
In August 2020, the Township issued \$8,665,000 in General Obligation Refunding Bonds to refund \$2,595,000 of outstanding 2007 Series General Obligation Bonds	1.00% to 5.00%	<u>8,405,000</u>
		<u>\$ 14,945,000</u>

In August 2020, the Township issued General Obligation Bonds, Series of 2020, totaling \$8,405,000. The bonds were issued to fully refund the Township's General Obligation Bonds, Series of 2007, provide funding for a few planned capital projects, and pay the related issue costs. The new issue will reduce debt service payments for the Township by \$307,394 over the life of the bonds.

Annual debt service requirements to maturity for the general obligation bonds and note are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 930,000	\$ 316,945
2022	970,000	270,445
2023	1,000,000	242,495
2024	1,025,000	213,495
2025	1,060,000	183,545
2026 to 2030	5,425,000	577,880
2031 to 2034	<u>4,535,000</u>	<u>169,150</u>
	<u>\$ 14,945,000</u>	<u>\$ 1,973,955</u>

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE F - LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds and note payable					
General Obligation Note, Series of 2007	\$ 2,595,000	\$ -	\$ (2,595,000)	\$ -	\$ -
General Obligation Bonds, Series of 2016	7,160,000	-	(620,000)	6,540,000	655,000
General Obligation Bonds, Series of 2020	-	8,665,000	(260,000)	8,405,000	275,000
TOTAL BONDS AND NOTE PAYABLE	9,755,000	8,665,000	(3,475,000)	14,945,000	930,000
Bond premiums	387,551	233,294	(44,405)	576,440	57,865
Compensated absences	835,740	6,323	-	842,063	-
TOTAL GOVERNMENTAL ACTIVITIES LONG- TERM LIABILITIES	\$ 10,978,291	\$ 8,904,617	\$ (3,519,405)	\$ 16,363,503	\$ 987,865
BUSINESS-TYPE ACTIVITIES					
Compensated absences	\$ 79,106	\$ 47,977	\$ -	\$ 127,083	\$ -
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 79,106	\$ 47,977	\$ -	\$ 127,083	\$ -

NOTE G - OTHER INFORMATION

Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Township carries commercial insurance.

The Township participates in the Delaware Valley Workers' Compensation Trust pool. The pooling agreement permits the pool to make additional assessments to its members. At December 31, 2020, there were no additional assessments due or anticipated.

The Township also participates in the Delaware Valley Health Insurance Trust pool. Members are assessed based on employee rates established by the Trust. At December 31, 2020, there were no additional assessments due or anticipated.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE G - OTHER INFORMATION (Continued)

The Township has adopted the following self-insurance programs:

<u>Program</u>	<u>Benefit</u>
Unemployment compensation	Paid to the state as claims are filed
Short-term disability	Paid as employees are out on disability

Premiums are paid into the Self-Insurance Funds by all other funds and are available to pay claims, claim reserves and administrative costs of the short-term disability program. The amount of the expense is charged back to the funds based on their respective share of the losses incurred.

The Township is a member of the Pennsylvania Intergovernmental Risk Management Association (PIRMA), a public entity self-insurance pool. PIRMA is comprised of various townships, boroughs, cities, counties and authorities in the Commonwealth of Pennsylvania. The Township pays an annual premium to PIRMA for its general liability, automobile, police professional liability and public officials errors and omissions insurance coverages. The agreement for formation of PIRMA provides that PIRMA will be self-sustaining through member premiums and will return the first \$250,000 of loss, will reinsure through the American Public Entity Excess Pool losses in an amount not to exceed \$1.75 million per claim and \$5 million in the aggregate per year and will purchase \$5,000,000 annual aggregate excess coverage through a commercial reinsurance company.

If the Township withdraws from PIRMA, it may receive a return from the cumulative reserve fund. This return would be refunded to the Township and then be used to off-set the premium with the new insurance vendor.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE G - OTHER INFORMATION (Continued)

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Township expects such amounts, if any, to be immaterial.

Joint Sewer Agreements

Downingtown Area Regional Authority (the "Authority") - Under an agreement dated February 14, 1972, the Borough of Downingtown agreed to construct a 4,000,000 gallon per day treatment plant to provide sewage treatment capacity to the following five municipalities:

- Borough of Downingtown
- Caln Township
- East Caln Township
- Uwchlan Township
- West Whiteland Township

The initial construction costs were allocated based on the percentage of reserve capacity in the plant.

The annual operating costs are shared among the municipalities based on their actual sewer capacity usage. On December 27, 1985, the above municipalities formed the Authority. The Authority was formed principally to hold, operate, upgrade, maintain, own and expand the Downingtown Regional Water Pollution Control Center (DRWPCC), the regional sewage treatment facility, to what is now a 7,000,000 gallon per day plant.

On May 18, 2006, the fourth amendment to the original Authority agreement was passed. The purpose of the fourth amendment was to redistribute the capacity and redefine how the Authority costs are shared among the municipalities.

The following defines how the costs were redefined in the fourth amendment:

<u>Type of Costs</u>	<u>Allocation Method</u>
Base Service Fees	Costs distributed based upon the percentage of capacity allocation as a percentage of total capacity
Administrative Fee, Operating Fee and Pass-Through Costs	Costs shall be divided among the parties other than the Authority in the portion the sewage treated by each party bears to the total amount of sewage treated
Capital Facilities Costs	Costs distributed based upon the percentage of capacity allocation as a percentage of total capacity

Any deficit incurred by the Authority will become the responsibility of the participating municipalities.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE G - OTHER INFORMATION (Continued)

Payments made by the Township to the Authority during 2020 were as follows:

Industrial waste surcharge	\$ 4,677
Operation related	<u>891,751</u>
	<u>\$ 896,428</u>

A separate audit report is available for the Authority.

West Goshen Sewer Authority (the "Sewer Authority") - Under an agreement dated April 9, 1985, the Sewer Authority agreed to provide sewage treatment capacity of 420,000 gallons per day to the Township. The Township entered into a secondary agreement with the Sewer Authority in June 1995, which provided that the Township may discharge an additional 50,000 gallons per day of sewage.

In July 1997, the Township entered into the most recent additional agreement with the Sewer Authority. This agreement provides that the Township may discharge a maximum quantity of 820,000 gallons per day of sewage. In addition, the agreement provides that West Goshen Township may discharge a maximum of 350,000 gallons per day of sewage into designated points of the Township's sewer system. In exchange for this treatment capacity, the Township agreed to pay the Sewer Authority the following:

- A portion of the annual operating cost based on a percentage of the Township's actual usage compared to the total metered flow into the West Goshen Treatment Plant.
- The first 120,000 gallons per day provided to West Goshen Township from the Township will be provided free of charge. In the event that the West Goshen Township flow to the Township system exceeds 120,000 gallons per day, the Township will charge West Goshen Township a proportionate share of the operating costs of the West Whiteland Pumping Station based upon West Goshen Township's usage as compared to the total flow through the pumping station.
- The Township paid a one-time administrative fee of \$20,000 for administrative costs related to the Sewer Authority plant expansion.
- The Township pays \$90,000 annually to the Sewer Authority for the 420,000 gallons per day reserved capacity.
- The Township paid the Sewer Authority and West Goshen Township the Township's proportionate share of the costs of the plant expansion.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE G - OTHER INFORMATION (Continued)

This capacity will be available to the Township until terminated by mutual agreement of all parties (including state and federal agencies) but not before certain Sewer Authority bonds are repaid.

Payments made by the Township to the Sewer Authority during 2020 were as follows:

Operation related	\$ 974,709
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A separate audit report is available for this joint sewer agreement.

Joint Sewer Facilities with Uwchlan Township - Under an agreement dated December 20, 1971, West Whiteland and Uwchlan Townships agreed to construct a joint sewer and pumping station to convey the sewage from Uwchlan Township and West Whiteland Township to the Downingtown Treatment Plant. The joint sewer and pumping station is operated and maintained by West Whiteland Township. The cost of operating the joint sewer and pumping station is to be shared based on Uwchlan Township's volume of sewage discharged into the system.

In 2017, the agreement was updated to account for additional capacity used by Uwchlan Township. Via a separate Capacity Purchase Agreement, Uwchlan agreed to a one-time \$312,000 catch-up payment for their sewer capacity in excess of capacity they previously purchased. The cost-sharing allocation for capital projects in the agreement was updated accordingly to right-size based on capacity in place for improvements or repairs or capacity needed for enlargements. Other sections in the agreement also were updated to clarify administrative procedures and requirements.

Uwchlan Township's payments made during 2020 for its share of operating costs were \$168,856.

A separate audit report is available for this joint sewer agreement.

Exton Park Development - Amidst the ample development surrounding the Exton Crossroads, Exton Park represents an extraordinary 700-acre asset for West Whiteland Township. Comprising a 279-acre tract close to the Chester Valley Trail owned by the Township and 400 acres of open space owned by Chester County, it is the largest parcel of public land in the Township. Total cost of this property was \$12,829,539, of which \$4,761,019 was the Township's share in May 1995. At the time of purchase, the County and Township entered into an agreement in which the County committed a \$500,000 gift toward the funding of development of the Township's portion of the project, of which \$250,000 has been expended. The remaining County commitment along with a \$500,000 Pennsylvania Department of Conservation and Natural Resources grant and the Township's Open Space Funding will support the first phase of the Park development which is estimated to cost \$1,100,000.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE G - OTHER INFORMATION (Continued)

For over twenty years, Exton Park has been a vista of open space in the center of Chester County, but did not invite people to come in and experience its treasures. The development of two targeted areas, while preserving most land as passive open space, will change that. Play areas, event spaces and trails will entice people into the park to exercise, have fun, enjoy nature and make memories – all a short drive from everywhere. A new Master Plan for the Township tract has offered a vision for Exton Park that balances the preservation of open space with recreation and fun to meet expressed community needs. The proposed development of the active recreation areas of the Park will take place over three-four years, with the environmental work occurring as funds are available.

The Township will be breaking ground in 2021 for improvements to Exton Park. While originally planned for ground-breaking in 2020, there was a delay while the Township awaited the final approval of a state agency. Phase 1 of Exton Park's development, known as the Swedesford Recreation Area, focuses on improvements near the intersection of Ship and Swedesford Roads, which will be walkable from nearby neighborhoods, such as Swedesford Chase and Meadowbrook Manor, and business complexes, such as Valley Creek Corporate Center and Exton Commons. Phase 1 improvements include park infrastructure to be followed by playing fields, playgrounds, and a dog park and a 9-hole disc golf course.

NOTE H - POLICE PENSION PLAN

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method Used to Value Investments

West Whiteland Township Police Pension Plan's (the "Plan") investments are carried at fair value as reported by the investment managers. For the purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

PLAN DESCRIPTION

Plan Administration

The Township administers the Police Pension Plan--a single-employer defined benefit pension plan that provides pensions for all regular, full-time sworn police officers.

West Whiteland Township manages the Police Pension Plan as the employer and the trustee. The West Whiteland Township Board of Supervisors, by ordinance, created a Pension Advisory Board, which consists of seven members appointed by the Board of Supervisors. The Police Pension Trustee/Plan Administrator is responsible for managing, investing and monitoring the Township's Police Pension Fund. The Pension Advisory Board is responsible for reviewing fund performance and providing recommendations to the Board of Supervisors regarding allocation of fund investments.

WEST WHITELAND TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2020

NOTE H - POLICE PENSION PLAN (Continued)

Plan Membership

At December 31, 2020, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	17 *
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>26</u>
	<u>46</u>

* Includes one member in the DROP

Benefits Provided

The Plan provides retirement, disability and death benefits to Plan members and their beneficiaries. Retirement benefits vest after 12 years of service to the Township. A Plan member is eligible to receive retirement benefits after attainment of age 50 and completion of 25 years of service. Retirement benefits are equal to 50% of the member's monthly average salary during the last 36 months of service. The Plan provides for early retirement after 20 years of service. The monthly benefit would equal the accrued benefit actuarially reduced for early commencement.

Any participant who is totally and permanently disabled in the line of duty shall be eligible for a disability benefit. The monthly disability benefit is equal to the greater of 50% of the officer's monthly average salary during the last 36 months immediately prior to the permanent disability, or 50% of the officer's salary at the time of disability. This benefit will be reduced by the amount of worker's compensation, social security disability and any other Township-paid disability benefit. Disability payments shall be paid monthly until the participant recovers or dies. If a disabled participant dies before he receives total disability benefits from this Plan in an amount equal to his total contributions plus credited interest as of the date of disablement, the unpaid balance will be paid to his designated beneficiary in a lump sum.

If a participant who is retired by reason of age and service or disability dies, a surviving spouse will be eligible for a survivor benefit so long as he or she does not remarry. If there is no surviving spouse, or the surviving spouse subsequently dies or remarries, then any surviving child under the age of 18 will be eligible for a survivor benefit. The survivor benefit is equal to 50% of the retirement benefit the retired participant was receiving. Aggregate survivor benefits paid to the retired participant and the beneficiaries shall not be less than the amount of total employee contributions accumulated with interest to the participant's date of retirement.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE H - POLICE PENSION PLAN (Continued)

In the event of termination or discontinuance of employment with the Township before completing 12 years of full-time service for reasons other than retirement or death, each participant shall be entitled to have returned to him the total amount of all monies paid by him into the pension fund with simple interest at a rate of 4% per annum. A participant who terminates after completing 12 or more years of full-time service shall be eligible for either a cash refund of his contributions with credited interest or a deferred pension to commence on his normal retirement date equal to his accrued pension determined at his date of employment termination.

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

Contributions

The Township's police employees are required to contribute a percentage of their annual covered salary to the Plan. The Township is required to contribute the remaining amounts necessary to fund the Plan using the actuarial basis specified by state statute. The state also provides funds (distribution of foreign casualty insurance premium taxes) to the Township, which are used by the Township in making its regular contributions to the Plan.

Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the minimum municipal obligation (MMO), which is based on the Plan's biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer. In accordance with Act 205, the Township was required to contribute \$700,132 to the Plan for the year 2020. The Township's actual contributions for the Plan year 2020 were \$700,132.

Employees are required to contribute 5.0% of covered payroll. This contribution is governed by the Plan's governing ordinances and collective bargaining agreements. Administrative costs, which may include, but are not limited to, investment management fees and actuarial services, are charged to the Plan and funded through the MMO and/or Plan earnings.

WEST WHITELAND TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2020

NOTE H - POLICE PENSION PLAN (Continued)

INVESTMENTS

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Trustee/Board of Supervisors by a majority vote of its members. It is the policy of the Trustee/Board of Supervisors to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity mutual funds	39%
International equity mutual funds	21%
Fixed income corporate bonds	<u>40%</u>
	<u>100%</u>

Concentrations

As of December 31, 2020, the Plan had no individual investments that exceeded more than 5% of the Plan's total investments.

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 11.63%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE H - POLICE PENSION PLAN (Continued)

NET PENSION ASSET OF THE TOWNSHIP

The components of the net pension asset of the Township at December 31, 2020, were as follows:

Total pension liability	\$ 19,589,143
Plan fiduciary net position	<u>(20,500,099)</u>
NET PENSION ASSET	\$ <u>(910,956)</u>
 Plan fiduciary net position as a percentage of the total pension liability	 <u>104.65%</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2019, to which update procedures were applied to roll the liability forward to the December 31, 2020 measurement date, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	4.5% annual increase
Investment rate of return	7.0%

Mortality rates were based on the PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2018 to reflect mortality improvement.

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

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity mutual funds	5.5%-7.5%
International equity mutual funds	4.5%-6.5%
Fixed income corporate bonds	1.0%-3.0%
Cash	0.0%-1.0%

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE H - POLICE PENSION PLAN (Continued)

Discount Rate

The discount rate is based on the long-term expected rate of return on Plan investments expected to be used to finance the payments of benefits. The Plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the Plan assets are expected to be invested using a strategy to achieve that return. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus Plan expenses, as well as amortization of the unfunded liability.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a)-(b)
	<u> </u>	<u> </u>	<u> </u>
BALANCE AT DECEMBER 31, 2019	\$ 18,869,147	\$ 18,616,872	\$ 252,275
Service cost	452,255	-	452,255
Interest	1,328,588	-	1,328,588
Changes for experience	-	-	-
Changes of assumptions	-	-	-
Contributions			
Employer	-	700,132	(700,132)
Member	-	154,661	(154,661)
Net investment income	-	2,098,261	(2,098,261)
Benefit payments	(1,060,847)	(1,060,847)	-
Administrative expense	-	(8,980)	8,980
NET CHANGES	<u>719,996</u>	<u>1,883,227</u>	<u>(1,163,231)</u>
BALANCE AT DECEMBER 31, 2020	\$ <u>19,589,143</u>	\$ <u>20,500,099</u>	\$ <u>(910,956)</u>

WEST WHITELAND TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2020

NOTE H - POLICE PENSION PLAN (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Township, calculated using the discount rate of 7.0%, as well as what the Township's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Net pension (asset) liability	\$ <u>1,505,011</u>	\$ <u>(910,956)</u>	\$ <u>(2,947,469)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the Township recognized pension expense of \$700,132. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 183,788
Changes in assumptions	791,388	-
Difference between projected and actual investment earnings	<u>-</u>	<u>1,285,653</u>
	\$ <u>791,388</u>	\$ <u>1,469,441</u>

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

<u>Year Ending December 31,</u>	
2021	\$ (272,436)
2022	(20,945)
2023	(424,446)
2024	(24,751)
2025	32,262
Thereafter	32,263

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE H - POLICE PENSION PLAN (Continued)

DEFERRED RETIREMENT OPTION PROGRAM

An active member who has met the eligibility requirements for normal retirement may elect to participate in the Deferred Retirement Option Program (DROP) for a period of not more than 48 months. The member's monthly pension shall be calculated as of their date of participation in the program and shall be distributed in a lump sum at retirement. As of December 31, 2020, one member has elected to participate in the DROP. The total DROP account balance is approximately \$18,000.

NOTE I - NON-UNIFORMED EMPLOYEES' PENSION PLAN

Method Used to Value Investments

West Whiteland Township Non-Uniformed Employees' Pension Plan's (the "Plan") investments are carried at fair value as reported by the investment managers. For the purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

PLAN DESCRIPTION

Plan Administration

The Plan is a single-employer defined benefit pension plan that covers full-time Township employees, excluding police officers, who perform at least 1,000 hours of service in a given Plan year.

West Whiteland Township manages the Non-Uniformed Employees' Pension plan as the Employer and Trustee. The West Whiteland Township Board of Supervisors, by ordinance, created a Pension Advisory Board, which consists of seven members appointed by the Board of Supervisors. The Non-Uniformed Employees' Pension Trustee/Plan Administrator is responsible for managing, investing and monitoring the Township's Non-Uniformed Employees' Pension Fund. The Pension Advisory Board is responsible for reviewing fund performance and providing recommendations to the Board of Supervisors regarding allocation of fund investments.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I - NON-UNIFORMED EMPLOYEES' PENSION PLAN (Continued)

Plan Membership

At December 31, 2020, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	18
Inactive plan members entitled to but not yet receiving benefits	12
Active plan members	<u>29</u>
	<u>59</u>

Benefits Provided

The Plan provides retirement, disability and death benefits to Plan members and their beneficiaries.

Retirement benefits vest after ten years of service to the Township. A Plan member is eligible to receive normal retirement benefits upon reaching age 65. The Plan has a provision for early retirement, where an employee who has reached age 62 and completed ten years of service may retire and receive a reduced benefit. The monthly retirement benefit is equal to 1.5% of average monthly compensation (compensation averaged over the highest three consecutive years out of the last ten years divided by 12) plus .5% of average monthly compensation in excess of \$1,000 multiplied by years of service credited.

A disability pension is provided if a member suffers a disability, has completed ten years of full-time employment and is eligible for a disability pension under the Federal Social Security Act. The disability pension is payable at the member's normal retirement date provided the member has remained entitled to social security disability until normal retirement. The disability pension is equal to the accrued benefit as if employment has continued to the normal retirement date at the same compensation the member received for the calendar year immediately preceding the disability date.

If eligible for retirement at the time of death, the member's spouse will receive a 50% survivor benefit. The surviving spouse's benefit is equal to 50% of the retirement benefit the member would have been receiving if the member had been retired at the time of death and had elected the joint and 50% survivor pension option.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I - NON-UNIFORMED EMPLOYEES' PENSION PLAN (Continued)

Contributions

The Township's non-uniformed employees are required to contribute a percentage of their annual compensation to the Plan. The Township is required to contribute the remaining amounts necessary to fund the Plan using the actuarial basis specified by state statute. The state also provides funds (distribution of foreign casualty insurance premium taxes) to the Township, which are used by the Township in making its regular contributions to the Plan.

Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the minimum municipal obligation (MMO), which is based on the Plan's biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer. In accordance with Act 205, the Township was required to contribute \$248,582 to the Plan for the year 2020. The Township's actual contributions for the Plan year 2020 were \$248,582.

Per resolution of the Board of Supervisors, employees are required to contribute 5.0% of covered payroll. This contribution is governed by the Plan's governing ordinances. Administrative costs, which may include, but are not limited to, investment management fees and actuarial services, are charged to the Plan and funded through the MMO and/or Plan earnings.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I - NON-UNIFORMED EMPLOYEES' PENSION PLAN (Continued)

INVESTMENTS

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Trustee/Board of Supervisors by a majority vote of its members. It is the policy of the Trustee/Board of Supervisors to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity mutual funds	39%
International equity mutual funds	21%
Fixed income corporate bonds	<u>40%</u>
	<u><u>100%</u></u>

Concentrations

As of December 31, 2020, the Plan had no individual investments that exceeded more than 5% of the Plan's total investments.

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 11.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I - NON-UNIFORMED EMPLOYEES' PENSION PLAN (Continued)

NET PENSION ASSET OF THE TOWNSHIP

The components of the net pension asset of the Township at December 31, 2020, were as follows:

Total pension liability	\$ 9,509,030
Plan fiduciary net position	<u>(9,767,359)</u>
NET PENSION ASSET	\$ <u>(258,329)</u>
 Plan fiduciary net position as a percentage of the total pension liability	 <u>102.72%</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2019, to which update procedures were applied to roll the liability forward to the December 31, 2020 measurement date, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	4.5% annual increase
Investment rate of return	7.0%

Mortality rates were based on the PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2018 to reflect mortality improvement.

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

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity mutual funds	5.5%-7.5%
International equity mutual funds	4.5%-6.5%
Fixed income corporate bonds	1.0%-3.0%

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I - NON-UNIFORMED EMPLOYEES' PENSION PLAN (Continued)

Discount Rate

The discount rate is based on the long-term expected rate of return on Plan investments that are expected to be used to finance the payments of benefits. The Plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the Plan assets are expected to be invested using a strategy to achieve that return. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus Plan expenses, as well as amortization of the unfunded liability.

Changes in the Net Pension Liability (Asset)

	<u>Governmental Activities</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Asset (a)-(b)</u>
BALANCE AT DECEMBER 31, 2019	\$ 6,136,710	\$ 5,999,717	\$ 136,993
Service cost	179,419	-	179,419
Interest	432,700	-	432,700
Changes for experience	-	-	-
Changes of assumptions	-	-	-
Contributions			
Employer	-	169,383	(169,383)
Member	-	72,312	(72,312)
Net investment income	-	689,084	(689,084)
Benefit payments	(269,393)	(269,393)	-
Administrative expense	-	(5,642)	5,642
NET CHANGES	<u>342,726</u>	<u>655,744</u>	<u>(313,018)</u>
BALANCE AT DECEMBER 31, 2020	<u>\$ 6,479,436</u>	<u>\$ 6,655,461</u>	<u>\$ (176,025)</u>

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I - NON-UNIFORMED EMPLOYEES' PENSION PLAN (Continued)

	Sewer Fund		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a)-(b)
BALANCE AT DECEMBER 31, 2019	\$ 2,620,540	\$ 2,562,040	\$ 58,500
Service cost	76,617	-	76,617
Interest	184,775	-	184,775
Contributions			
Employer	-	72,343	(72,343)
Member	-	30,879	(30,879)
Net investment income	-	294,258	(294,258)
Benefit payments	(115,039)	(115,039)	-
Administrative expense	-	(2,409)	2,409
NET CHANGES	<u>146,353</u>	<u>280,032</u>	<u>(133,679)</u>
BALANCE AT DECEMBER 31, 2020	<u>\$ 2,766,893</u>	<u>\$ 2,842,072</u>	<u>\$ (75,179)</u>

	Solid Waste Fund		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a)-(b)
BALANCE AT DECEMBER 31, 2019	\$ 248,806	\$ 243,252	\$ 5,554
Service cost	7,274	-	7,274
Interest	17,543	-	17,543
Contributions			
Employer	-	6,855	(6,855)
Member	-	2,932	(2,932)
Net investment income	-	27,938	(27,938)
Benefit payments	(10,922)	(10,922)	-
Administrative expense	-	(229)	229
NET CHANGES	<u>13,895</u>	<u>26,574</u>	<u>(12,679)</u>
BALANCE AT DECEMBER 31, 2020	<u>\$ 262,701</u>	<u>\$ 269,826</u>	<u>\$ (7,125)</u>

WEST WHITELAND TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2020

NOTE I - NON-UNIFORMED EMPLOYEES' PENSION PLAN (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Township, calculated using the discount rate of 7.0%, as well as what the Township's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Net pension liability (asset)	\$ <u>808,970</u>	\$ <u>(258,329)</u>	\$ <u>(1,218,583)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the Township recognized pension expense of \$248,582. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 22,814	\$ 8,220
Changes in assumptions	448,890	-
Difference between projected and actual investment earnings	<u>-</u>	<u>431,821</u>
	<u>\$ 471,704</u>	<u>\$ 440,041</u>

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE I - NON-UNIFORMED EMPLOYEES' PENSION PLAN (Continued)

	<u>Sewer Fund</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 9,743	\$ 3,510
Changes in assumptions	191,704	-
Difference between projected and actual investment earnings	<u>-</u>	<u>184,415</u>
	<u>\$ 201,447</u>	<u>\$ 187,925</u>

	<u>Solid Waste Fund</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 924	\$ 333
Changes in assumptions	18,182	-
Difference between projected and actual investment earnings	<u>-</u>	<u>17,491</u>
	<u>\$ 19,106</u>	<u>\$ 17,824</u>

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>
2021	\$ (40,531)	\$ (17,309)	\$ (1,642)
2022	37,430	15,985	1,516
2023	(91,832)	(39,218)	(3,720)
2024	(17,925)	(7,655)	(726)
2025	36,129	15,429	1,463
Thereafter	108,392	46,290	4,390

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE J - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Township provides medical and prescription drug insurance benefits to eligible retired employees, spouses and dependents through a single-employer defined benefit plan. The benefits, benefits level, employee contribution and employer contribution are administered by Township Supervisors and can be amended by the Township through its personnel manual and union contracts. In 2016, an irrevocable trust was established to account for the plan. The plan does not issue a stand-alone financial report.

Plan Membership

At December 31, 2020, plan membership consisted of the following:

Inactive plan members of beneficiaries currently receiving benefits	25
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	12
	41

Funding Policy

The Township negotiates the contribution percentage between the Township and employees through union contracts and its personnel policy. The required contribution rates of the employer and the members vary depending on the applicable agreement. The Township currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the Township.

Benefits Provided

Benefits are payable for members who retire after attaining age 50 with 25 years of service or retire due to a service connected disability. Officers who are hired after January 1, 2006 are not eligible for medical benefits. All officers are eligible for life insurance benefits.

Eligible retirees may participate in the employer's group medical plan. While under age 65, the group medical plan includes medical and prescription drug coverage. At ages 65 and older, the Township provides supplemental Medicare coverage through the carrier providing coverage to active officers.

If an eligible retiree has access to other medical coverage at no cost, benefits will not be paid until age 65. If an eligible retiree has access to other medical coverage for a charge, then the Township will pay a portion of the charge based on the following schedule:

- If the officer retires within his or her first year of retirement eligibility, the Township will pay 30% of the cost of basic medical benefits.
- If the officer retires within his or her second year of retirement eligibility, the Township will pay 35% of the cost of basic medical benefits.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

- If the officer retires within his or her third year of retirement eligibility, the Township will pay 40% of the cost of basic medical benefits.
- If the officer retires within his or her fourth year of retirement eligibility, the Township will pay 45% of the cost of basic medical benefits.
- If the officer retires within his or her fifth year of retirement eligibility, the Township will pay 50% of the cost of basic medical benefits.
- If the officer retires within his or her sixth year of retirement eligibility, the Township will pay 55% of the cost of basic medical benefits.
- If the officer retires within his or her seventh year of retirement eligibility, the Township will pay 60% of the cost of basic medical benefits.
- If the officer retires within his or her eighth year of retirement eligibility, the Township will pay 65% of the cost of basic medical benefits.
- If the officer retires within his or her ninth year of retirement eligibility, the Township will pay 70% of the cost of basic medical benefits.
- If the officer retires within his or her tenth year or later of retirement eligibility, the Township will pay 75% of the cost of basic medical benefits.

Eligible retirees are provided a life insurance benefit equal to one-half (1/2) of the amount of life insurance in force for the officer at the time of his or her retirement.

Spouses will receive group medical benefits until the employee is eligible for Medicare. Other dependents are not covered under the Plan.

Retiree contributions are not required under the plan.

Investments

Investment Policy - The plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Supervisors. It is the policy of the Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. As of December 31, 2020, the Boards adopted asset allocation policy was to invest in mutual funds.

Rate of Return - For the year ended December 31, 2020, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 15.54%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

WEST WHITELAND TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2020

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

Net OPEB Liability of the Township

The components of the net OPEB liability (asset) of the Township at December 31, 2020, were as follows:

Total OPEB liability	\$ 3,268,937
Plan fiduciary net position	<u>(3,563,814)</u>
NET OPEB LIABILITY (ASSET)	<u>\$ (294,877)</u>
Plan fiduciary net position as a percentage of the total OPEB asset	<u>109.02%</u>

Actuarial Assumptions

The total OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2020, to which update procedures were applied to roll the liability forward to the December 31, 2020 measurement date, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	4.5% annual increase
Investment rate of return	6.5%

Mortality rates were based on the PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2018 to reflect mortality improvement.

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

Discount Rate

The discount rate is based on the long-term expected rate of return on OPEB plan investments that is expected to be used to finance the payment of benefits. The plan's fiduciary net position is not expected to be sufficient to make projected benefit payments. For years in which benefit payments are projected to be greater than the amount of the OPEB plan's fiduciary net position, the discount rate is based on a municipal bond rate. For December 31, 2020, the long-term expected rate of return on OPEB plan investments is 6.50% and the municipal bond rate is 1.93% based on the S&P Municipal Bond 20 Year High Grade Rate Index.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

Changes in the Net OPEB Liability

	Total OPEB Liability (Asset) <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net OPEB Liability (Asset) <u>(a)-(b)</u>
BALANCE AT DECEMBER 31, 2019	\$ 3,238,476	\$ 2,398,247	\$ 840,229
Service cost	80,229	-	80,229
Interest	208,485	-	208,485
Changes for assumptions	-	-	-
Differences between expected and actual experience	(52,893)	-	(52,893)
Contributions			
Employer	-	1,005,360	(1,005,360)
Net investment income	-	377,348	(377,348)
Benefit payments	(205,360)	(205,360)	-
Administrative expense	-	(11,781)	11,781
NET CHANGES	<u>30,461</u>	<u>1,165,567</u>	<u>(1,135,106)</u>
BALANCE AT DECEMBER 31, 2020	<u>\$ 3,268,937</u>	<u>\$ 3,563,814</u>	<u>\$ (294,877)</u>

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the Township, as well as what the Township's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current discount rate:

	1% Decrease <u>(5.50%)</u>	Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
Net OPEB liability (asset)	\$ <u>(81,569)</u>	\$ <u>(294,877)</u>	\$ <u>(627,210)</u>

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease <u></u>	Healthcare Cost Trend Rate <u></u>	1% Increase <u></u>
Net OPEB liability (asset)	\$ <u>(581,881)</u>	\$ <u>(294,877)</u>	\$ <u>(133,623)</u>

WEST WHITELAND TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2020

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

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

For the year ended December 31, 2020, the Township recognized OPEB expense of \$48,338. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 119,141
Changes in assumptions	1,817	-
Difference between projected and actual investment earnings	<u>-</u>	<u>272,665</u>
	<u>\$ 1,817</u>	<u>\$ 391,806</u>

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

<u>Year Ending December 31,</u>	
2021	\$ (97,884)
2022	(69,730)
2023	(113,355)
2024	(62,252)
2025	(17,639)
Thereafter	(29,129)

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE K - RISKS AND UNCERTAINTIES (COVID-19)

The COVID-19 coronavirus pandemic led to widespread government-mandated temporary closings and capacity reductions of local stores and businesses, which led to some temporary job losses in the Township. In addition, there are some Township restaurants and retail locations that have closed permanently during the pandemic. These job losses had the potential to have an impact on the Township's Earned Income Tax (EIT) and Local Services Tax (LST) collections. The Township did not see losses in 2020 EIT and saw a small reduction in 2020 LST. It is anticipated that EIT lost due to job reductions was recouped by new residents moving into the Township, as development of new residential neighborhoods continues with strong purchase and rental rates. In addition, due to the economic uncertainty, future federal and state funding may be impacted. This could result in less money that is relied upon by Townships to fund specific programs. However, in the first quarter of 2021, the Township learned it would receive approximately \$1.9 million in American Rescue Plan funds, with 50% anticipated in June 2021 and the remainder after June 2022. The extent to which future COVID-19 coronavirus impacts the Township will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, and the actions that may be required to contain the spread or treat its impact.

REQUIRED SUPPLEMENTARY INFORMATION

WEST WHITELAND TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 9,319,176	\$ 9,319,176	\$ 9,027,982	\$ (291,194)
Fees, licenses and permits	1,446,900	1,446,900	1,068,083	(378,817)
Investment income and rent	230,000	230,000	158,686	(71,314)
Intergovernmental revenues	632,760	632,760	590,473	(42,287)
Fines and forfeitures	149,700	149,700	99,576	(50,124)
Program revenues	50,000	50,000	43,338	(6,662)
Other	107,400	107,400	74,591	(32,809)
TOTAL REVENUES	<u>11,935,936</u>	<u>11,935,936</u>	<u>11,062,729</u>	<u>(873,207)</u>
EXPENDITURES				
Current				
General government	1,306,651	1,306,651	1,206,121	100,530
Public safety	7,528,181	7,528,181	8,015,577	(487,396)
Health and human services	28,000	28,000	28,000	-
Highways and roads	896,020	896,020	744,994	151,026
Culture and recreation	395,651	395,651	307,139	88,512
TOTAL EXPENDITURES	<u>10,154,503</u>	<u>10,154,503</u>	<u>10,301,831</u>	<u>(147,328)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,781,433</u>	<u>1,781,433</u>	<u>760,898</u>	<u>(1,020,535)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	119,700	119,700	143,048	23,348
Transfers out	(1,896,400)	(1,896,400)	(4,829,386)	(2,932,986)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,776,700)</u>	<u>(1,776,700)</u>	<u>(4,686,338)</u>	<u>(2,909,638)</u>
NET CHANGE IN FUND BALANCE	4,733	4,733	(3,925,440)	(3,930,173)
FUND BALANCE AT BEGINNING OF YEAR	<u>14,910,832</u>	<u>14,910,832</u>	<u>14,910,832</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 14,915,565</u>	<u>\$ 14,915,565</u>	<u>\$ 10,985,392</u>	<u>\$ (3,930,173)</u>

See accompanying notes to the budgetary comparison schedule.

WEST WHITELAND TOWNSHIP
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2020

NOTE A - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

During September, October and November, the Township holds budget hearings for the purpose of receiving oral and written comments from interested parties in regard to the proposed budget for the following year. The Township makes available to the public its proposed operating budget for all funds. The operating budget includes proposed expenditures and the means of financing them. The Board holds public hearings, and a final budget must be prepared and adopted no later than December 31 through the passage of an ordinance.

All budget revisions require the approval of the Township Board of Supervisors. There was one budget revision made during the year for the General Fund. There were also three budget revisions made to other governmental funds during the year.

Encumbrance accounting is employed in Governmental Funds. Encumbrances (e.g., purchase orders) outstanding at year-end lapse.

All annual appropriations lapse at fiscal year-end.

NOTE B - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund incurred expenditures in excess of appropriations in the following amounts for the year ended December 31, 2020:

General Fund	
Public safety	\$ <u>487,396</u>

The excess expenditures were covered by the available fund balance in the funds.

**WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN**

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL PENSION LIABILITY			
Service cost	\$ 452,255	\$ 432,780	\$ 381,664
Interest	1,328,588	1,237,324	1,326,346
Changes for experience	-	(174,326)	-
Changes of assumptions	-	432,423	-
Benefit payments	<u>(1,060,847)</u>	<u>(1,084,612)</u>	<u>(638,221)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	719,996	843,589	1,069,789
TOTAL PENSION LIABILITY, BEGINNING	<u>18,869,147</u>	<u>18,025,558</u>	<u>16,955,769</u>
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 19,589,143</u>	<u>\$ 18,869,147</u>	<u>\$ 18,025,558</u>
PLAN FIDUCIARY NET POSITION			
Contributions			
Employer	\$ 700,132	\$ 555,811	\$ 557,577
Member	154,661	141,167	123,382
Net investment income (loss)	2,098,261	3,098,594	(845,702)
Benefit payments, including refunds of member contributions	<u>(1,060,847)</u>	<u>(1,084,612)</u>	<u>(638,221)</u>
Administrative expense	<u>(8,980)</u>	<u>(7,830)</u>	<u>(4,455)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	1,883,227	2,703,130	(807,419)
PLAN FIDUCIARY NET POSITION, BEGINNING	<u>18,616,872</u>	<u>15,913,742</u>	<u>16,721,161</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 20,500,099</u>	<u>\$ 18,616,872</u>	<u>\$ 15,913,742</u>
TOWNSHIP'S NET PENSION LIABILITY (ASSET) ENDING (a)-(b)	<u>\$ (910,956)</u>	<u>\$ 252,275</u>	<u>\$ 2,111,816</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>104.65%</u>	<u>98.66%</u>	<u>88.28%</u>
COVERED PAYROLL	<u>\$ 3,213,138</u>	<u>\$ 2,882,108</u>	<u>\$ 2,468,966</u>
TOWNSHIP'S NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	<u>-28.35%</u>	<u>8.75%</u>	<u>85.53%</u>

NOTE TO SCHEDULE

Changes of assumptions. In 2019, the tables the mortality rates were based on were updated from the IRS 2017 Static Combined Tables for Small Plans to the PubS-2010 mortality table, with incorporated rates projected generationally using Scale MP-2018 to reflect mortality improvement. In 2017, amounts reported as changes of assumptions resulted from adjustments to the assumed investment rate of return, decreasing the rate from 7.25% to 7.00%. In 2017, the tables the mortality rates were based on were updated from the RP-2000 Healthy Annuitant Mortality Tables to the IRS 2017 Static Combined Tables for Small Plans. In 2015 amounts reported as changes of assumptions resulted from adjustments to the assumed investment rate of return, decreasing the rate from 7.50% to 7.25%.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	365,229	\$ 325,957	\$ 311,921	\$ 304,541
	1,260,606	1,038,487	1,000,373	965,369
	(106,088)	-	(129,040)	-
	934,139	-	374,192	-
	<u>(636,961)</u>	<u>(715,287)</u>	<u>(617,878)</u>	<u>(573,679)</u>
	<u>1,816,925</u>	<u>649,157</u>	<u>939,568</u>	<u>696,231</u>
	<u>15,138,844</u>	<u>14,489,687</u>	<u>13,550,119</u>	<u>12,853,888</u>
\$	<u><u>16,955,769</u></u>	<u><u>15,138,844</u></u>	<u><u>14,489,687</u></u>	<u><u>13,550,119</u></u>
\$	521,903	\$ 468,924	\$ 508,820	\$ 510,278
	116,507	110,706	113,955	119,013
	2,269,516	1,192,538	(86,216)	869,666
	(636,961)	(715,287)	(617,878)	(547,500)
	<u>(14,135)</u>	<u>(13,920)</u>	<u>(14,371)</u>	<u>(10,222)</u>
	<u>2,256,830</u>	<u>1,042,961</u>	<u>(95,690)</u>	<u>941,235</u>
	<u>14,464,331</u>	<u>13,421,370</u>	<u>13,517,060</u>	<u>12,575,825</u>
\$	<u><u>16,721,161</u></u>	<u><u>14,464,331</u></u>	<u><u>13,421,370</u></u>	<u><u>13,517,060</u></u>
\$	<u><u>234,608</u></u>	<u><u>674,513</u></u>	<u><u>1,068,317</u></u>	<u><u>33,059</u></u>
	<u>98.62%</u>	<u>95.54%</u>	<u>92.63%</u>	<u>99.76%</u>
\$	<u><u>2,370,791</u></u>	<u><u>2,187,955</u></u>	<u><u>2,105,036</u></u>	<u><u>2,240,563</u></u>
	<u>9.90%</u>	<u>30.83%</u>	<u>50.75%</u>	<u>1.48%</u>

**WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN**
SCHEDULE OF POLICE PENSION PLAN
CONTRIBUTIONS
LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 700,132	\$ 555,811	\$ 557,577
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>700,132</u>	<u>555,811</u>	<u>557,577</u>
CONTRIBUTION DEFICIENCY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COVERED PAYROLL	<u>\$ 3,213,138</u>	<u>\$ 2,882,108</u>	<u>\$ 2,468,966</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	<u>21.79%</u>	<u>19.28%</u>	<u>22.58%</u>

NOTES TO SCHEDULE

Actuarially determined contribution rates are calculated by September 30 of each year for the upcoming calendar year.

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2019	1/1/2017
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	6 years	5 years
Asset valuation method	Smoothed market with a corridor of 80% to 120% of market value	Smoothed market with a corridor of 80% to 120% of market value
Inflation	3%	3%
Salary increases	4.5% annual increase	4.5% annual increase
Investment rate of return	7.00%	7.00%
Retirement age	Normal retirement age	Normal retirement age
Mortality	PubS-2010 mortality table	IRS 2017 Static Combined Table For Small Plans

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 459,349	\$ 468,924	\$ 508,820	\$ 510,278
<u>521,903</u>	<u>468,924</u>	<u>508,820</u>	<u>510,278</u>
\$ <u>62,554</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>2,370,791</u>	\$ <u>2,187,955</u>	\$ <u>2,105,036</u>	\$ <u>2,240,563</u>
<u>22.01%</u>	<u>21.43%</u>	<u>24.17%</u>	<u>22.77%</u>

1/1/2015
Entry age normal
Level dollar, closed
8 years
Smoothed market with a
corridor of 80% to 120% of
market value
3%
4.5% annual increase
7.25%
Normal retirement age
Assumed life expectancies are
based on the RP-2000 Healthy
Annuitant Mortality Table

1/1/2013
Entry age normal
Level dollar, closed
8 years
Smoothed market with a
corridor of 80% to 120% of
market value
3%
4.5% annual increase
7.5%
Normal retirement age
Assumed life expectancies are
based on the RP-2000 Healthy
Annuitant Mortality Table

WEST WHITELAND TOWNSHIP
NON-UNIFORMED EMPLOYEES' PENSION PLAN
SCHEDULE OF CHANGES IN THE NET
NON-UNIFORMED EMPLOYEES' PENSION PLAN
LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL PENSION LIABILITY			
Service cost	\$ 263,310	\$ 251,971	\$ 198,882
Interest	635,018	600,226	530,721
Changes for experience	-	31,274	-
Changes of assumptions	-	498,952	-
Benefit payments	(395,354)	(337,651)	(302,344)
NET CHANGE IN TOTAL PENSION LIABILITY	<u>502,974</u>	<u>1,044,772</u>	<u>427,259</u>
TOTAL PENSION LIABILITY, BEGINNING	<u>9,006,056</u>	<u>7,961,284</u>	<u>7,534,025</u>
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 9,509,030</u>	<u>\$ 9,006,056</u>	<u>\$ 7,961,284</u>
PLAN FIDUCIARY NET POSITION			
Contributions			
Employer	\$ 248,582	\$ 141,778	\$ 135,959
Member	106,123	112,341	109,600
Net investment income (loss)	1,011,279	1,469,429	(398,447)
Benefit payments, including refunds of member contributions	(395,354)	(337,651)	(302,344)
Administrative expense	(8,280)	(7,830)	(8,189)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	<u>962,350</u>	<u>1,378,067</u>	<u>(463,421)</u>
PLAN FIDUCIARY NET POSITION, BEGINNING	<u>8,805,009</u>	<u>7,426,942</u>	<u>7,890,363</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 9,767,359</u>	<u>\$ 8,805,009</u>	<u>\$ 7,426,942</u>
TOWNSHIP'S NET PENSION LIABILITY (ASSET) ENDING (a)-(b)	<u>\$ (258,329)</u>	<u>\$ 201,047</u>	<u>\$ 534,342</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>102.72%</u>	<u>97.77%</u>	<u>93.29%</u>
COVERED PAYROLL	<u>\$ 2,155,265</u>	<u>\$ 2,031,350</u>	<u>\$ 2,131,614</u>
TOWNSHIP'S NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	<u>-11.99%</u>	<u>9.90%</u>	<u>25.07%</u>

NOTE TO SCHEDULE

Changes in assumptions. In 2019, the tables the mortality rates were based on were updated from the IRS 2017 Static Combined Tables for Small Plans to the PubG-2010 mortality table, with incorporated rates projected generationally using Scale MP-2018 to reflect mortality improvement. In 2017, amounts reported as changes of assumptions resulted from adjustments to the assumed investment rate of return, decreasing the rate from 7.50% to 7.00%. In 2017, the tables the mortality rates were based on were updated from the RP-2000 Healthy Annuitant Mortality Tables to the IRS 2017 Static Combined Tables for Small Plans. In 2015 amounts reported as changes of assumptions resulted from adjustments to the assumed investment rate of return, decreasing the rate from 7.50% to 7.25%.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	190,318	\$ 182,220	\$ 174,375	\$ 158,027
	502,622	451,059	421,628	403,386
	19,745	-	(84,453)	-
	554,863	-	152,705	-
	(297,829)	(216,517)	(179,290)	(238,586)
	<u>969,719</u>	<u>416,762</u>	<u>484,965</u>	<u>322,827</u>
	<u>6,564,306</u>	<u>6,147,544</u>	<u>5,662,579</u>	<u>5,339,752</u>
\$	<u><u>7,534,025</u></u>	<u><u>6,564,306</u></u>	<u><u>6,147,544</u></u>	<u><u>5,662,579</u></u>
\$	88,290	\$ 65,927	\$ 76,271	\$ 76,501
	101,901	96,415	94,827	87,490
	1,100,351	578,647	(39,035)	428,177
	(297,829)	(216,517)	(179,290)	(238,586)
	(12,575)	(10,801)	(13,787)	(6,182)
	<u>980,138</u>	<u>513,671</u>	<u>(61,014)</u>	<u>347,400</u>
	<u>6,910,225</u>	<u>6,396,554</u>	<u>6,457,568</u>	<u>6,110,168</u>
\$	<u><u>7,890,363</u></u>	<u><u>6,910,225</u></u>	<u><u>6,396,554</u></u>	<u><u>6,457,568</u></u>
\$	<u><u>(356,338)</u></u>	<u><u>(345,919)</u></u>	<u><u>(249,010)</u></u>	<u><u>(794,989)</u></u>
	<u>104.73%</u>	<u>105.27%</u>	<u>104.05%</u>	<u>114.04%</u>
\$	<u><u>2,094,143</u></u>	<u><u>1,759,223</u></u>	<u><u>1,893,115</u></u>	<u><u>1,638,392</u></u>
	<u><u>-17.02%</u></u>	<u><u>-19.66%</u></u>	<u><u>-13.15%</u></u>	<u><u>-48.52%</u></u>

**WEST WHITELAND TOWNSHIP
NON-UNIFORMED EMPLOYEES' PENSION PLAN
SCHEDULE OF NON-UNIFORMED EMPLOYEES'
PENSION PLAN CONTRIBUTIONS
LAST SEVEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 248,582	\$ 141,778	\$ 135,959
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>248,582</u>	<u>141,778</u>	<u>135,959</u>
CONTRIBUTION DEFICIENCY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COVERED PAYROLL	<u>\$ 2,155,265</u>	<u>\$ 2,031,350</u>	<u>\$ 2,131,614</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	<u>11.53%</u>	<u>6.98%</u>	<u>6.38%</u>

NOTES TO SCHEDULE

Valuation date	1/1/2019	1/1/2017
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	15 years	12 years
Asset valuation method	Smoothed market with a corridor of 80% to 120% of market value	Smoothed market with a corridor of 80% to 120% of market value
Inflation	3%	3%
Salary increases	4.5% annual increase	4.5% annual increase
Investment rate of return	7.00%	7.00%
Retirement age	Normal retirement age	Normal retirement age
Mortality	PubG-2010 mortality table	IRS 2017 Static Combined Table for Small Plans

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 63,337	\$ 65,927	\$ 76,271	\$ 76,501
<u>88,290</u>	<u>65,927</u>	<u>76,271</u>	<u>76,501</u>
\$ <u>24,953</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>2,094,143</u>	\$ <u>1,759,223</u>	\$ <u>1,893,115</u>	\$ <u>1,638,392</u>
<u>4.22%</u>	<u>3.75%</u>	<u>4.03%</u>	<u>4.67%</u>

1/1/2015	1/1/2013
Entry age normal	Entry age normal
Level dollar, closed	Level dollar, closed
N/A	N/A
Smoothed market with a	Smoothed market with a
corridor of 80% to 120% of	corridor of 80% to 120% of
market value	market value
3%	3%
4.5% annual increase	4.5% annual increase
7.50%	7.25%
Normal retirement age	Normal retirement age
Assumed life expectancies	Assumed life expectancies
based on the RP-2000 Healthy	based on the RP-2000 Healthy
Annuitant Mortality Table	Annuitant Mortality Table

WEST WHITELAND TOWNSHIP
SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFIT
PLAN LIABILITY AND RELATED RATIOS
LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 80,229	\$ 76,621	\$ 101,666	\$ 97,288
Interest	208,485	203,929	238,585	231,536
Changes for experience	(52,893)	-	(108,188)	-
Changes of assumptions	-	2,335	-	-
Changes of benefit terms	-	-	(508,946)	-
Benefit payments	<u>(205,360)</u>	<u>(229,444)</u>	<u>(233,384)</u>	<u>(214,531)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	30,461	53,441	(510,267)	114,293
TOTAL OPEB LIABILITY, BEGINNING	<u>3,238,476</u>	<u>3,185,035</u>	<u>3,695,302</u>	<u>3,581,009</u>
TOTAL OPEB LIABILITY, ENDING (a)	<u>\$ 3,268,937</u>	<u>\$ 3,238,476</u>	<u>\$ 3,185,035</u>	<u>\$ 3,695,302</u>
PLAN FIDUCIARY NET POSITION				
Contributions				
Employer	\$ 1,005,360	\$ 394,544	\$ 450,384	\$ 214,531
Net investment income (loss)	377,348	381,594	(97,382)	239,526
Benefit payments	(205,360)	(229,444)	(233,384)	(214,531)
Refunds of contributions	-	-	-	(80,091)
Administrative expense	<u>(11,781)</u>	<u>(11,703)</u>	<u>(10,576)</u>	<u>(9,510)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	1,165,567	534,991	109,042	149,925
PLAN FIDUCIARY NET POSITION, BEGINNING	<u>2,398,247</u>	<u>1,863,256</u>	<u>1,754,214</u>	<u>1,604,289</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 3,563,814</u>	<u>\$ 2,398,247</u>	<u>\$ 1,863,256</u>	<u>\$ 1,754,214</u>
TOWNSHIP'S NET OPEB LIABILITY (ASSET) ENDING (a)-(b)	<u>\$ (294,877)</u>	<u>\$ 840,229</u>	<u>\$ 1,321,779</u>	<u>\$ 1,941,088</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY (ASSET)	<u>109.02%</u>	<u>74.05%</u>	<u>58.50%</u>	<u>47.47%</u>
COVERED PAYROLL	<u>\$ 2,753,426</u>	<u>\$ 2,373,986</u>	<u>\$ 2,373,986</u>	<u>\$ 2,323,599</u>
TOWNSHIP'S NET OPEB LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	<u>-10.71%</u>	<u>35.39%</u>	<u>55.68%</u>	<u>83.54%</u>

WEST WHITELAND TOWNSHIP
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFIT
PLAN CONTRIBUTIONS
LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ 205,360	\$ 229,444	\$ 233,384	\$ 214,531
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	<u>205,360</u>	<u>229,444</u>	<u>233,384</u>	<u>214,531</u>
CONTRIBUTION EXCESS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COVERED PAYROLL	<u>\$ 2,753,426</u>	<u>\$ 2,373,986</u>	<u>\$ 2,373,986</u>	<u>\$ 2,323,599</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	<u>7.46%</u>	<u>9.66%</u>	<u>9.83%</u>	<u>9.23%</u>

WEST WHITELAND TOWNSHIP

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFIT

PLAN INVESTMENT RETURNS

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	<u>15.54%</u>	<u>20.47%</u>	<u>-5.34%</u>	<u>15.77%</u>

SUPPLEMENTARY INFORMATION SECTION

WEST WHITELAND TOWNSHIP
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Capital Projects Funds				Total Capital Projects Funds	Total Other Governmental Funds
	Township Equipment Fund	Technology Fund	WWFC Equipment Fund	Open Space Fund		
ASSETS						
Cash and cash equivalents	\$ 636,223	\$ 250,191	\$ 547,353	\$ 1,210,558	\$ 2,644,325	\$ 2,644,325
Investments	530,015	43,112	736,385	539,484	1,848,996	1,848,996
TOTAL ASSETS	\$ 1,166,238	\$ 293,303	\$ 1,283,738	\$ 1,750,042	\$ 4,493,321	\$ 4,493,321
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 9,347	\$ 18,947	\$ -	\$ -	\$ 28,294	\$ 28,294
FUND BALANCES						
Restricted						
Open space acquisition and improvement	-	-	-	1,750,042	1,750,042	1,750,042
Assigned						
Capital projects	1,156,891	274,356	1,283,738	-	2,714,985	2,714,985
TOTAL FUND BALANCES	1,156,891	274,356	1,283,738	1,750,042	4,465,027	4,465,027
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,166,238	\$ 293,303	\$ 1,283,738	\$ 1,750,042	\$ 4,493,321	\$ 4,493,321

WEST WHITELAND TOWNSHIP

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

	Capital Projects Funds					Total Other Governmental Funds
	Township Equipment Fund	Technology Fund	WWFC Equipment Fund	Open Space Fund	Total Capital Projects Funds	
REVENUES						
Investment income and rent	\$ 8,509	\$ 1,109	\$ 14,488	\$ 17,418	\$ 41,524	\$ 41,524
Other	-	-	-	2,000	2,000	2,000
TOTAL REVENUES	<u>8,509</u>	<u>1,109</u>	<u>14,488</u>	<u>19,418</u>	<u>43,524</u>	<u>43,524</u>
EXPENDITURES						
Current						
General government	-	273,455	-	-	273,455	273,455
Public safety	-	-	42,979	-	42,979	42,979
Highways and roads	333,509	-	-	-	333,509	333,509
Culture and recreation	-	-	-	791	791	791
TOTAL EXPENDITURES	<u>333,509</u>	<u>273,455</u>	<u>42,979</u>	<u>791</u>	<u>650,734</u>	<u>650,734</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(325,000)</u>	<u>(272,346)</u>	<u>(28,491)</u>	<u>18,627</u>	<u>(607,210)</u>	<u>(607,210)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of fixed assets	117,582	-	-	-	117,582	117,582
Transfers in	580,000	296,700	170,000	-	1,046,700	1,046,700
Transfers out	-	-	-	(51,084)	(51,084)	(51,084)
TOTAL OTHER FINANCING SOURCES (USES)	<u>697,582</u>	<u>296,700</u>	<u>170,000</u>	<u>(51,084)</u>	<u>1,113,198</u>	<u>1,113,198</u>
NET CHANGE IN FUND BALANCES	<u>372,582</u>	<u>24,354</u>	<u>141,509</u>	<u>(32,457)</u>	<u>505,988</u>	<u>505,988</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>784,309</u>	<u>250,002</u>	<u>1,142,229</u>	<u>1,782,499</u>	<u>3,959,039</u>	<u>3,959,039</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,156,891</u>	<u>\$ 274,356</u>	<u>\$ 1,283,738</u>	<u>\$ 1,750,042</u>	<u>\$ 4,465,027</u>	<u>\$ 4,465,027</u>

WEST WHITELAND TOWNSHIP

COMBINING SCHEDULE OF FIDUCIARY NET POSITION

PENSION TRUST FUNDS

DECEMBER 31, 2020

	Pension Trust Funds		
	<u>Non-Uniformed Employees' Pension Fund</u>	<u>Police Pension Fund</u>	<u>Total Pension Trust Funds</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 123,587	\$ 288,203	\$ 411,790
Investments, at fair value			
Mutual funds	6,060,977	12,555,677	18,616,654
Corporate bonds	3,335,103	6,977,068	10,312,171
Prepaid expenses	-	64,841	64,841
Receivables	233,656	700,132	933,788
TOTAL ASSETS	<u>9,753,323</u>	<u>20,585,921</u>	<u>30,339,244</u>
LIABILITIES			
Accounts payable	<u>-</u>	<u>77,354</u>	<u>77,354</u>
NET POSITION			
Restricted for pensions	<u>\$ 9,753,323</u>	<u>\$ 20,508,567</u>	<u>\$ 30,261,890</u>

WEST WHITELAND TOWNSHIP**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION****PENSION TRUST FUNDS****YEAR ENDED DECEMBER 31, 2020**

	Pension Trust Funds		
	Non-Uniformed Employees' Pension Fund	Police Pension Fund	Total Pension Trust Funds
ADDITIONS			
Contributions			
Member contributions	\$ 106,123	\$ 154,661	\$ 260,784
Employer contributions	248,582	700,132	948,714
TOTAL CONTRIBUTIONS	<u>354,705</u>	<u>854,793</u>	<u>1,209,498</u>
Investment income			
Net decrease in fair value of investments	870,840	1,801,746	2,672,586
Interest and dividends	154,468	322,318	476,786
TOTAL INVESTMENT INCOME	<u>1,025,308</u>	<u>2,124,064</u>	<u>3,149,372</u>
Investment expense	<u>(14,029)</u>	<u>(25,803)</u>	<u>(39,832)</u>
INVESTMENT INCOME, NET	<u>1,011,279</u>	<u>2,098,261</u>	<u>3,109,540</u>
TOTAL ADDITIONS	<u>1,365,984</u>	<u>2,953,054</u>	<u>4,319,038</u>
DEDUCTIONS			
Actuary fees	5,780	6,480	12,260
Miscellaneous	2,500	2,500	5,000
Benefits	409,390	1,052,379	1,461,769
TOTAL DEDUCTIONS	<u>417,670</u>	<u>1,061,359</u>	<u>1,479,029</u>
CHANGE IN NET POSITION	948,314	1,891,695	2,840,009
NET POSITION AT BEGINNING OF YEAR	<u>8,805,009</u>	<u>18,616,872</u>	<u>27,421,881</u>
NET POSITION AT END OF YEAR	<u>\$ 9,753,323</u>	<u>\$ 20,508,567</u>	<u>\$ 30,261,890</u>