



**WEST WHITELAND TOWNSHIP
BOARD OF SUPERVISORS
Agenda
Wednesday, May 9, 2018
6:30 p.m.**

Call To Order
Pledge of Allegiance

ANNOUNCEMENTS:

PUBLIC COMMENT:

CONSENT:

1. Approval of April 25, 2018 Minutes
2. Accounts Payable Warrant Report
3. Resolution 2018-xx Disposition of Media

NEW BUSINESS:

1. Discussion on the "Pay as you Throw" Trash System
2. Resolution 2018-xx Tapping Fees
3. Authorization to Advertise Road Work Bid
4. Review of Township Financial Statements

Adjournment

Next Meeting: May 23, 2018
Next Ordinance: 442
Next Resolution: 22

MEMORANDUM



TO: Board of Supervisors
FROM: Mimi Gleason
DATE: May 4, 2018
SUBJECT: Consent Agenda

Recommended Motion:

To approve the Consent Agenda consisting of the April 25, 2018 Minutes, the Accounts Payable Warrant Report dated May 9, 2018, and Resolution 2018-xx Disposition of Media.

Background:

A consent agenda groups the routine, procedural, informational and self-explanatory, non-controversial items typically found in an agenda. These items are then presented to the Board in a single motion for an up or down vote after allowing anyone to request that a specific item be moved to the full agenda for individual attention. Other items, particularly those requiring strategic thought, decision making or action, are handled as regular agenda items with full discussion. All items on the consent portion of the agenda are still open to discussion and debate if a Board member requests they be moved to the full agenda.

**WEST WHITELAND TOWNSHIP
ACCOUNTS PAYABLE WARRANT REPORT**

CHECK # 60017 TO 60070

DATE 05/09/2018

WARRANT 05092018

GENERAL FUND	87,288.07
SEWER FUND	6,160.68
NON-UNIFORMED PENSION PLAN	2,500.00
SOLID WASTE FUND	21.06
LIQUID FUELS FUND	1,334.50
POST RETIREMENT MEDICAL FUND	384.48
POLICE PENSION PLAN FUND	2,500.00
PUBLIC SERVICE FUND	7,405.45
TECHNOLOGY FUND	39,274.75
SUBTOTAL	146,868.99

EXECUTIVE PROCUREMENT CARD - APRIL 2018 EXPENSES PC050918

GENERAL FUND	1,471.29
SUBTOTAL	1,471.29

ACCOUNTS PAYABLE PROCUREMENT CARD - APRIL 2018 EXPENSES TC050918

GENERAL FUND	17,446.46
SEWER FUND	1,800.68
SOLID WASTE FUND	122,626.88
TECHNOLOGY FUND	1,949.12
SUBTOTAL	143,823.14

TOTAL **292,163.42**

APPROVED BY THE BOARD OF SUPERVISORS

DATE

THERESA SANTALUCIA

MICHELE MOLL

ELIZABETH JONES

West Whiteland Township Paid Warrant Report - #05092018

VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
4589 - 21ST CENTURY MEDIA - PHILLY CLUSTER	3/19/2018	60017	1544341	014140 3341		LEGAL NOTICE	516.56	
	3/19/2018	60017	1544519	014140 3341		LEGAL NOTICE	278.28	
	4/2/2018	60017	1558903	024290 3341		PUBLIC NOTICE	595.08	
	4/2/2018	60017	1558912	014010 3341		PUBLIC NOTICE	208.35	
						VENDOR TOTAL	1,598.27	7,176.82
1624 - AMERICAN PLANNING ASSOCIATION	4/6/2018	60018	052770-1841	014140 3420		ANNUAL MEMBERSHIP	665.00	
						VENDOR TOTAL	665.00	1,085.00
5310 - APPLIED VIDEO TECHNOLOGY, INC.	4/19/2018	60019	19017	706800 3707		AV SYSTEM	35,481.00	
						VENDOR TOTAL	35,481.00	35,481.00
2384 - AQUA PA	4/19/2018	60020	WH-1935296	024290 3807		SEWER BILLING	408.00	
						VENDOR TOTAL	408.00	56,263.50
569 - ASSOCIATED TRUCK PARTS	4/16/2018	60021	226582	014300 3245		PW SUPPLIES	86.89	
	4/17/2018	60021	226700	014300 3245		PW SUPPLIES	12.59	
	4/26/2018	60021	229108	014300 3245		FLEET SUPPLIES/EAGER BEAVER TRAILER	8.64	
						VENDOR TOTAL	108.12	158.70
3128 - BILLOWS ELECTRIC SUPPLY	4/6/2018	60022	3912491-00	024290 3245		SEWER SUPPLIES/GMPS	24.90	
						VENDOR TOTAL	24.90	289.00

West Whiteland Township Paid Warrant Report - #05092018

VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
4010 - BUCKMAN'S INC.	4/13/2018	60023	650489	024290 3245		HYPOCHLORITE FOR WWPS	573.34	
						VENDOR TOTAL	573.34	2,000.89
2862 - C & N AUTOMOTIVE INC	4/27/2018	60024	19339	014100 3490		FLEET MAINTENANCE	25.00	
						VENDOR TOTAL	25.00	203.30
231 - CAPP USA	4/12/2018	60025	S2197938.001	024290 3374		FLOMATCHER SWITCH/CMPS	229.53	
						VENDOR TOTAL	229.53	229.53
5280 - CARROLL ENGINEERING CORPORATION	4/19/2018	60026	209292	024290 3313		TAPPING FEES	1,239.50	
						VENDOR TOTAL	1,239.50	6,677.76
1143 - CONTROLEX SERVICE CORPORATION	4/4/2018	60027	18-093	024290 3450		FLOW METER CALIBRATIONS/CMPS	720.00	
	4/4/2018	60027	18-094	024290 3374		SEWER EQUIP MAINT/GMPS	720.00	
						VENDOR TOTAL	1,440.00	7,295.00
4415 - DEARBORN NATIONAL	3/16/2018	60028	F012698-1APR18	014010 3158		LIFE INSURANCE/APR 2018	49.99	
	4/17/2018	60028	F012698-1MAY18	014010 3158		LIFE INSURANCE/MAY 2018	49.99	
	3/16/2018	60028	F012698-1APR18	014050 3158		LIFE INSURANCE/APR 2018	72.23	
	4/17/2018	60028	F012698-1MAY18	014050 3158		LIFE INSURANCE/MAY 2018	72.23	
	3/16/2018	60028	F012698-1APR18	014100 3158		LIFE INSURANCE/APR 2018	739.31	

West Whiteland Township Paid Warrant Report - #05092018

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4415 - DEARBORN NATIONAL	4/17/2018	60028	F012698-1MAY18	014100 3158		LIFE INSURANCE/MAY 2018	628.51	
	3/16/2018	60028	F012698-1APR18	014130 3158		LIFE INSURANCE/APR 2018	56.10	
	4/17/2018	60028	F012698-1MAY18	014130 3158		LIFE INSURANCE/MAY 2018	68.70	
	3/16/2018	60028	F012698-1APR18	014140 3158		LIFE INSURANCE/APR 2018	51.80	
	4/17/2018	60028	F012698-1MAY18	014140 3158		LIFE INSURANCE/MAY 2018	51.80	
	3/16/2018	60028	F012698-1APR18	014300 3158		LIFE INSURANCE/APR 2018	174.48	
	4/17/2018	60028	F012698-1MAY18	014300 3158		LIFE INSURANCE/MAY 2018	157.91	
	3/16/2018	60028	F012698-1APR18	014520 3158		LIFE INSURANCE/APR 2018	49.30	
	4/17/2018	60028	F012698-1MAY18	014520 3158		LIFE INSURANCE/MAY 2018	49.30	
	3/16/2018	60028	F012698-1APR18	024290 3158		LIFE INSURANCE/APR 2018	210.24	
	4/17/2018	60028	F012698-1MAY18	024290 3158		LIFE INSURANCE/MAY 2018	210.24	
	3/16/2018	60028	F012698-1APR18	124310 3158		LIFE INSURANCE/APR 2018	10.53	
	4/17/2018	60028	F012698-1MAY18	124310 3158		LIFE INSURANCE/MAY 2018	10.53	
	3/16/2018	60028	F012698-1APR18	404500 3158		LIFE INSURANCE/APR 2018	163.82	
	4/17/2018	60028	F012698-1MAY18	404500 3158		LIFE INSURANCE/MAY 2018	163.82	
						VENDOR TOTAL	3,040.83	9,437.62
2398 - DOWNINGTOWN AUTO SUPPLY	3/6/2018	60029	6-979940	014300 3245		PW SUPPLIES	101.62	
						VENDOR TOTAL	101.62	2,433.11

West Whiteland Township Paid Warrant Report - #05092018

VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
820 - E.M. KUTZ INC.	3/9/2018	60030	23052	014300 3245		PW SUPPLIES	520.40	
						VENDOR TOTAL	520.40	1,719.35
1527 - EAGLE POWER & EQUIPMENT, CORP	4/25/2018	60031	T453052	014300 3245		PW SUPPLIES	72.00	
						VENDOR TOTAL	72.00	30,056.24
5322 - ECOSERVICES, LLC	4/18/2018	60032	2290	655650 3450		ASBESTOS ABATEMENT	2,490.00	
						VENDOR TOTAL	2,490.00	2,490.00
200 - ELAINE G PARRISH RPR	3/30/2018	60033	032818	014140 3316		PROFESSIONAL SERVICES/BOS	707.00	
	4/12/2018	60033	033018	014140 3316		PROFESSIONAL SERVICES/ZHB	1,031.50	
						VENDOR TOTAL	1,738.50	5,096.50
2399 - FISHER & SON CO INC	4/24/2018	60034	0000183922-IN	014520 3245		PARKS SUPPLIES	416.50	
						VENDOR TOTAL	416.50	416.50
4023 - G & A CLANTON, INC	4/13/2018	60035	27736	014300 3365		PW SUPPLIES	62.45	
						VENDOR TOTAL	62.45	98.80
3608 - GALLS, LLC	4/11/2018	60036	009697517	014100 3238		POLICE UNIFORMS	160.13	
	4/12/2018	60036	009707820	014100 3238		POLICE UNIFORMS	129.20	
	4/13/2018	60036	009716774	014100 3238		POLICE UNIFORMS	1,243.71	
						VENDOR TOTAL	1,533.04	2,897.51

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VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
103 - GAWTHROP GREENWOOD, PC	4/11/2018	60037	193654	014140 3314		PROFESSIONAL SERVICES/242 NAMAR AVE	690.50	
	4/11/2018	60037	193655	014140 3314		PROFESSIONAL SERVICES/WCASD 301 HENDRICKS AVE	1,116.00	
	4/11/2018	60037	193656	014140 3314		PROFESSIONAL SERVICES/PAC STRAPPING	400.00	
	4/11/2018	60037	193657	014140 3314		PROFESSIONAL SERVICES/CROWN CASTLE, 13 DAS NODES	1,060.00	
	4/11/2018	60037	193658	014140 3314		PROFESSIONAL SERVICES/211 SUSSEX RD	60.00	
	4/11/2018	60037	193659	014140 3314		PROFESSIONAL SERVICES/1343 SWEET BRIAR RD	60.00	
	4/11/2018	60037	193660	014140 3314		PROFESSIONAL SERVICES/225 REFORD LANE	60.00	
						VENDOR TOTAL	3,446.50	5,046.50
594 - GRAINGER	4/12/2018	60038	9755645711	024290 3374		SEWER SUPPLIES/CMPS	495.23	
	4/16/2018	60038	9758914825	024290 3245		SEWER SUPPLIES/CMPS	69.60	
	4/16/2018	60038	9758914825	024290 3245		SEWER SUPPLIES	53.90	
						VENDOR TOTAL	618.73	1,294.43
5069 - GREEN FIG LAND COMPANY, LLC	4/17/2018	60039	1004	655650 3313		PA RACP GRANT APPLICATION FEE	250.00	
						VENDOR TOTAL	250.00	250.00

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63 - HANSON AGGREGATES PENNA INC	4/20/2018	60040	3289871	014520 3245		PARKS SUPPLIES/EXTON PARK	313.02	
						VENDOR TOTAL	313.02	1,250.95
147 - HIGHWAY MATERIALS INC	4/5/2018	60041	61300	014300 3680		PW SUPPLIES	663.44	
	4/10/2018	60041	62088	014300 3680		PW SUPPLIES	100.20	
						VENDOR TOTAL	763.64	1,037.77
581 - HOME DEPOT CREDIT SERVICES	3/27/2018	60042	2020921	014300 3245		PW SUPPLIES	37.94	
	3/13/2018	60042	6010764	014520 3245		PARKS SUPPLIES	337.34	
	3/29/2018	60042	75620	014092 3245		MUNICIPAL BLDG SUPPLIES	196.31	
						VENDOR TOTAL	571.59	2,809.33
5332 - INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE, INC	4/14/2018	60043	32201	014100 3245		ANNUAL SUBSCRIPTION	875.00	
						VENDOR TOTAL	875.00	875.00
4216 - INTERSTATE BATTERIES OF DELAWARE VALLEY	4/24/2018	60044	96755	014130 3490		FLEET SUPPLIES	94.95	
						VENDOR TOTAL	94.95	1,572.40
53 - JOHN A KRISCH JR	4/23/2018	60045	042318	014100 3238		REIMBURSEMENT	32.50	
						VENDOR TOTAL	32.50	32.50
5333 - KEYSTONE COLLECTIONS GROUP	3/27/2018	60046	032718	014030 3450		REAL ESTATE TAX 2018	13,034.00	
	4/17/2018	60046	041718	014030 3325		REAL ESTATE POSTAGE/Q1 2018	72.49	

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5333 - KEYSTONE COLLECTIONS GROUP	3/27/2018	60046	032718	014030 3325		REAL ESTATE TAX 2018	2,467.00	
	3/27/2018	60046	032718	014030 3342		REAL ESTATE TAX 2018	1,134.84	
						VENDOR TOTAL	16,708.33	16,708.33
2901 - LAMB MCERLANE PC	3/10/2018	60047	161676	011000 1451	Y	HANKIN - CHANDLER TRACT	102.50	
	3/10/2018	60047	161677	011000 1451	Y	ALDI LAND DEVELOPMENT	680.50	
	3/10/2018	60047	161679	011000 1451	Y	PR EXTON SQUARE PROPERTY LP CU	51.25	
	3/10/2018	60047	161682	014140 3314		ARRANDALE AT OAKLANDS	358.75	
	3/10/2018	60047	161683	011000 1451	Y	SORT PARTNERSHIP/302 NATIONAL ROAD	102.50	
	3/10/2018	60047	161686	011000 1451	Y	CATALYST/CURATIVE AMEND FOR ELECT BILLBOARDS	622.07	
	4/10/2018	60047	161905	011000 1451	Y	DELUCA HOMES/GLEN LOCH II CONDITIONAL USE APP	153.75	
	4/10/2018	60047	161906	011000 1451	Y	POTTSTOWN PIKE MINI STORAGE/MCKEE GROUP	153.75	
	4/10/2018	60047	161907	011000 1451	Y	FEDEX GROUND PACKAGE SYSTEM INC.	2,818.75	
4/10/2018	60047	161908	011000 1451	Y	HANOVER R.S. LP	1,845.00		

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2901 - LAMB MCERLANE PC	4/10/2018	60047	161909	011000 1451	Y	ROYAL PAPER PRODUCTS	153.75	
	4/10/2018	60047	161911	011000 1451	Y	CATALYST/CURATIVE AMENDMENT FOR ELECT BILLBOARDS	153.75	
	4/10/2018	60047	161912	014140 3314		CROWN CASTLE ZONING VALIDITY CHALLENGE	102.50	
						VENDOR TOTAL	7,298.82	106,589.70
2606 - MAILLIE LLP	3/31/2018	60048	1000073925	014050 3311		2017 AUDIT SERVICES	15,000.00	
	3/31/2018	60048	1000073925	094900 3311		2017 AUDIT SERVICES	2,500.00	
	3/31/2018	60048	1000073925	605600 3311		2017 AUDIT SERVICES	2,500.00	
						VENDOR TOTAL	20,000.00	20,000.00
25 - MARCHWOOD HARDWARE	4/27/2018	60049	036967	014092 3245		MUNICIPAL BLDG SUPPLIES	51.70	
						VENDOR TOTAL	51.70	1,001.86
322 - MARTIN STONE QUARRIES INC	4/16/2018	60050	196566	014520 3245		PARKS SUPPLIES	186.94	
						VENDOR TOTAL	186.94	186.94
2979 - MC GOVERN ENVIRONMENTAL LLC	4/9/2018	60051	E-2118078	024290 3450		GRIT REMOVAL	415.00	
						VENDOR TOTAL	415.00	4,521.25
455 - NORMAN SHIRK	4/29/2018	60052	042918	014520 3191		REIMBURSEMENT	150.00	
						VENDOR TOTAL	150.00	459.69

West Whiteland Township Paid Warrant Report - #05092018

VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
1870 - PA STATE ASSOCIATION OF BOROUGHES	4/23/2018	60056	47151	014300 3422		MEMBERSHIP FEE	135.00	
						VENDOR TOTAL	135.00	260.00
3411 - PAY FLEX SYSTEMS USA INC	4/12/2018	60053	114061-1133150	014010 3157		HRA FEE/APR 2018	19.51	
	4/12/2018	60053	114061-1133150	014050 3157		HRA FEE/APR 2018	19.51	
	4/12/2018	60053	114061-1133150	014100 3157		HRA FEE/APR 2018	131.70	
	4/12/2018	60053	114061-1133150	014130 3157		HRA FEE/APR 2018	19.51	
	4/12/2018	60053	114061-1133150	014140 3157		HRA FEE/APR 2018	9.76	
	4/12/2018	60053	114061-1133150	014300 3157		HRA FEE/APR 2018	34.14	
	4/12/2018	60053	114061-1133150	014520 3157		HRA FEE/APR 2018	9.76	
	4/12/2018	60053	114061-1133150	024290 3157		HRA FEE/APR 2018	29.27	
	4/12/2018	60053	114061-1133150	404500 3157		HRA FEE/APR 2018	56.84	
	4/12/2018	60053	114061-1133150	014050 3807		HRA FEE/APR 2018	(39.00)	
						VENDOR TOTAL	291.00	2,681.00
268 - PEP BOYS	4/19/2018	60054	01581062572	014300 3245		PW SUPPLIES	18.99	
						VENDOR TOTAL	18.99	1,776.33
3596 - PETROLEUM TRADERS CORPORATION	4/11/2018	60055	1249890	011000 1449		DIESEL/520.9	945.69	
						VENDOR TOTAL	945.69	11,671.37

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262 - SCREENING ROOM INC	4/5/2018	60057	22851	014300 3245		PW SUPPLIES/EAGER BEAVER TRAILER	125.00	
						VENDOR TOTAL	125.00	360.00
37 - SIGNAL SERVICE INC	4/2/2018	60058	27492	354380 3456		SIGNAL MAINT/RT 100 & COMMERCE	206.00	
	4/2/2018	60058	27493	354380 3456		SIGNAL MAINT/COMMERCE & MAIN	95.00	
	4/16/2018	60058	27574	354380 3456		SIGNAL MAINTENANCE/RT 30 & 100	735.00	
	4/10/2018	60058	27575	354380 3456		SIGNAL MAINTENANCE/RT 100 & BYPASS RAMP E/B	103.50	
	4/10/2018	60058	27576	354380 3456		SIGNAL MAINTENANCE/SWEDES FORD & SHIP	95.00	
	4/5/2018	60058	27577	354380 3456		SIGNAL MAINTENANCE/RT 100 & SWEDES FORD	100.00	
						VENDOR TOTAL	1,334.50	37,210.90
41 - SPOTTS STEVENS & MCCOY INC	3/27/2018	60059	0258043	011000 1451	Y	PLAN REVIEW/MINI LP SELF STORAGE	1,193.75	
	3/27/2018	60059	0258044	011000 1451	Y	PLAN REVIEW/FEDEX GROUND PARKING EXPANSION	705.00	
	3/27/2018	60059	0258045	011000 1451	Y	PLAN REVIEW/HORN PLUMBING-SORT PARTNERSHIP	180.75	
	3/27/2018	60059	0258046	011000 1451	Y	PLAN REVIEW/HANOVER EXTON SQUARE	676.80	

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41 - SPOTTS STEVENS & MCCOY INC	3/27/2018	60059	0258047	011000 1451	Y	PLAN REVIEW/KING INDUSTRIAL	719.25	
	3/27/2018	60059	0258048	011000 1451	Y	PLAN REVIEW/BRANDOLINI SUBDIVISION	3,226.75	
	3/27/2018	60059	0258049	011000 1451	Y	PLAN REVIEW/ENTERPRISE NEW TRUCK FACILITY	331.55	
	3/27/2018	60059	0258050	011000 1451	Y	2018 MISC ASSIGNMENTS/SUNOCO	1,324.00	
						VENDOR TOTAL	8,357.85	148,963.50
4816 - SYSTEMS SOLUTIONS, INC.	4/12/2018	60060	1323219-IN	706800 3707		IT SUPPLIES	1,484.50	
	4/19/2018	60060	201373	706800 3450		IT MAINTENANCE	561.25	
						VENDOR TOTAL	2,045.75	37,907.07
5251 - T&M ASSOCIATES	3/8/2018	60061	LAB340714	655650 3313		PROFESSIONAL SERVICES/EXTON PARK	1,463.48	
	3/27/2018	60061	LAB341707	655650 3313		PROFESSIONAL SERVICES/EXTON PARK	3,201.97	
						VENDOR TOTAL	4,665.45	34,131.45
5334 - THERESA SANTALUCIA	4/24/2018	60062	042418	014010 3422		REIMBURSEMENT	931.98	
						VENDOR TOTAL	931.98	931.98
5337 - TYLER GAMBS	4/28/2018	60063	042818	014300 3191		REIMBURSEMENT	248.78	
						VENDOR TOTAL	248.78	248.78

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3579 - UNITED INSPECTION AGENCY INC.	4/29/2018	60064	2269	014130 3201		ELECTRICAL INSPECTIONS/APR 2018	11,708.43	
						VENDOR TOTAL	11,708.43	29,187.01
5 - VERIZON	4/7/2018	60065	71188Y0418	024290 3321		WWPS FIOS/APR 2018	46.86	
						VENDOR TOTAL	46.86	163.90
3746 - VERIZON COMMUNICATIONS	3/27/2018	60066	0001550518	024290 3321		INTERNET/CMPS/MAY 2018	119.99	
						VENDOR TOTAL	119.99	2,011.77
49 - WEST WHITELAND FIRE COMPANY	4/27/2018	60067	MAY2018	014110 3501		MONTHLY CONTRIBUTION/MAY 2018	9,583.00	
						VENDOR TOTAL	9,583.00	91,769.00
70 - WHITE GLOVE OF EXTON, INC.	4/15/2018	60068	WWP318	014100 3453		CAR WASHES/MAR 2018	78.00	
						VENDOR TOTAL	78.00	954.00
4868 - WINCAN, LLC	4/11/2018	60069	1999	706800 3708		IT SUPPORT	1,748.00	
						VENDOR TOTAL	1,748.00	1,748.00
4579 - WITMER PUBLIC SAFETY GROUP	4/18/2018	60070	1838038	014100 3213		POLICE SUPPLIES	940.00	
						VENDOR TOTAL	940.00	4,002.92
Total						WARRANT TOTAL	146,868.99	

West Whiteland Township Paid Warrant Report - #PC050918

VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
4977 - BONU CAFE	4/3/2018	999994033	140359	014010 3119		EMPLOYEE LUNCHEON	562.50	
						VENDOR TOTAL	562.50	676.90
3081 - BRAVO PIZZA OF EXTON	4/4/2018	999994031	MCPFL3RCR0404	014100 3245		POLICE MEETING	25.00	
						VENDOR TOTAL	25.00	75.00
5301 - HOME DEPOT	4/3/2018	999994030	4137 0000895706	014100 3450		POLICE SUPPLIES	109.90	
						VENDOR TOTAL	109.90	1,763.01
5336 - NUANCE ONLINE STORE	4/18/2018	999994035	10583813004	014100 3242		POLICE SUPPLIES	105.99	
						VENDOR TOTAL	105.99	105.99
373 - PA STATE ASSOCIATION OF TOWNSHIP SUPERVISORS	4/9/2018	999994041	INV-35334-Q5P2	014010 3422		WEBINAR	30.00	
						VENDOR TOTAL	30.00	3,170.00
5076 - PENN STATE UNIVERSITY	4/20/2018	999994040	105281	014100 3422		POLICE TRAINING	450.00	
						VENDOR TOTAL	450.00	450.00
5335 - PRIMO HOAGIES	4/5/2018	999994034	120213	014100 3245		POLICE LUNCHEON	44.90	
						VENDOR TOTAL	44.90	44.90
5209 - TMACC	3/28/2018	999994032	9224.69.2598	014010 3424		MEETING REGISTRATION	35.00	
	3/28/2018	999994032	9224.69.2598	014140 3422		MEETING REGISTRATION	70.00	
	3/28/2018	999994032	9224.69.2598	014300 3422		MEETING REGISTRATION	35.00	
						VENDOR TOTAL	140.00	140.00

West Whiteland Township Paid Warrant Report - #PC050918

VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
3357 - WEST CHESTER POLICE DEPARTMENT	3/28/2018	999994029	049235	014100 3245		PARKING	1.50	
	4/27/2018	999994042	221284487	014100 3245		PARKING	1.50	
						VENDOR TOTAL	3.00	3.00
Total						WARRANT TOTAL	1,471.29	

West Whiteland Township Paid Warrant Report - #TC050918

VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
1559 - AJ BLOSENSKI INC	4/1/2018	999993985	84104654	124310 3450		RECYCLING CONTRACT/APRIL 2018	17,916.67	
						VENDOR TOTAL	17,916.67	107,500.02
1174 - ALL AMERICAN POLY	4/13/2018	999994019	228141	124310 3245		WWT TRASH BAGS FOR PAYT PROGRA	20,700.00	
						VENDOR TOTAL	20,700.00	20,700.00
4156 - AMAZON.COM	3/28/2018	999994007	112-2849028-3305864	014092 3245		BUILDING SUPPLIES	110.50	
	4/17/2018	999994020	112-3108214-8216262	024290 3374		SEWER SUPPLIES	88.73	
	3/28/2018	999994005	112-9360537-0120246	014092 3245		BUILDING SUPPLIES	29.68	
						VENDOR TOTAL	228.91	4,979.15
2383 - APWA BOOKSTORE	4/9/2018	999994036	817969	014300 3420		PUBLIC WORKS MEMBERSHIP	196.00	
						VENDOR TOTAL	196.00	196.00
2384 - AQUA PA	3/22/2018	999993995	0300138-0318	024290 3367		GRUBBS MILL MARCH 2018	438.28	
	4/2/2018	999993994	0310030-0318	014130 3366		HYDRANTS/MARCH 2018	4,170.75	
	3/21/2018	999994000	0310880-0318	014520 3367		BARN MARCH 2018	34.28	
	3/20/2018	999994002	0310964-0318	014520 3367		MILLER PARK MARCH 2018	55.74	
	3/20/2018	999993996	0310965-0318	014300 3367		PW GARAGE MARCH 2018	134.20	
	3/22/2018	999993999	0378105-0318	024290 3367		BIRCHWOOD DR/MARCH 2018	24.76	

West Whiteland Township Paid Warrant Report - #TC050918

VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
2384 - AQUA PA	3/22/2018	999994001	0389744-0318	014520 3367		BOOT RD PARK MARCH 2018	51.29	
	3/20/2018	999993997	0415059-0318	014092 3367		TWP SPRINKLER SYSTEM MARCH 2018	203.85	
	3/20/2018	999993998	0624930-0318	014092 3367		IRRIGATION SYSTEM MUNICIPAL BLDG MARCH 2018	189.05	
	4/2/2018	999993993	0706129-0318	014130 3366		HYDRANTS/MARCH 2018	5,174.50	
	3/20/2018	999993996	0310965-0318	024290 3367		PW GARAGE MARCH 2018	116.57	
						VENDOR TOTAL	10,593.27	66,856.77
3613 - BLOCK COMMUNICATIONS, INC.	3/15/2018	999994009	61786180315	014010 3321		TELEPHONE MARCH 2018	24.92	
	4/15/2018	999994023	61786180415	014010 3321		TELEPHONE MARCH 2018	24.94	
	3/15/2018	999994009	61786180315	014050 3321		TELEPHONE MARCH 2018	32.91	
	4/15/2018	999994023	61786180415	014050 3321		TELEPHONE MARCH 2018	32.93	
	3/15/2018	999994009	61786180315	014100 3321		TELEPHONE MARCH 2018	658.94	
	4/15/2018	999994023	61786180415	014100 3321		TELEPHONE MARCH 2018	659.36	
	3/15/2018	999994009	61786180315	014130 3321		TELEPHONE MARCH 2018	24.73	
	4/15/2018	999994023	61786180415	014130 3321		TELEPHONE MARCH 2018	24.75	
	3/15/2018	999994009	61786180315	014140 3321		TELEPHONE MARCH 2018	20.35	
	4/15/2018	999994023	61786180415	014140 3321		TELEPHONE MARCH 2018	20.37	
	3/15/2018	999994009	61786180315	014300 3321		TELEPHONE MARCH 2018	382.16	

West Whiteland Township Paid Warrant Report - #TC050918

VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
3613 - BLOCK COMMUNICATIONS, INC.	4/15/2018	999994023	61786180415	014300 3321		TELEPHONE MARCH 2018	382.41	
	3/15/2018	999994009	61786180315	014520 3321		TELEPHONE MARCH 2018	218.76	
	4/15/2018	999994023	61786180415	014520 3321		TELEPHONE MARCH 2018	218.90	
	3/15/2018	999994009	61786180315	024290 3321		TELEPHONE MARCH 2018	456.35	
	4/15/2018	999994023	61786180415	024290 3321		TELEPHONE MARCH 2018	456.64	
	3/15/2018	999994009	61786180315	124310 3321		TELEPHONE MARCH 2018	8.18	
	4/15/2018	999994023	61786180415	124310 3321		TELEPHONE MARCH 2018	8.18	
	3/15/2018	999994009	61786180315	706800 3708		TELEPHONE MARCH 2018	74.96	
	4/15/2018	999994023	61786180415	706800 3708		TELEPHONE MARCH 2018	74.99	
							VENDOR TOTAL	3,805.73
4977 - BONU CAFE	4/18/2018	999994022	180418001000 3	014050 3424		MEETING SUPPLIES	114.40	
						VENDOR TOTAL	114.40	114.40
5222 - BULLEX	4/6/2018	999994017	114300	014130 3325		CODES SUPPLIES	10.65	
						VENDOR TOTAL	10.65	10.65
407 - CHARLES BLOSENSKI DISPOSAL CO	3/31/2018	999993989	164326	124310 3450		TRASH Q1 2018	71,418.84	
						VENDOR TOTAL	71,418.84	147,090.20
280 - CHESTER COUNTY SOLID WASTE AUTHORITY	3/31/2018	999994003	50236	124310 3365		TIPPING FEES MARCH 2018	4,991.00	
	4/7/2018	999993991	50309	124310 3365		TIPPING FEES APRIL 2018	2,523.15	

West Whiteland Township Paid Warrant Report - #TC050918

VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
280 - CHESTER COUNTY SOLID WASTE AUTHORITY	4/15/2018	999994021	50382	124310 3365		TIPPING FEES APRIL 2018	2,459.52	
	4/22/2018	999994026	50455	124310 3365		TIPPING FEES APRIL 2018	2,545.20	
						VENDOR TOTAL	12,518.87	81,162.39
238 - CHESTER COUNTY SPCA	3/31/2018	999993990	2073	014100 3450		STRAY ANIMAL SERVICE 2018	144.20	
						VENDOR TOTAL	144.20	5,711.35
5326 - DOLLAR TREE STORES, INC.	4/2/2018	999994010	110708/042864	014010 3119		EVENT BREAKFAST	15.50	
						VENDOR TOTAL	15.50	15.50
594 - GRAINGER	4/9/2018	999994024	9751643231	014092 3245		BUILDING SUPPLIES	14.20	
						VENDOR TOTAL	14.20	1,308.63
5325 - GUTH LABORATORIES, INC.	3/15/2018	999994014	1959257-IN	014100 3213		POLICE DEPT SUPPLIES	263.81	
						VENDOR TOTAL	263.81	263.81
5227 - LIMBACH COMPANY, LLC	3/21/2018	999993986	000138203	014092 3450		WATER TREATMENT MARCH 2018	177.00	
						VENDOR TOTAL	177.00	1,062.00
3771 - MAIL FINANCE	3/30/2018	999993987	N7078704	014010 3325		MAIL MACHINE Q2 2018	206.63	
	3/30/2018	999993987	N7078704	014050 3325		MAIL MACHINE Q2 2018	20.16	
	3/30/2018	999993987	N7078704	014100 3325		MAIL MACHINE Q2 2018	45.36	
	3/30/2018	999993987	N7078704	014130 3325		MAIL MACHINE Q2 2018	35.28	
	3/30/2018	999993987	N7078704	014140 3325		MAIL MACHINE Q2 2018	35.28	

West Whiteland Township Paid Warrant Report - #TC050918

VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
3771 - MAIL FINANCE	3/30/2018	999993987	N7078704	014300 3325		MAIL MACHINE Q2 2018	20.16	
	3/30/2018	999993987	N7078704	014520 3325		MAIL MACHINE Q2 2018	10.08	
	3/30/2018	999993987	N7078704	024290 3325		MAIL MACHINE Q2 2018	90.72	
	3/30/2018	999993987	N7078704	124310 3325		MAIL MACHINE Q2 2018	40.31	
							VENDOR TOTAL	503.98
3858 - NEOPOST	4/18/2018	999994028	15917230	014010 3325		MAIL MACHINE SUPPLIES	81.18	
	4/18/2018	999994028	15917230	014050 3325		MAIL MACHINE SUPPLIES	7.92	
	4/18/2018	999994028	15917230	014100 3325		MAIL MACHINE SUPPLIES	17.82	
	4/18/2018	999994028	15917230	014130 3325		MAIL MACHINE SUPPLIES	13.86	
	4/18/2018	999994028	15917230	014140 3325		MAIL MACHINE SUPPLIES	13.86	
	4/18/2018	999994028	15917230	014300 3325		MAIL MACHINE SUPPLIES	7.92	
	4/18/2018	999994028	15917230	014520 3325		MAIL MACHINE SUPPLIES	3.96	
	4/18/2018	999994028	15917230	024290 3325		MAIL MACHINE SUPPLIES	35.64	
	4/18/2018	999994028	15917230	124310 3325		MAIL MACHINE SUPPLIES	15.83	
							VENDOR TOTAL	197.99
1302 - OFFICE DEPOT INC	3/28/2018	999993982	120044723001	024290 3210		OFFICE SUPPLIES	12.99	
	3/28/2018	999993983	120181665001	014050 3210		OFFICE SUPPLIES	10.06	

West Whiteland Township Paid Warrant Report - #TC050918

VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
1302 - OFFICE DEPOT INC	3/29/2018	999993984	120596387001	014300 3210		OFFICE SUPPLIES	32.46	
						VENDOR TOTAL	55.51	1,607.12
3460 - PA DEP	4/11/2018	999994018	WH181122018	014300 3365		HIGHWAY TRANSPORTER	200.00	
						VENDOR TOTAL	200.00	200.00
305 - RINO'S RESTAURANT	4/26/2018	999994037	MCPOQKHO00 426	014010 3119		MEETING	42.25	
						VENDOR TOTAL	42.25	184.60
159 - ROTHWELL DOCUMENT SOLUTIONS	2/6/2018	999994006	115454	706800 3747		COPIER/PLOTTER	1,799.17	
	3/23/2018	999994012	117371	014130 3210		PLOTTER SUPPLIES	140.00	
	3/27/2018	999994011	117572	014092 3450		COPIER REPAIR	130.00	
	3/27/2018	999994013	117588	014130 3210		PLOTTER SUPPLIES	70.00	
						VENDOR TOTAL	2,139.17	4,019.06
3633 - SUBURBAN PROPANE-2361	3/20/2018	999994008	2361-055815	014520 3362		HEATING BARN	422.90	
						VENDOR TOTAL	422.90	3,051.29
5323 - SUSQUEHANNA WIRE ROPE & RIGGING INC.	3/26/2018	999994016	8421	014300 3245		Highway Material Supplies	2,336.60	
	4/4/2018	999994015	8514	014300 3245		CHAINS BINDERS FOR NEW TRAILER	1,389.60	
						VENDOR TOTAL	3,726.20	3,726.20

\$2,336.60 reimbursed by check. See Credit Memo.

West Whiteland Township Paid Warrant Report - #TC050918

VENDOR	INV DATE	CHECK #	INV #	GL ACCOUNT	REIMB	INV DESCRIPTION	INV AMOUNT	YTD AMOUNT
5327 - THE DAVEY TREE EXPERT COMPANY	2/12/2018	999994004	912193997	014520 3422		TRAINING REGISTRATION	150.00	
						VENDOR TOTAL	150.00	150.00
3370 - TRACTOR SUPPLY CO	4/26/2018	999994038	493663	014300 3245		MECHANIC SUPPLIES	139.99	
						VENDOR TOTAL	139.99	139.99
883 - TRIANGLE COMMUNICATIONS INC	4/1/2018	999993988	0075233-IN	014300 3384		RADIO MARCH 2018	80.00	
	4/1/2018	999993988	0075233-IN	014520 3384		RADIO MARCH 2018	80.00	
	4/1/2018	999993988	0075233-IN	024290 3384		RADIO MARCH 2018	80.00	
						VENDOR TOTAL	240.00	1,440.00
4320 - ULINE	4/26/2018	999994039	13407533	014520 3245		PARKS SUPPLIES	26.40	
						VENDOR TOTAL	26.40	160.43
5235 - WALMART	4/23/2018	999994025	104200031420 18	014100 3245		POLICE SUPPLIES	74.30	
						VENDOR TOTAL	74.30	124.40
5070 - WESTERN PEST SERVICES	4/1/2018	999994027	4699982B	014092 3450		PEST CONTROL APRIL 2018	123.00	
						VENDOR TOTAL	123.00	421.50
Total						WARRANT TOTAL	146,159.74	

-2,336.60
 =143,823.14

Susquehanna Wire Rope & Rigging Inc.

P.O. Box P
Ridgway, PA 15853

Credit Memo

Date	Credit No.
4/18/2018	55748

Customer
West Whiteland Township 101 Commerce Drive Exton, PA 19341

P.O. No.	Project
434-00	

Description	Qty	Rate	Amount
1/2"-5/8" GOLD TIP Ratchet Load Binder Grab-Grab-Slip Configuration WLL 15,000 lbs.	-6	97.28	-583.68
1/2" - 5/8" GOLD TIP Ratchet Load Binder WLL 13,000 lbs.	-4	70.48	-281.92
5/8" Grade 70 Chain. Yellow Dach. With 'G70' markings every foot.	-200	6.50	-1,300.00
5/8" Grade 70 Clevis Grab Hook Yellow Zinc Boxes and Hooks must be marked 'G70'	-18	9.50	-171.00

Subtotal	-5,336.60
Sales Tax (6.0%)	\$0.00
Total	-5,336.60
Invoices	\$0.00
Balance Credit	-5,336.60

Denise Serino

From: Trisha Fitch <Trisha@susquehannawrr.com>
Sent: Wednesday, April 18, 2018 8:10 AM
To: Denise Serino
Subject: Credit Memo 55748 from Susquehanna Wire Rope & Rigging Inc.
Attachments: Cr_Memo_55748_from_Susquehanna_Wire_Rope__Rigging_Inc._8280.pdf

Hi Denise,

I will be mailing a check out today in the amount of \$2336.60.

Trisha Fitch
Susquehanna Wire Rope & Rigging, Inc.
P.O. Box P
99 Servidea Drive
Ridgway, PA 15853
T: 814.772.4766
F: 814.772.4767
www.susquehannawrr.com



WEST WHITELAND TOWNSHIP

RESOLUTION NO. 2018 -

WHEREAS, by virtue of Resolution 2009-09 adopted April 8, 2009, the Board of Supervisors of Whiteland Township declared its intent to follow the schedules and procedures for the disposition of records as set forth in the Municipal Records Manual approved on December 16, 2009, and,

WHEREAS, in accordance with Act 428 of 1968, each individual act of disposition shall be approved by resolution of the governing body of the municipality;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the Township of West Whiteland, Chester County, Pennsylvania, in accordance with the above-cited Municipal Records Manual, hereby authorizes reformatting of the following public records:

<u>OFFICE</u>	<u>RECORD TITLE</u>	<u>DATES</u>	<u>MEDIA</u>
Administration	Board of Supervisors	April 11, 2018	1-2.0 GB Memory Card
Planning	Planning Commission	April 17, 2018	1-2.0 GB Memory Card
Public Works	Public Services Commission	April 4, 2018	1-2.0 GB Memory Card

ADOPTED this **9th** day of **May**, 2018.

WEST WHITELAND TOWNSHIP
BOARD OF SUPERVISORS

Theresa Santalucia, Chairman

ATTEST:

Mimi Gleason, Township Secretary

Michele Moll, Vice-Chairman

Elizabeth Jones, Member

MEMORANDUM



TO: Board of Supervisors
Mimi Gleason, Township Manager

FROM: Denise Serino, Solid Waste Coordinator

DATE: May 4, 2018

SUBJECT: Waste/Recycling Program

Recommended motion: To accept the 2019 and 2020 options for the trash hauler contract and to authorize staff to go to bid for a two-year contract for a recycling hauler.

The purpose of this memo is to provide the Board of Supervisors with information about solid waste systems in surrounding municipalities in comparison to our unique trash and recycling program called the Pay As You Throw Program (PAYT), and to make a recommendation to the Board of Supervisors regarding our current waste/recycling hauling contracts.

In traditional programs, residents pay for waste collection, regardless of how much or how little trash they generate. PAYT breaks that tradition by treating trash like your household utilities. Residents pay on the amount of trash they accumulate just like the number of kilowatts you use for electricity. Official trash bags are purchased for \$2.50/bag at local stores throughout the Township and within one mile outside the Township.

Retailers who sell our bags:

- CVS
- Exxon Gas Station
- Giant at 3 locations
- Lukoil Gas Station
- Wawa at 2 locations
- Wegman's
- Municipal Building

Currently, staff is looking at adding the new CVS in Exton and Whole Foods to sell bags in the near future.

Residents are also billed annually a \$49 trash and recycling fee. The goal of the per bag price plus the flat system fee is to discourage trash disposal and incentivize recycling.

The Township continues the emphasis on successful recycling by collecting dual stream recycling material versus single stream. We understand that single stream is easier for residents, where you mix all recycling material in one bin and take it to the curb; however, the recycling material is not as clean as the dual stream material when looking at material value. Glass and plastic gets embedded in the paper, therefore decreasing its value at the recycling facilities, as well as increasing the hauler contract.

Staff has been mindful of the following four goals of the program and feels PAYT continues to meet all of them:

1. The system should be fair to the users.
2. The system should be cost effective for the residents.
3. The system should be environmentally sound.
4. The system should encourage the minimization of landfill space.

The emphasis on recycling also takes advantage of the annual state recycling grant, which is based on the volume of recycling in each municipality. The more that residents and businesses recycle, the larger the annual grant is, which keeps fees lower. Each year, west Whiteland is among the top 1-2% of municipalities in the state for the amount recycled.

Exhibit A describes neighboring Township programs. You will see that we have the lowest fees for residents, the lowest cost per household and the lowest amount of waste. The amount of recycled material is down from past years, although still the highest in this local area in total (but not by household).

We are evaluating the program at this time because we are in the last year of contracts with each of the current trash and recycling haulers. Both contracts have options to extend for one or two more years. The rate in the extension years for trash hauler remains flat to our current pricing while the recycling hauler increased \$10,750.28 for the first renewal year and \$11,287.00 for the second renewal year. If we choose not to change the program now, we can accept the extension years or decide to put one or both contracts out to bid. Given the favorable trash pricing, staff along with the Public Services Commissions recommends putting the recycling contract out to bid for the next two years and exercising the waste hauler options for the next two years.

If the Board decides to stay with PAYT, staff will present the cost of different trash bag options during the 2019 budget process this fall. Options already suggested include bags with tie handles, with more recycled material in the bags, in different sizes and pre-bundled (e.g. in a pack of 10).

NOTE: West Whiteland Township has a contractual obligation to advise the Hauler by Wednesday, May 30, 2018 of their decision on exercising the options for the following year.

Below is the current contract pricing:

YEAR	WASTE CONTRACT Charles Blosenski	RECYCLING CONTRACT AJ Blosenski	TOTAL
2016	\$289,372	\$215,000	\$504,372
2017	\$289,372	\$215,000	\$504,372
2018	\$289,372	\$215,000	\$504,372
2019	\$289,372	\$225,750	\$515,122
2020	\$289,372	\$237,037	\$526,409

Revenue for recent years:

	2015	2016	2017
# Of Bags Sold	203,800	206,600	205,000
Cost Per Bag	\$2.50	\$2.50	\$2.50
Bag Revenue	\$500,103	\$505,475	\$480,038
Solid Waste Fee/Household	\$49.00	\$49.00	\$49.00
Annual Fee Revenue	\$210,668	\$211,138	\$210,960
State Grant Revenue	\$99,505	\$122,154	\$95,592

NEIGHBORING TOWNSHIP PROGRAMS AND FEES

APPENDIX A

Township	# Households (HH)	2018 Annual Fee	2018 Trash Contract + Bag Inventory	2018 Recycling Contract	Tipping Fees	Per HH Cost	Trash Program	Bulk Collection	Yard Debris Collection	Annual Waste/HH	Recycling Program	Annual Avg. Recycling
West Goshen	6,230	\$340	\$1,102,754	\$494,289	\$480,501	\$333	Trash Container: 96 gallon tote owned by Twp. 2 x/week collection, 1 bulk item/week	1 item / wk	once / wk	7627 tons 1.22 / HH	35 or 65 gallon bin - 1/wk collection, single stream.	1,780 tons 0.29 / HH
East Goshen	3,371	\$279.52	\$708,818		\$264,348	\$289	Residents supply their own container without limits for 2/wk collection.	2 items / month	twice / month	4,196 tons 1.24 / HH	Twp provides recycling bins, single stream	1,828 tons 0.54 / HH
Upper Uwchlan	3,200	\$315	\$415,552	\$148,302	\$199,080	\$238	48, 64 or 96 gallon tote (resident chooses size, no discounts for smaller tote) limited 1 tote for 1/wk collection	2 items / month	36 curbside collections / yr	3,160 tons 0.99 / HH	48, 64 or 96 gallon bin - 1/wk collection, single stream.	1,700 tons 0.53 / HH
Uwchlan	5,160	\$268	\$768,600		\$342,342	\$215	Residents supply their own container without limits for 1/wk collection.	1 item / wk	18 curbside collections / yr	5,434 tons 1.05 / HH	Twp provides recycling bins 21 gallon, single stream	1,650 tons 0.32 / HH
West Whiteland	4,272	\$164	\$315,372	\$215,000	\$162,351	\$162	PAYT Program	4 items / month	12 collections / yr	2,577 tons 0.6 / HH	21 gallon bins, dual stream collection	1,845 tons 0.43 / HH

¹ West Whiteland fee is based on 2017 total solid waste revenue (\$701,000) per 4,272 households. Households average less than 1 trash bag per week.

\$49 + 1 bags/week = \$179

\$49 + 2 bags/week = \$309

MEMORANDUM

DATE: May 2, 2018
TO: Board of Supervisors
Mimi Gleason, Township Manager
FROM: Theodore D. Otteni, P.E.
Director of Public Works
SUBJECT: Resolution 2018-xxx – Imposing Tapping Fees



Recommended Motion:

To enact Resolution 2018-xxx, a Resolution for Imposing Tapping Fees, to adopt updated sewer tapping fees and procedures.

Background:

On April 11, the Board of Supervisors adopted Ordinance No. 440 amending sewer rent and tapping fees. This Resolution pertains solely to tapping fees.

Under the newly adopted Ordinance, sewer tapping fees for commercial, industrial and multi-family residential (basically everything except single family dwellings) uses are to be based on the "estimated maximum daily wastewater flow" (sewage capacity) generated on the property. The sewage capacity for new, converted, or enlarged projects will be prepared by the property owner's engineer, by using existing water usage records for a similar use, or by the flow allowance schedule provided in the Resolution. This is a change in past practice for which the Township has received numerous requests from local businesses, developers and property owners.

The last recalculation of the tapping fee was completed in June 2005. Carroll Engineering Corporation was hired in the fall of 2017 to update the sewer tapping fee. The process for determining tapping fees is detailed in Act 57 of 2003. Under the Act, the computation of a tapping fee takes into consideration the Township's share of capital costs at the DARA and West Goshen Sewer Authority sewer systems, outstanding sewer system debt, the Township's share of treatment costs, the sewage capacity purchased, and census data. Carroll Engineering determined that the updated tapping fee shall be based on a rate of \$22.82 per gallon per day (gpd) of capacity required. Subsequently, based upon census data for West Whiteland, the residential tapping fee will be \$5,300 (2.58 average per capita per household x 90 gallons per person x \$22.82).

When a building is converted, enlarged, or new buildings are constructed resulting in sewer usage in excess of the sewage capacity originally purchased, additional tapping fees will be charged to the property owner based on \$22.82 per gpd of the additional required capacity. Also, if upon review of water usage records, it is determined that the actual sewer usage is in excess of the sewage capacity originally purchased, additional tapping fees will be charged.

In summary, the tapping fee for each residential single-family home will be \$5,300. Multi-family residential and non-residential uses (commercial, industrial, institutional, and recreational uses) will be charged a tapping fee based on the sewage capacity required at a rate of \$22.82 per gallon per day. The minimum tapping fee for each property or use will be based on 232 gpd (or a tapping fee of \$5,300).

If you have any questions or need additional information, please do not hesitate to contact me.

WEST WHITELAND TOWNSHIP

RESOLUTION NO. 2018 -

A Resolution Imposing Tapping Fees

WHEREAS, West Whiteland Township (the 'Township') owns and operates a municipal sewer system; and,

WHEREAS, the Township is empowered to enact and, from time to time, to revise a schedule of certain fees to be charged against property owners connecting to the Township's sanitary sewage collection and transmission lines and utilize a portion of the sewage treatment capacity; and,

WHEREAS, Act 57 of 2003, now codified at 53 Pa.C.S. §5607(d)(24) (the "Act"), revised the method of calculating and determining various tapping fees and tapping fee components chargeable to such property; and,

WHEREAS, after undertaking appropriate and required study and consideration, including a detailed itemization of all calculations, which have been made available for public inspection and a part of this Resolution by incorporating said calculations herein as Appendix A, the Township has determined the need to establish tapping fees effective June 8, 2018 consistent with requirements of the Act;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the Township of West Whiteland, Chester County, Pennsylvania, hereby as follows:

1. Any single-family residential dwelling shall be charged a tapping fee of \$5,300.00 to connect to the Township's sewer system. The minimum tapping fee for each residential connection to the sanitary sewer system shall be based on a wastewater flow of not less than 232 gallons per day.
2. All other uses, including but not limited to, multi-family residential dwellings, and commercial, industrial, institutional, and recreational uses, shall be charged a tapping fee based on the estimated maximum daily wastewater flow to be generated on the property. The applicant shall provide data in a format acceptable to the Township that substantiates the projected usage for the property. The Township will review the data and determine the capacity required for the property. The minimum tapping fee for each connection to the sanitary sewer system shall be based on a wastewater flow of not less than 232 gallons per day.

3. Modifications to existing uses, which result in additional wastewater flow in excess of previously purchased capacity, shall be charged additional tapping fees based on estimated maximum daily wastewater flow to be generated on the property. The applicant shall provide data in a format acceptable to the Township that substantiates the projected usage for the property. The Township will review the data and determine the gallons per day of capacity required for the property.

4. Capacity allocations for the purpose of computing the tapping fee for those properties that are not connected to public water shall be determined by the total wastewater flow of 232 gallons per day per residential unit or the following schedule of flow allowances for non-residential connections:

	Property to be Connected	Flow Allowance
1	Each dwelling or living unit including home, townhouse, condominium, apartment, or mobile home space	232 gpd
2	Each dwelling or living unit with an in-law suite or apartment	350 gpd
3	Each dwelling or living unit with a commercial business or home occupation	464 gpd
4	Each dwelling or living unit that provides residential services for community living (i.e. Group Home, Dorm, Boarding School) (per bed)	90 gpd/bed
5	Each motel or hotel (per bedroom) (Where any additional uses are conducted in connection with any motel or hotel, a separate tapping fee shall be charged in accordance with each type of use)	100 gpd/bedroom
6	Each motel or hotel living unit with one bedroom, kitchen and/or laundry	125 gpd/suite
7	Each motel or hotel living unit with more than one bedroom, kitchen and/or laundry	232 gpd/suite
8	Each firehouse, church or municipal building	232 gpd/connection
9	Each public or private school, college, day-care center, or learning center (per each 20 pupils, teachers, and employees)	232 gpd/20 pupils, teachers, employees
10	Each hospital or nursing home, convalescent or retirement home, or assisted living facility (per bed)	165 gpd/bed
11	Each retail gas station/convenience store without automatic car washing facilities (per each sq. ft.)	0.8 gpd/sq.ft.
12	Each automatic or self service car wash (per bay)	1,250 gpd/bay
13	Each self service laundry (per washer)	125 gpd/washer
14	Beauty Salons and Spas (per operator chair, station or service area)	125 gpd/chair, station or area
15	Health and Fitness Center (per each sq. ft.)	0.08 gpd/sq.ft.
16	Each restaurant, banquet facility, bar, brewery, entertainment center or other commercial or business establishment (not otherwise classified herein) which regularly dispenses food or beverages (per each sq. ft.)	2.5 gpd/sq.ft.
17	Caterer – all meals served off the premises (per each sq. ft.)	0.1 gpd/sq.ft.
18	Each doctor's office (per examining room)	125 g.p.d./room
19	Each dental office (per dental chair)	82 gpd/dental chair
20	Each business office, office building, or portion of a building used for business and/or professional offices (per each sq. ft.)	0.08 gpd/sq.ft.
21	Each warehouse, in addition to office space (per each sq. ft.)	0.01 gpd/sq.ft.
22	Each commercial, industrial, or business establishment (other than those above) not regularly dispensing food or beverages for consumption on the premises nor discharging industrial waste (per each sq. ft.)	0.08 gpd/sq.ft.
23	Bowling Alley (per lane)	50 gpd/lane
24	Theaters (per seat)	2.5 gpd/seat
25	Funeral Home (per viewing room)	125 gpd/viewing room
26	Any other uses not classified above	To be determined by Township

5. Where square footage is used to determine tapping fee values, the gross floor area of the building shall be used.
6. Capacity allocations for the purpose of computing the tapping fee shall be determined on the basis of maximum daily wastewater flow. The maximum estimated daily flow shall be determined by the following:
 - a. Calculation by owner's engineer. Proposed flow estimates shall be based on values for similar uses and shall take into account reasonable allowances for infiltration/inflow in the sewer system. All estimates are subject to approval by the Township.
 - b. Assigned by the Township based upon the flow allowance schedule provided above.
7. The sewer tapping fee rate shall be \$22.82 per each gallon per day.
8. In addition to the sewer tapping fees, the owner of each property within the Grove Road Sewer District shall pay a special purpose part tapping fee as set forth in the Township Code Chapter 253 Sewers and Sewage Disposal, Part 10, Article XV. §253-105.
9. The owner of each property within the Mill Valley Sewer District shall pay sewer tapping fees as set forth in the Township Code Chapter 253 Sewers and Sewage Disposal, Part 8, Article IX.
10. The tapping fees set forth in this Resolution and adopted hereby shall remain in effect until changed or modified by the Board of Supervisors.
11. The tapping fees shall be paid based upon the duly adopted fees schedule set forth in this Resolution in effect at the time of payment, and shall be payable at the time of application for connection.
12. This Resolution shall become effective on June 8, 2018, which is thirty days after adoption.
13. Resolution No. 2017-10 is hereby repealed in its entirety.

ADOPTED this 9th day of May, 2018.

WEST WHITELAND TOWNSHIP
BOARD OF SUPERVISORS

ATTEST:

Mimi Gleason, Township Secretary

Theresa Santalucia, Chairman

Michele Moll, Vice-Chairman

Elizabeth Jones, Member

APPENDIX A

[Being the detailed itemization of all calculations clearly showing the maximum fees allowable for each part of the tapping fee and the manner in which the fees were determined]

Carroll Engineering Corporation
West Whiteland Township
Tapping Fee Review
Summary of Tapping Fees

Project	Const. Cost	Bid/ Estimate Year	Const. Year Cost Index	March ¹ 2018 Cost Index	March ¹ 2018 Index Ratio	March ¹ 2018 Cost
Collection						
Collection System	\$11,054,000	1974	2020	10959	5.4252	\$59,970,686
Grants Received	(\$3,145,566)	1974	2020	10959	5.4252	(\$17,065,474)
Subtotal - Collection						\$42,905,212
Capacity - DARA¹						
Phase I - WWT Share ²	\$494,735	1972-1976	2077	10959	5.2764	\$2,610,400
Phase II Expansion - WWT Share ³						\$2,567,827
Clover Mill Pump Station	\$526,593	2006	7751	10959	1.4139	\$744,540
Subtotal - DARA						\$5,922,767
Capacity - West Goshen						
Treatment Capacity Agreement						\$4,952,140
WGT WWTP ⁴ 1997	\$410,916	1997	5826	10959	1.8811	\$772,954
WGT WWTP ⁴ 1998	\$410,916	1998	5920	10959	1.8512	\$760,680
WGT Pump Station and Interceptor	\$1,025,000	1986	4295	10959	2.5516	\$2,615,361
Broad Run Interceptor	\$66,061	1989	4615	10959	2.3746	\$156,872
Subtotal - West Goshen						\$9,258,007
Subtotal Eligible Costs						\$58,085,986
Current Outstanding Debt						\$0
Net Eligible System Costs						\$58,085,986
System Capacity						2,545,000
Cost per Gallon						\$22.82
Census Per Capita Housing Occupancy						2.58
Gallons per Capita						90
Gallons per EDU						232
Total Tapping Fee						\$5,300

Notes:

- 1 - Most recent published ENR Index.
- 2 - West Whiteland Township's share of costs for treatment capacity at the DARA Plant.
- 3 - Average cost index 1972 - 1976.
- 4 - West Whiteland Township's share of expansion costs and present worth of Basic Service Fee.
Present worth is calculated in 2014 and trended to March 2018.
- 5 - Portion of total West Whiteland costs for plant expansion only.

**West Whiteland Township
Tapping Fee Review
System Capacity Calculation**

May 2018

DARA and West Goshen Sewer Districts Capacity	
DARA Capacity	1,725,000 g.p.d.
West Goshen Capacity	820,000 g.p.d.
Total Capacity	2,545,000 g.p.d.

MEMORANDUM

DATE: April 24, 2018
TO: Board of Supervisors
Mimi Gleason, Township Manager
FROM: Theodore D. Otteni, P.E.
Director of Public Works
SUBJECT: 2018 Roadwork (Asphalt Resurfacing)
Authorization to Advertise



RECOMMENDED MOTION:

To authorize advertisement for the 2018 Roadwork Contract and placement on PennBid.

BACKGROUND:

Based on our analysis, the following eight roads (1.9 miles) require 1½" thick asphalt resurfacing:

- Burke Road – Boot Road to S. Whitford Road
- Commerce Drive – approx. 370 ft. at approach to S. Whitford Road
- Holly Lane – entire length
- Jeffers Circle – approx. 350 ft. at both approaches to Clover Mill Road
- Rockland Drive – entire length
- Sunrise Boulevard – from decorative pavers at rear of Target to Ship Road
- Thomas Road – entire length
- Intersection of Sussex Road and Wycklow Road

Full width milling of the roadway will be performed to maintain utility cover elevations and the curb reveal.

PennDOT District 6 has advised the Township of the expected range of costs for paving/per tons placed and milling/per square yard. At the highest end of that range, the total for resurfacing and milling all eight roads would cost approximately \$270,000.

PennDOT-approved specifications will be used for the 2018 Roadwork Contract. This will be a prevailing wage project. The Roadwork Program will be paid for with Liquid Fuels funds (state aid based on Township road mileage and population).

If you have any questions or would like to discuss this in more detail, please do not hesitate to contact me.

MEMORANDUM



TO: Board of Supervisors
FROM: Amy Heinrich
DATE: May 4, 2018
SUBJECT: 2017 Financial Statements

Attached are the 2017 Township Financial Statements prepared by Maillie, LLP and consisting of the following:

- Annual Financial Report
- Non-uniformed Pension Plan
- Police Pension Plan

I will be available at the meeting to answer any questions you may have.

WEST WHITELAND TOWNSHIP
ANNUAL FINANCIAL REPORT
Year Ended December 31, 2017



Certified Public Accountants and Business Consultants

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, 2017, 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, 2017, 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

For the year ended December 31, 2017, West Whiteland Township adopted new accounting guidance, implementing Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. 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 67 and 68, pension information on pages 69 through 72 and postemployment benefits other than pension information on page 73 through 76 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
May 2, 2018

WEST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2017

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, 2017. 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 2017 fiscal year by \$69.5 million (net position). Of this amount, \$25.8 million represents unrestricted net position, and may be used to meet ongoing or future needs. The remainder is either capital assets (\$39 million) or restricted for particular purposes (\$4.5 million).
- As a result of its operations, total net position increased by \$1.2 million in 2017. This improvement was primarily driven by an increase in real estate transfer tax receipts. See the analysis beginning on page 9 for more details.
- Governmental activities (general government, codes, planning, police, emergency services, public works and parks) made up \$52.1 million of the total year-end net position. This was an increase of \$966 thousand as a result of its operations. See the analysis beginning on page 10 for more details.
- Business-type activities (sewer and solid waste) made up \$17.4 million of the total year-end net position. This was an increase of \$191 thousand, driven by tapping fees which enable new development projects to connect to and buy capacity in the sewer system and fund capital improvements in the sewer system.
- The pensions are in a strong position with 104.73% funding for the Non-Uniformed Pension Plan and 98.62% funding for the Police Pension Plan as of December 31, 2017.
- In 2015, the Board of Supervisors authorized the creation of the Other Post-Employment Benefit (OPEB) Trust to fund future post-employment medical benefits for police officers. The Trust was executed in March 2016. The net obligation was \$1.9 million as of the end of 2017. The Township will continue to work to improve funding levels.
- The Governmental Funds reported combined ending fund balances of \$23.4 million, an increase of \$2.7 million. Both careful spending and increasing revenue led to an increase to the general fund balance plus additional savings for future equipment replacement and capital projects. See the analysis beginning on page 11 for more details.
- At the end of 2017, unrestricted fund balance (the committed, assigned, and unassigned components) for the general fund was \$13.4 million, over 100% of general fund expenditures.
- In 2017, there was no property tax rate increase; the millage rate remained at 0.719 mills.
- In 2017, there was a \$5 annual increase in sewer rent, from \$275 to \$280/EDU, continuing a planned gradual multi-year rise to offset increases in wastewater treatment costs and to build up reserves for future anticipated capital projects.
- There was no change in the trash or recycling fees or the bag price.

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.

WEST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2017

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.

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.

WEST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2017

The Township maintains nine 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, the transportation improvement fund, the public service fund and the debt service fund, which are considered to be major funds. Data from the other five governmental funds 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 to 22 of this report.

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 to 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 (labelled private-purpose on the financial statements) is used to report resources held in trust for other post-employment benefits. The Agency 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 to 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 to 66 of this report.

WEST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2017

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	
	2017	2016	2017	2016	2017	2016
ASSETS						
Current and other assets	\$ 24,736,389	\$ 21,866,468	\$ 10,300,003	\$ 9,809,891	\$ 35,036,392	\$ 31,676,359
Capital assets	43,498,447	45,183,592	7,462,048	7,631,482	50,960,495	52,815,074
TOTAL ASSETS	68,234,836	67,050,060	17,762,051	17,441,373	85,996,887	84,491,433
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amount on refunding	34,447	40,376	-	-	34,447	40,376
Deferred outflows related to pensions	1,963,893	1,170,342	249,266	131,558	2,213,159	1,301,900
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,998,340	1,210,718	249,266	131,558	2,247,606	1,342,276
LIABILITIES						
Long-term liabilities	15,622,020	16,177,089	20,811	14,319	15,642,831	16,191,408
Other liabilities	763,730	549,049	438,872	345,306	1,202,602	894,355
TOTAL LIABILITIES	16,385,750	16,726,138	459,683	359,625	16,845,433	17,085,763
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	1,717,513	370,977	196,031	49,105	1,913,544	420,082
NET POSITION						
Net investment in capital assets	31,715,505	33,021,660	7,462,048	7,631,482	39,177,553	40,653,142
Restricted	4,530,382	4,188,905	-	-	4,530,382	4,188,905
Unrestricted	15,884,026	13,953,098	9,893,555	9,532,719	25,777,581	23,485,817
	\$ 52,129,913	\$ 51,163,663	\$ 17,355,603	\$ 17,164,201	\$ 69,485,516	\$ 68,327,864

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

Total assets exceeded liabilities by \$69.5 million at the close of the 2017 fiscal year. The largest portion of the Township's net position (56%) 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 (6.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of almost \$26 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 \$966 thousand from the prior year. This improvement results from prudent expense management and from increases in both general and service revenues. The revenue growth was primarily driven by an improving economy and active real estate market. The Township did not receive any capital contributions in 2017.

WEST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2017

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	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program revenues						
Charges for services	\$ 1,187,598	\$ 1,386,440	\$ 4,413,216	\$ 4,138,457	\$ 5,600,814	\$ 5,524,897
Operating grants and contributions	1,203,249	1,426,613	3,272	122,154	1,206,521	1,548,767
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Real estate taxes	1,210,998	1,236,297	-	-	1,210,998	1,236,297
Earned income tax	5,735,094	5,891,456	-	-	5,735,094	5,891,456
Other taxes	3,170,444	2,382,044	-	-	3,170,444	2,382,044
Investment earnings	233,649	140,027	94,234	73,035	327,883	213,062
Other	8,000	9,715	-	-	8,000	9,715
Gain on sale of assets	58,221	51,637	-	-	58,221	51,637
TOTAL REVENUES	12,807,253	12,524,229	4,510,722	4,333,646	17,317,975	16,857,875
EXPENSES						
General government	1,513,207	1,440,289	-	-	1,513,207	1,440,289
Codes and planning	1,023,970	767,838	-	-	1,023,970	767,838
Police and emergency services	5,740,306	5,516,312	-	-	5,740,306	5,516,312
Public works	2,755,512	2,489,406	-	-	2,755,512	2,489,406
Health and welfare	73,831	20,500	-	-	73,831	20,500
Solid waste	-	-	905,654	799,601	905,654	799,601
Sewer	-	-	3,243,529	3,527,939	3,243,529	3,527,939
Parks and facilities	627,221	702,403	-	-	627,221	702,403
Interest on debt	277,093	461,064	-	-	277,093	461,064
TOTAL EXPENSES	12,011,140	11,397,812	4,149,183	4,327,540	16,160,323	15,725,352
CHANGE IN NET POSITION BEFORE TRANSFERS	796,113	1,126,417	361,539	6,106	1,157,652	1,132,523
TRANSFERS	170,137	149,200	(170,137)	(149,200)	-	-
CHANGE IN NET POSITION	966,250	1,275,617	191,402	(143,094)	1,157,652	1,132,523
NET POSITION AT BEGINNING OF YEAR	51,163,663	49,888,046	17,164,201	17,307,295	68,327,864	67,195,341
NET POSITION AT END OF YEAR	\$ 52,129,913	\$ 51,163,663	\$ 17,355,603	\$ 17,164,201	\$ 69,485,516	\$ 68,327,864

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

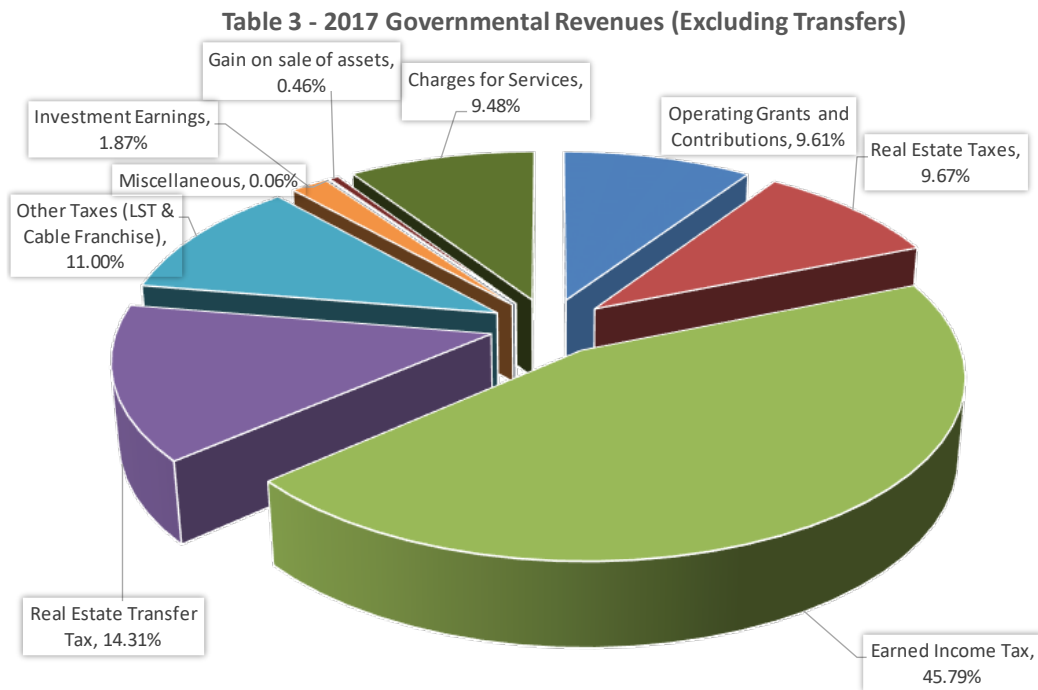
Governmental Activities - During the current fiscal year, net position for governmental activities increased \$966 thousand for an ending balance of \$52.1 million. Revenues from governmental activities increased by \$283 thousand or 2.3%.

- The largest revenue growth is driven by an increase in sales of both commercial and residential properties, driving an increase of \$775 thousand in the related transfer tax.
- Investment earnings were up by \$94 thousand or 67% due to an increase in market rates and a more active investment approach that utilizes a diverse set of permitted investments and more active cash management.
- These increases were partially offset by decreases in other revenue streams, primarily driven by one-time events. Underlying growth in the revenue streams and economic activity is favorable.

WEST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2017

- Operating grants and contributions declined by \$223 thousand from 2016 to 2017 driven by a large 2016 transportation impact fee for the Whole Foods development and the 2016 FEMA grants for flooded property which were not repeated to the same extent in 2017.
- Charges for services in 2017 were lower than 2016 by almost \$200 thousand primarily due to a one-time fee for a curative amendment that inflated 2016 revenues. We also simplified our permit fee structure for 2017 resulting in more equitable but lower permit revenue.
- Current year earned income tax collection increased by \$139 thousand but total earned income tax collections were \$156 thousand lower in 2017 due to strong prior year collections in 2016 for 2015 and the related accounting treatment.
- Real Estate taxes were down slightly due to one-time payment in lieu of taxes that inflated 2016. The tax rates remained flat.

The following chart depicts the distribution of 2017 governmental revenues.



Governmental activity expenses increased by \$613 thousand or 5%.

- General government expenses increased by \$73 thousand largely driven by an increase in technology-related expenses and building-related contracted services along with increases in personnel-related expenses.
- About half of the increase in Codes and Planning Expenses is just a recategorization from Police and Emergency Expenses to Codes and Planning. The remaining variance is driven by an increase in third party inspection costs along with higher expense related to development activity (zoning, court recording, solicitor, contracted services and staff) which are partially offset by an increase in the related fee revenue.

WEST WHITELAND TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2017

- Increases in Police and Emergency services are driven largely by 2016 accounting treatment Trust for Other Post Employment Benefit (OPEB). The retirement of several police officers drove cash compensation costs down 2017. However, accrual accounting for increases in accumulated vacation, sick and compensatory time result in higher staff expenses in the government-wide financial statements. Lastly, 2017 includes costs for the accreditation project for our Police Department, most of which is not a recurring expense.
- In 2016, the Parks expenses included the cost of the master plan for Exton Park. Additionally, 2017 costs were lower due to adjustments to the allocation of staff across departments.
- Lastly, interest on our debt decreased by \$184 thousand thanks to the debt refinancing completed in late 2016.

Business-Type Activities - During the current fiscal year, business-type activities net position increased by \$191 thousand, resulting in an ending balance of \$17.4 million.

Total revenues for our business-type activities were up by \$177 thousand. Within our sewer construction fund, increased development in the Township resulted in an additional \$305 thousand in tapping fees. This was partially offset by a reduction in insurance proceeds due to a one-time recovery in 2016 of \$63 thousand, which was offset by the actual expense required to complete the repair. Within our sewer operating fund, revenues grew by \$54 thousand or 1.6% driven by the increase in the sewer rent of \$5 to \$280 per single family house and equivalent unit. This continues a planned gradual multi-year rise to offset increases in wastewater treatment costs and to build up reserves for future anticipated capital projects.

The recycling performance grant revenue that was expected in late 2017 wasn't received until March of 2018, which left 2017 grant revenue \$119 thousand below 2016. Service charge revenue for solid waste was flat given that there was no change to the \$49 annual recycling fee for residents in the Pay-As-You-Throw (PAYT) program. Revenue from the sale of garbage bags for the PAYT program was down \$25 thousand or 5%. Interest from investments also increased by \$21 thousand in 2017 vs. 2016.

Total expenditures for all business-type activities decreased by \$178 thousand in comparison to the prior year. Solid waste expenses increased by \$106 thousand primarily due to litigation with a vendor. The trial court found in the Township's favor and awarded attorney fees. The vendor has appealed. Assuming the Township prevails, the litigation costs will be partially reimbursed by the vendor awarded attorney fees and the remainder will be reimbursed by the general fund reserve, given that the fees for the Solid Waste fund are designed to cover core expenses and not one-time anomalies. Additionally, we resumed purchase of trash bags with a new vendor in 2017 after no purchases in 2016 due to the issue with the prior vendor. Expenses for the sewer operating fund were flat. Capital expenses were down \$286 thousand but are expected to increase again in 2018 for planned capital projects.

FINANCIAL AND BUDGETARY ANALYSIS OF THE GOVERNMENTAL FUNDS

At December 31, 2017, the Township's total Governmental Funds reported combined fund balances of \$23.4 million, an increase of \$2.7 million in comparison to the prior year. Approximately 34% of this amount (\$7.9 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 (\$22,000 in inventory and prepaid expenses), 2) restricted for particular purposes (\$4.5 million for roads and open space improvements), 3) committed or assigned for particular purposes (\$10.9 million for capital projects, pension and other post-employee benefit obligations, compensated absences and the operating reserve fund). See Note A - Fund Balance for additional information and the Balance Sheet Governmental Funds on page 20 to show details of how the fund balance is classified.

WEST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2017

The \$2.7 million increase in the current fiscal year is attributable to the activity in the Township's general fund, which is the chief operating fund of the Township. This increase is comprised of the \$1.1 million increase to the general fund balance, plus the general fund transfers to other governmental capital funds for savings for future equipment replacement and capital projects. The excess of revenues over expenditures in the current year of \$2.7 million, which exceeded the Township's budgeted amounts, allowed for the additional transfers.

During the current fiscal year, the General Fund balance increased almost \$850 thousand to \$13.4 million. The statement of revenues, expenditures and changes in fund balances shows in more detail the drivers of the changes in fund balance.

General Fund revenues increased by \$600 thousand or 5.2%. You will notice repetition in the fundamental drivers as they were also discussed in the Government-wide section under Governmental Activities. However, that section included all Governmental Funds and accounting treatment appropriate for those statements.

- The General Fund revenue increase is driven by strong real estate transfer tax results. Sales of both commercial and residential properties were up substantially, driving an increase of \$775 thousand in the related transfer tax.
- Current year Earned Income Taxes increased by \$139 thousand or 2.4%.
- Investment earnings, primarily interest, were up by \$65 thousand or 79% due to an increase in market rates and a more active investment approach that utilizes a more diverse set of permitted investments and improves cash management.
- These increases were partially offset by decreases in several other revenue streams, primarily driven by one-time events. Underlying growth in the township revenue streams and economic activity is favorable.
 - Intergovernmental revenues (grants) declined by \$167 thousand from 2016 to 2017 driven by the 2016 FEMA grants for flooded property which were not repeated to the same extent in 2017.
 - Program revenues in 2017 were lower than 2016 by \$145 thousand primarily due to a one-time fee for a curative amendment that inflated 2016 revenues.
 - Real Estate taxes were down slightly due to one-time payment in lieu of taxes that inflated 2016. The tax rates remained flat.

General Fund total expenditures decreased by \$537 thousand.

- General government expenses increased by \$52 thousand largely driven by increases in personnel-related expenses and building-related contracted services.
- Public safety expenses reduced by \$580 thousand. The contribution to the OPEB trust in 2016 was higher than the ongoing run-rate given 2016 was the first year of the trust. The retirement of several police officers drove compensation costs down. The favorable variances were partially offset by higher expenses related to development activity (third party inspection costs, zoning, court recording, solicitor, contracted services and staff) which are partially offset by an increase in the related fee revenue. Lastly, 2017 included the cost of the accreditation project for our Police Department, most of which is not a recurring expense.
- In 2016, the Parks expenses included the cost of the master plan for Exton Park. Additionally, 2017 costs were lower due adjustments to the allocation of staff across multiple departments.

WEST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2017

- Expenses to support our highways and roads increased \$50 thousand in 2017 vs. 2016 primarily driven by expenses associated with the Department of Environmental Protection's Municipal Separate Storm Sewer program (MS4) and personnel expenses, which were partially just reallocations.

Governmental Fund Expenses outside of the General Fund decreased by \$190 thousand.

- Interest on our debt decreased thanks to the debt refinancing completed in late 2016.
- The expense for the Other Governmental Funds increased by almost \$20 thousand year-over-year where savings in the Liquid Fuels Fund from less road paving was offset by higher vehicle replacement and technology costs.
- These favorable variances were partially offset by Public Services Fund increases of \$277 thousand led by engineering and traffic planning for the Exton Park Master Plan and the Route 100 Project.

CAPITAL ASSETS

At the end of 2017, the Township had \$43.5 million invested in governmental capital assets and \$7.5 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 2017 year-end asset value declined by \$1.85 million from the prior year as current year depreciation expense outpaced the value of improvements and purchases.

The following reconciliation summarizes the change in capital assets, which is presented in detail on page 38 of the financial statement notes.

Table 3
Capital Assets - Governmental Activities

	<u>2017</u>	<u>2016</u>
NONDEPRECIABLE ASSETS		
Land	\$ 3,462,872	\$ 3,462,872
OTHER CAPITAL ASSETS, net of depreciation		
Buildings and improvements	23,327,255	24,306,421
Machinery and equipment	1,311,803	1,177,186
Infrastructure	15,396,517	16,237,113
	<u>40,035,575</u>	<u>41,720,720</u>
	<u>\$ 43,498,447</u>	<u>\$ 45,183,592</u>

Table 4
Capital Assets - Proprietary Funds

	<u>2017</u>	<u>2016</u>
OTHER CAPITAL ASSETS, net of depreciation		
Sewer treatment plant and improvements	\$ 6,077,000	\$ 6,231,603
Furniture and equipment	1,369,134	1,266,920
Vehicles	15,914	132,959
	<u>7,462,048</u>	<u>7,631,482</u>

WEST WHITELAND TOWNSHIP
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2017

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 a pump rehabilitation, major pipe repairs and a roof replacement on a pump station
- Highway improvements supported by grants

LONG-TERM DEBT

At the end of 2017, West Whiteland Township had \$11.35 million in bonds and notes outstanding versus \$11.7 million last year. In 2017, West Whiteland Township maintained an "Aaa (Stable Outlook)" bond rating, which is Moody's highest rating.

Table 5
Outstanding Debt at Year-End
2017

Year of Issue	Original Issue	Average Interest Rate	Final Maturity	Outstanding January 1, 2017	Additions	Retirements	Outstanding December 31, 2017
2007	\$ 5,000,000	3.663%	2027	\$ 3,360,000	\$ -	\$ (245,000)	\$ 3,115,000
2016	8,335,000	1.528%	2029	8,335,000	-	(100,000)	8,235,000
							<u>\$ 11,350,000</u>

Note: All 2017 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 \$11.35 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. In addition to the Exton Crossroads, there is highway access to King of Prussia, Philadelphia and Harrisburg; 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.

Development has been robust in and around West Whiteland. As of early 2018, almost 2,000 residential units have been approved or are under review in West Whiteland, with even more units approved in total in surrounding municipalities. The increasing population is reassuring local retailers, which remain a core feature of the Exton Crossroads economy. Buildings were constructed in 2017 for a new Whole Foods and CVS. Other stores and restaurants are moving in to fill vacancies in several large shopping centers, including Main Street at Exton, Whiteland Towne Center, and Fairfield Shopping Center. Main Street at Exton, Exton Square Mall and Oaklands Corporate Center are adding apartment components to their commercial complexes. A new in-patient skilled nursing, medical and rehabilitative care unit also is under construction in the Township. As a result, the tax base is strong and diversifying.

WEST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2017

To accommodate the pending development and plan for future growth, the Township continues to implement transportation plans. Through an Act 209 fee and capital plan, traffic signal improvements are close to completion on King Road, while new roads are under construction to mitigate congestion at the Route 30/Whitford Road intersection. Development applications near the Route 30/Ship Road intersection have the potential to expedite plans for a new leg on Ship Road to alleviate congestion in that area.

Additionally, West Whiteland and McMahon Associates are nearing completion of a study recommending improvements to Pottstown Pike to mitigate congestion by the Exton train station. During the same period, Septa and the Delaware Valley Regional Planning Commission have been working on plans for upgrades to and around that station. Both work groups have collaborated to develop complimentary recommendations. West Whiteland will continue to work with Septa, PennDot, Chester County and others to support implementation of those recommendations.

A final and important piece of the transportation plans is expanding pedestrian and bike access. One priority is to complete design of a new bike and pedestrian path connecting the CVT to Exton train station in 2018, with construction to follow in 2019. Chester County also is working on intersection improvements at the existing CVT crossing at Pottstown Pike, while completing design of an extension of the CVT into Oaklands Corporate Center. The Township will complete a bike and pedestrian plan in 2018 to improve connectivity among modes and destinations.

2018'S BUDGET AND RATES

We expect surpluses in all of the operating funds for a total of \$1.2 million. Given the current economy and development growth in the Township, surpluses should not come as a surprise this year. The challenge is to take advantage of the budgetary breathing room to plan ahead for needed investments, manage long-term obligations and save for a rainy day, all while continuing to exercise fiscal discipline.

The General Fund Operating Budget includes \$600 thousand or 5% in increased revenue versus the 2017 budget.

- This is primarily driven by an increase of almost \$500 thousand or 60% in permit fees given the number of large development projects that will receive building permits in 2018. Additionally, these projects will generate substantial tapping fees for the Sewer Construction Fund.
- A 30% increase was budgeted for real estate transfer tax revenues vs. 2017 budget given that 2017 actuals were much higher than the budgeted amount. To be conservative, we aren't expecting the real estate transfer taxes to continue at quite that level.
- Earned income tax and local services tax show a modest increase over 2017 actuals.

Both the Sewer Operating and Construction Funds are expected to have increases in revenue over the 2017 budget and actuals.

- \$5 annual increase for sewer rent in 2018, from \$280 to \$285/EDU, continuing a planned gradual multi-year rise to offset increases in wastewater treatment costs and to build up reserves for future anticipated capital projects
- Increase in expected tapping fees given large amount of development underway.

The 2018 budget for the Solid Waste fund show a modest decrease in revenue due to the reduction in the state grant program. There is no change to the trash and recycling fee.

WEST WHITELAND TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2017

The 2018 General Fund budget for expenses about \$250 thousand or 2.2% higher than the 2017 budget including transfers to our capital funds. Increases in expenses will include salaries and benefits along with investments in technology, equipment, vehicles, the sewer system, and road and signal enhancements.

Conservative budgeting has helped to produce surpluses that have led to healthy reserves. The Township's financial position is strong and we will continue to 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 go to our website at www.westwhiteland.org.

WEST WHITELAND TOWNSHIP

STATEMENT OF NET POSITION

DECEMBER 31, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 15,548,774	\$ 5,801,195	\$ 21,349,969
Investments	6,496,225	3,982,293	10,478,518
Receivables	2,660,754	212,330	2,873,084
Inventories	22,436	4,640	27,076
Prepaid expenses	-	186,015	186,015
Net pension asset	8,200	113,530	121,730
Capital assets			
Capital assets, not being depreciated	3,462,872	-	3,462,872
Capital assets, being depreciated, net	40,035,575	7,462,048	47,497,623
TOTAL ASSETS	<u>68,234,836</u>	<u>17,762,051</u>	<u>85,996,887</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	34,447	-	34,447
Deferred outflows related to pensions	1,963,893	249,266	2,213,159
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,998,340</u>	<u>249,266</u>	<u>2,247,606</u>
LIABILITIES			
Accounts payable and accrued expenses	663,165	438,872	1,102,037
Unearned revenues	20,000	-	20,000
Accrued interest	80,565	-	80,565
Long-term liabilities			
Portion due or payable within one year			
Bonds and note payable	735,000	-	735,000
Portion due or payable after one year			
Bonds and note payable	10,615,000	-	10,615,000
Bond premiums	467,389	-	467,389
Compensated absences	1,582,878	20,811	1,603,689
Net OPEB obligation	2,221,753	-	2,221,753
TOTAL LIABILITIES	<u>16,385,750</u>	<u>459,683</u>	<u>16,845,433</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,717,513	196,031	1,913,544
NET POSITION			
Net investment in capital assets	31,715,505	7,462,048	39,177,553
Restricted	4,530,382	-	4,530,382
Unrestricted	15,884,026	9,893,555	25,777,581
TOTAL NET POSITION	<u>\$ 52,129,913</u>	<u>\$ 17,355,603</u>	<u>\$ 69,485,516</u>

See accompanying notes to the basic financial statements.

WEST WHITELAND TOWNSHIP

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 1,513,207	\$ 202,342	\$ 157,431	\$ -
Codes and planning	1,023,970	759,268	-	-
Police and emergency services	5,740,306	184,266	414,794	-
Public works	2,755,512	23,759	582,890	-
Health, welfare and sanitation	73,831	-	-	-
Culture and recreation	627,221	17,963	48,134	-
Interest on long-term debt	277,093	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	12,011,140	1,187,598	1,203,249	-
BUSINESS-TYPE ACTIVITIES				
Sewer	3,243,529	3,712,264	-	-
Solid waste	905,654	700,952	3,272	-
TOTAL BUSINESS-TYPE ACTIVITIES	4,149,183	4,413,216	3,272	-
TOTAL TOWNSHIP ACTIVITIES	\$ 16,160,323	\$ 5,600,814	\$ 1,206,521	\$ -

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>
\$ (1,153,434)	\$ -	\$ (1,153,434)
(264,702)	-	(264,702)
(5,141,246)	-	(5,141,246)
(2,148,863)	-	(2,148,863)
(73,831)	-	(73,831)
(561,124)	-	(561,124)
<u>(277,093)</u>	<u>-</u>	<u>(277,093)</u>
<u>(9,620,293)</u>	<u>-</u>	<u>(9,620,293)</u>
-	468,735	468,735
<u>-</u>	<u>(201,430)</u>	<u>(201,430)</u>
-	267,305	267,305
<u>(9,620,293)</u>	<u>267,305</u>	<u>(9,352,988)</u>
1,210,998	-	1,210,998
5,735,094	-	5,735,094
3,170,444	-	3,170,444
233,649	94,234	327,883
8,000	-	8,000
58,221	-	58,221
170,137	(170,137)	-
<u>10,586,543</u>	<u>(75,903)</u>	<u>10,510,640</u>
966,250	191,402	1,157,652
<u>51,163,663</u>	<u>17,164,201</u>	<u>68,327,864</u>
<u>\$ 52,129,913</u>	<u>\$ 17,355,603</u>	<u>\$ 69,485,516</u>

WEST WHITELAND TOWNSHIP

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2017

	<u>General Fund</u>	<u>Transportation Improvement Fund</u>
ASSETS		
Cash and cash equivalents	\$ 8,468,807	\$ 1,746,996
Investments	3,480,586	1,017,672
Receivables		
Taxes	1,484,973	-
Accounts	569,781	-
Due from other funds	-	-
Inventories	22,436	-
	<u>14,026,583</u>	<u>2,764,668</u>
TOTAL ASSETS	\$ 14,026,583	\$ 2,764,668
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 590,930	\$ -
Due to other funds	78	-
Unearned revenues	20,000	-
	<u>611,008</u>	<u>-</u>
TOTAL LIABILITIES	611,008	-
FUND BALANCES		
Nonspendable		
Inventory	22,436	-
Restricted		
Highway and street projects	-	2,764,668
Open space acquisition and improvement	-	-
Committed to		
Other postemployment benefits (OPEB)	1,000,000	-
Police compensated absences	1,300,000	-
Operating Reserve Fund	3,200,000	-
Capital acquisition, construction and improvement	-	-
Assigned		
Debt service	-	-
Capital projects	-	-
Unassigned	7,893,139	-
	<u>13,415,575</u>	<u>2,764,668</u>
TOTAL FUND BALANCES	13,415,575	2,764,668
	<u>14,026,583</u>	<u>2,764,668</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,026,583	\$ 2,764,668

See accompanying notes to the basic financial statements.

<u>Public Service Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,579,263	\$ 413	\$ 2,701,054	\$ 15,496,533
300,000	-	1,697,967	6,496,225
-	-	-	1,484,973
-	-	-	569,781
78	-	-	78
-	-	-	22,436
<u>\$ 2,879,341</u>	<u>\$ 413</u>	<u>\$ 4,399,021</u>	<u>\$ 24,070,026</u>
\$ 29,642	\$ -	\$ 37,675	\$ 658,247
-	-	-	78
-	-	-	20,000
<u>29,642</u>	<u>-</u>	<u>37,675</u>	<u>678,325</u>
-	-	-	22,436
-	-	606,159	3,370,827
-	-	1,159,555	1,159,555
-	-	-	1,000,000
-	-	-	1,300,000
-	-	-	3,200,000
2,849,699	-	-	2,849,699
-	413	-	413
-	-	2,595,632	2,595,632
-	-	-	7,893,139
<u>2,849,699</u>	<u>413</u>	<u>4,361,346</u>	<u>23,391,701</u>
<u>\$ 2,879,341</u>	<u>\$ 413</u>	<u>\$ 4,399,021</u>	<u>\$ 24,070,026</u>

WEST WHITELAND TOWNSHIP

RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2017

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ <u>23,391,701</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	84,241,401
Accumulated depreciation	<u>(40,742,954)</u>
TOTAL CAPITAL ASSETS (see Note E)	<u>43,498,447</u>
<p>Deferred charges used in governmental activities are not financial resources and therefore are not reported in the funds. These assets</p>	
Deferred amount on refunding	34,447
Deferred inflows and outflows related to pension activities	<u>246,380</u>
	<u>280,827</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>606,000</u>
<p>The Internal Service Fund is used by management to charge the costs of certain activities, such as fleet maintenance. Those assets and liabilities consist of:</p>	
Cash and cash equivalents	52,241
Accounts payable	(4,918)
Compensated absences	<u>(1,243)</u>
	<u>46,080</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	(80,565)
Bonds/note payable	(11,350,000)
Bond premiums	(467,389)
Compensated absences	(1,581,635)
Net OPEB obligation	(2,221,753)
Net pension asset	8,200
TOTAL LONG-TERM LIABILITIES	<u>(15,693,142)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>52,129,913</u></u>

See accompanying notes to the basic financial statements.

WEST WHITELAND TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2017

	<u>General Fund</u>	<u>Transportation Improvement Fund</u>
REVENUES		
Taxes		
Property	\$ 1,210,998	\$ -
Transfer	1,792,813	-
Earned income tax	5,817,094	-
Local services tax	918,738	-
Fees, licenses and permits	1,214,576	-
Investment income and rent	146,517	27,148
Intergovernmental revenues	572,225	-
Fines and forfeitures	174,351	-
Program revenues	60,382	-
Other	197,312	41,593
TOTAL REVENUES	<u>12,105,006</u>	<u>68,741</u>
EXPENDITURES		
Current		
General government	1,019,700	-
Public safety	5,962,145	-
Health and human services	23,500	-
Highways and roads	876,263	-
Culture and recreation	436,117	-
Debt service		
Principal	-	-
Interest and other charges	-	-
TOTAL EXPENDITURES	<u>8,317,725</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,787,281</u>	<u>68,741</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from sale of fixed assets	-	-
Transfers in	100,000	-
Transfers out	(3,040,125)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,940,125)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	847,156	68,741
FUND BALANCES AT BEGINNING OF YEAR	<u>12,568,419</u>	<u>2,695,927</u>
FUND BALANCES AT END OF YEAR	<u>\$ 13,415,575</u>	<u>\$ 2,764,668</u>

See accompanying notes to the basic financial statements.

<u>Public Service Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 1,210,998
-	-	-	1,792,813
-	-	-	5,817,094
-	-	-	918,738
-	-	-	1,214,576
20,286	892	38,397	233,240
-	-	548,367	1,120,592
-	-	-	174,351
-	-	-	60,382
-	-	48,934	287,839
<u>20,286</u>	<u>892</u>	<u>635,698</u>	<u>12,830,623</u>
10,822	-	273,454	1,303,976
-	-	172,115	6,134,260
50,331	-	-	73,831
216,425	-	664,379	1,757,067
-	-	21,778	457,895
-	345,000	-	345,000
-	264,248	-	264,248
<u>277,578</u>	<u>609,248</u>	<u>1,131,726</u>	<u>10,336,277</u>
<u>(257,292)</u>	<u>(608,356)</u>	<u>(496,028)</u>	<u>2,494,346</u>
-	-	62,748	62,748
1,086,926	580,899	1,489,000	3,256,825
-	-	(46,563)	(3,086,688)
<u>1,086,926</u>	<u>580,899</u>	<u>1,505,185</u>	<u>232,885</u>
829,634	(27,457)	1,009,157	2,727,231
<u>2,020,065</u>	<u>27,870</u>	<u>3,352,189</u>	<u>20,664,470</u>
<u>\$ 2,849,699</u>	<u>\$ 413</u>	<u>\$ 4,361,346</u>	<u>\$ 23,391,701</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, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,727,231
<p>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 (\$2,406,081) exceeds capital outlays (\$725,463).</p>	(1,680,618)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets</p>	(4,527)
<p>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.</p>	
Repayment of debt	345,000
Amortization of deferred charges	33,990
<p>The Internal Service Fund is used by management to charge the costs of certain activities, such as fleet maintenance. The activity of the Internal Service Fund is reported in governmental activities.</p>	15,620
<p>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.</p>	
Accrued interest	(12,845)
Pension plan expense	(105,981)
<p>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).</p>	(206,838)
<p>The net change in the liability for the net OPEB obligation is reported in the government-wide statements but not in the Governmental Funds statements.</p>	(62,782)
<p>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 decreased by the following in the current period.</p>	<u>(82,000)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 966,250</u>

See accompanying notes to the basic financial statements.

WEST WHITELAND TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Business- Enterprise	
	Sewer Fund	Sewer Capital Fund
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,704,363	\$ 3,082,674
Investments	289,963	3,692,330
Receivables, other	142,483	-
Due from other funds	54	-
Inventory	-	-
Prepaid expenses	186,015	-
Net pension asset	103,686	-
TOTAL CURRENT ASSETS	3,426,564	6,775,004
PROPERTY AND EQUIPMENT		
Sewer treatment plant and improvements	13,325,060	-
Furniture and equipment	2,849,534	-
Vehicles	392,416	-
Accumulated depreciation	(9,104,962)	-
TOTAL PROPERTY AND EQUIPMENT	7,462,048	-
TOTAL ASSETS	10,888,612	6,775,004
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	227,644	-
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	207,571	130,609
Due to other funds	2,377	-
TOTAL CURRENT LIABILITIES	209,948	130,609
NONCURRENT LIABILITIES		
Compensated absences	17,721	-
TOTAL LIABILITIES	227,669	130,609
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	179,033	-
NET POSITION		
Net investment in capital assets	7,462,048	-
Unrestricted	3,247,506	6,644,395
TOTAL NET POSITION	\$ 10,709,554	\$ 6,644,395

See accompanying notes to the basic financial statements.

Type Activities Funds		Total Enterprise Funds	Governmental Activities Internal Service Fund Fleet Maintenance Fund
Solid Waste Fund			
\$ 14,158	\$ 5,801,195	\$ 52,241	
-	3,982,293	-	
69,847	212,330	-	
2,377	2,431	-	
4,640	4,640	-	
-	186,015	-	
9,844	113,530	-	
<u>100,866</u>	<u>10,302,434</u>	<u>52,241</u>	
-	13,325,060	-	
-	2,849,534	-	
-	392,416	-	
-	(9,104,962)	-	
-	<u>7,462,048</u>	-	
<u>100,866</u>	<u>17,764,482</u>	<u>52,241</u>	
<u>21,622</u>	<u>249,266</u>	<u>-</u>	
100,692	438,872	4,918	
54	2,431	-	
<u>100,746</u>	<u>441,303</u>	<u>4,918</u>	
<u>3,090</u>	<u>20,811</u>	<u>1,243</u>	
<u>103,836</u>	<u>462,114</u>	<u>6,161</u>	
<u>16,998</u>	<u>196,031</u>	<u>-</u>	
-	7,462,048	-	
<u>1,654</u>	<u>9,893,555</u>	<u>46,080</u>	
<u>\$ 1,654</u>	<u>\$ 17,355,603</u>	<u>\$ 46,080</u>	

WEST WHITELAND TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017

	<u>Sewer Fund</u>	<u>Business- Enterprise Sewer Capital Fund</u>
OPERATING REVENUES		
Charges for services	\$ 3,324,851	\$ 386,761
Other revenue	652	-
TOTAL OPERATING REVENUES	<u>3,325,503</u>	<u>386,761</u>
OPERATING EXPENSES		
Sewer operations	2,605,228	230,375
Refuse operation	-	-
Fleet maintenance	-	-
Depreciation	407,926	-
TOTAL OPERATING EXPENSES	<u>3,013,154</u>	<u>230,375</u>
OPERATING INCOME (LOSS)	<u>312,349</u>	<u>156,386</u>
NONOPERATING REVENUES		
Intergovernmental	-	-
Interest and investment revenue	30,972	68,478
TOTAL NONOPERATING REVENUES	<u>30,972</u>	<u>68,478</u>
INCOME (LOSS) BEFORE OTHER SOURCES (USES)	<u>343,321</u>	<u>224,864</u>
OTHER SOURCES (USES)		
Capital contributions	-	-
Operating transfers in	244,840	336,000
Operating transfers out	(477,000)	(263,277)
Loss on disposal of assets	(6,346)	-
TOTAL OTHER SOURCES (USES)	<u>(238,506)</u>	<u>72,723</u>
CHANGE IN NET POSITION	104,815	297,587
NET POSITION AT BEGINNING OF YEAR	<u>10,604,739</u>	<u>6,346,808</u>
NET POSITION AT END OF YEAR	<u>\$ 10,709,554</u>	<u>\$ 6,644,395</u>

See accompanying notes to the basic financial statements.

<u>Type Activities</u>		<u>Governmental</u>
<u>Funds</u>		<u>Activities</u>
<u>Solid</u>	<u>Total</u>	<u>Internal</u>
<u>Waste Fund</u>	<u>Enterprise</u>	<u>Service Fund</u>
	<u>Funds</u>	<u>Fleet</u>
		<u>Maintenance</u>
		<u>Fund</u>
\$ 694,405	\$ 4,406,017	\$ 137,588
6,547	7,199	-
<u>700,952</u>	<u>4,413,216</u>	<u>137,588</u>
-	2,835,603	-
905,654	905,654	-
-	-	122,377
-	407,926	-
<u>905,654</u>	<u>4,149,183</u>	<u>122,377</u>
<u>(204,702)</u>	<u>264,033</u>	<u>15,211</u>
3,272	3,272	-
1,130	100,580	409
<u>4,402</u>	<u>103,852</u>	<u>409</u>
<u>(200,300)</u>	<u>367,885</u>	<u>15,620</u>
-	-	-
-	580,840	-
(10,700)	(750,977)	-
-	(6,346)	-
<u>(10,700)</u>	<u>(176,483)</u>	<u>-</u>
(211,000)	191,402	15,620
<u>212,654</u>	<u>17,164,201</u>	<u>30,460</u>
\$ <u>1,654</u>	\$ <u>17,355,603</u>	\$ <u>46,080</u>

WEST WHITELAND TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017

	Business- Enterprise	
	Sewer Fund	Sewer Capital Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 3,350,460	\$ 386,761
Payments to employees for services	(20,931)	-
Payments to suppliers for goods and services	(2,584,384)	(101,757)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	745,145	285,004
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from grants	-	-
Purchase of property, plant and equipment	(244,840)	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(244,840)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund revenues	(229,783)	72,723
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	2,053,207
Proceeds from sale of investments	590,252	-
Interest and dividends on investments	30,974	68,478
NET CASH PROVIDED BY INVESTING ACTIVITIES	621,226	2,121,685
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	891,748	2,479,412
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,812,615	603,262
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,704,363	\$ 3,082,674
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 312,349	\$ 156,386
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	407,926	-
Pension expense	23,660	-
(Increase) decrease in		
Receivables	24,957	-
Due from other funds	-	-
Inventory	-	-
Prepaid expense	(23,165)	15,357
Increase (decrease) in		
Payables	(5,806)	113,261
Compensated absences	5,224	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 745,145	\$ 285,004

See accompanying notes to the basic financial statements.

Type Activities		Governmental
Funds		Activities
	Total	Internal
Solid	Enterprise	Service Fund
Waste Fund	Funds	Fleet
		Maintenance
		Fund
\$ 710,202	\$ 4,447,423	\$ 137,588
(63,967)	(84,898)	(966)
<u>(837,859)</u>	<u>(3,524,000)</u>	<u>(121,952)</u>
(191,624)	838,525	14,670
3,272	3,272	-
<u>-</u>	<u>(244,840)</u>	<u>-</u>
3,272	(241,568)	-
<u>(10,700)</u>	<u>(167,760)</u>	<u>-</u>
-	2,053,207	-
-	590,252	-
<u>1,130</u>	<u>100,582</u>	<u>409</u>
1,130	2,744,041	409
(197,922)	3,173,238	15,079
<u>212,080</u>	<u>2,627,957</u>	<u>37,162</u>
<u>\$ 14,158</u>	<u>\$ 5,801,195</u>	<u>\$ 52,241</u>
\$ (204,702)	\$ 264,033	\$ 15,211
-	407,926	-
2,239	25,899	-
11,627	36,584	-
(2,377)	(2,377)	-
14,210	14,210	-
-	(7,808)	-
(13,889)	93,566	425
<u>1,268</u>	<u>6,492</u>	<u>(966)</u>
<u>\$ (191,624)</u>	<u>\$ 838,525</u>	<u>\$ 14,670</u>

WEST WHITELAND TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

	<u>Pension Trust Funds</u>	<u>Private- Purpose Trust Funds</u>	<u>Agency Funds</u>	<u>Total Fiduciary Funds</u>
ASSETS				
CURRENT ASSETS				
Cash	\$ 546,294	\$ 250,775	\$ 15,815	\$ 812,884
Investments, at fair value				
Mutual funds	16,871,954	1,749,018	-	18,620,972
Corporate bonds	7,147,253	-	-	7,147,253
Prepaid expenses	<u>46,023</u>	<u>705</u>	<u>-</u>	<u>46,728</u>
TOTAL ASSETS	<u>24,611,524</u>	<u>2,000,498</u>	<u>15,815</u>	<u>26,627,837</u>
LIABILITIES				
Accounts payable	-	246,284	-	246,284
Deposits payable	<u>-</u>	<u>-</u>	<u>15,815</u>	<u>15,815</u>
TOTAL LIABILITIES	<u>-</u>	<u>246,284</u>	<u>15,815</u>	<u>262,099</u>
NET POSITION				
Held in trust for benefits and other purposes	<u>\$ 24,611,524</u>	<u>\$ 1,754,214</u>	<u>\$ -</u>	<u>\$ 26,365,738</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, 2017

	<u>Pension Trust Funds</u>	<u>Private- Purpose Trust Funds</u>	<u>Total Fiduciary Funds</u>
ADDITIONS			
Contributions			
Member contributions	\$ 218,408	\$ -	\$ 218,408
State contributions	334,942	-	334,942
Employer contributions	275,251	185,548	460,799
TOTAL CONTRIBUTIONS	<u>828,601</u>	<u>185,548</u>	<u>1,014,149</u>
Investment income			
Net decrease in fair value of investments	3,015,457	202,240	3,217,697
Interest and dividends	366,240	37,286	403,526
TOTAL INVESTMENT INCOME	<u>3,381,697</u>	<u>239,526</u>	<u>3,621,223</u>
Investment expense	(11,830)	-	(11,830)
INVESTMENT INCOME (LOSS), net	<u>3,369,867</u>	<u>239,526</u>	<u>3,609,393</u>
TOTAL ADDITIONS	<u>4,198,468</u>	<u>425,074</u>	<u>4,623,542</u>
DEDUCTIONS			
Actuary fees	17,810	-	17,810
Miscellaneous	8,900	9,510	18,410
Benefits	934,790	185,548	1,120,338
Refunds of Contributions	-	80,091	80,091
TOTAL DEDUCTIONS	<u>961,500</u>	<u>275,149</u>	<u>1,236,649</u>
CHANGE IN NET POSITION	3,236,968	149,925	3,386,893
NET POSITION AT BEGINNING OF YEAR	<u>21,374,556</u>	<u>1,604,289</u>	<u>22,978,845</u>
NET POSITION AT END OF YEAR	<u>\$ 24,611,524</u>	<u>\$ 1,754,214</u>	<u>\$ 26,365,738</u>

See accompanying notes to the basic financial statements.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.

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.

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, 2017

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 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, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Township reports the following Internal Service Fund:

The *Fleet Maintenance Fund* accounts for the activities of the Township's fleet maintenance garage.

Additionally, the Township reports the following Fiduciary Fund types:

The *Pension 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.

Private-Purpose Trust Funds account for post-retirement benefits. Fees are charged to the various funds to cover their respective costs.

The *Agency Funds* account for monies held by the Township on a purely custodial basis for the following funds: Crime Prevention Fund. Assets in the Agency Funds equal liabilities.

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, 2017

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 and short-term investments with original maturities of three months or less from the date of acquisition.

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, 2017, 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 1 and payable under the following terms:

- A 2% discount February 1 through March 31,
- Face amount April 1 through May 31 and
- A 10% penalty after May 31.

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, 2017

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 and sick time up to 105 days. Non-uniform employees may carry forward vacation balances for one year. Beginning in 2012, those employees outside the bargaining agreement may carry forward sick time up to 20 days to be used only in the event of a serious medical condition. Police officers can accumulate up to 480 hours of comp time.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 two items that qualifies 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 changes in plan assumptions, the difference between expected and actual experience and the net difference between projected and actual earnings on pension plan investments. The deferred charge on refunding is reported in the government-wide statement of net position and the Proprietary Fund 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 one item that qualifies 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 differences between expected and actual experience of the pension plan and the net difference between projected and actual earnings on pension plan investments.

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.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2017, 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.

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 2017, the Board of Supervisors committed \$3,200,000 for this purpose.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. 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, 2017, \$250,000 of the Township's total bank balance of \$21,974,822 was insured by the Federal Deposit Insurance Corporation. Of the remaining \$21,724,822, \$3,213,102 is deposited in state investment pools (uninsured) and the remaining balance of \$18,511,720 was uninsured and collateralized by securities held by the pledging financial institution.

Investments

As of December 31, 2017, the Township had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
			<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>
Certificates of deposit	\$ 9,367,194	\$ -	\$ 9,078,181	\$ 289,013
Mutual funds	-	18,620,972	18,620,972	-
Corporate bonds	-	7,147,253	7,147,253	-
State investment pools	1,111,324	-	1,111,324	-
	<u>\$ 10,478,518</u>	<u>\$ 25,768,225</u>	<u>\$ 35,957,730</u>	<u>\$ 289,013</u>

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

Investments in state investment pools are in the PLGIT program, which are funds similar to mutual funds. GASB Statement No. 3, Paragraph 69, provides that certain types of cash and investments, such as cash investments in a State Treasurer's investment pool or mutual fund, cannot be assigned a credit risk category because the government does not own specific securities. Therefore, the PLGIT cash deposits included in these statements will not be assigned a credit risk category. These assets maintain a stable net asset value of \$1 per share. At December 31, 2017, the Township's deposits in the state investment pool was rates AAAM by Standard & Poor's.

Investments held with qualifying external state investment pools are valued at amortized cost in accordance with GASB Statement No. 79. The Township has \$600,000 invested in a PLGIT/TERM account which has a maturity of up to one year, depending upon the termination date of any particular series within the PLGIT/TERM portfolio, a minimum investment period of sixty (60) days, and has a premature withdrawal, and \$511,324 invested in PLGIT I Class which limits redemptions or exchanges to two per calendar month.

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, 2017:

Investments in mutual funds of \$18,620,972 and corporate bonds of \$7,147,253 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.

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. More than 5% of the Township's investments are invested in certificates of deposit, mutual funds and corporate bonds. They represent 25.8%, 51.4%, and 19.7%, respectively, of the Township's total investments as of December 31, 2017.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to Financial Statements

INVESTMENTS ON STATEMENT OF NET POSITION	\$ 10,478,518
INVESTMENTS IN FIDUCIARY ACCOUNTS	<u>25,768,225</u>
TOTAL INVESTMENTS	<u>\$ 36,246,743</u>

NOTE C - RECEIVABLES

Receivables for the Township as of December 31, 2017, are as follows:

GENERAL FUND	
Taxes receivable	\$ 1,484,973
Accounts receivable	<u>569,781</u>
	<u>\$ 2,054,754</u>
SEWER FUND	
Other receivables	<u>\$ 142,483</u>
SOLID WASTE FUND	
Other receivables	<u>\$ 69,847</u>

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances as of December 31, 2017, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Public Service Fund	General Fund	\$ 78
Sewer Fund	Solid Waste Fund	54
Solid Waste Fund	Sewer Fund	<u>2,377</u>
		<u>\$ 2,509</u>

Interfund transfers as of December 31, 2017, were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 100,000	\$ 3,040,125
General Fund	1,086,926	-
Debt Service Fund	580,899	-
Township Equipment Fund	745,000	46,563
Technology Fund	379,000	-
WWFC Equipment Fund	365,000	-
Sewer Fund	244,840	477,000
Sewer Capital Fund	336,000	263,277
Solid Waste Fund	-	<u>10,700</u>
	<u>\$ 3,837,665</u>	<u>\$ 3,837,665</u>

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

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE E - CAPITAL ASSETS

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

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,462,872	\$ -	\$ -	\$ 3,462,872
Capital assets being depreciated				
Infrastructure	42,416,699	210,624	-	42,627,323
Buildings and improvements	33,814,710	-	-	33,814,710
Machinery and equipment	3,941,817	514,839	(120,160)	4,336,496
TOTAL CAPITAL ASSETS BEING DEPRECIATED	80,173,226	725,463	(120,160)	80,778,529
Accumulated depreciation				
Infrastructure	(26,179,586)	(1,051,220)	-	(27,230,806)
Buildings and improvements	(9,508,289)	(979,166)	-	(10,487,455)
Machinery and equipment	(2,764,631)	(375,695)	115,633	(3,024,693)
TOTAL ACCUMULATED DEPRECIATION	(38,452,506)	(2,406,081)	115,633	(40,742,954)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	41,720,720	(1,680,618)	(4,527)	40,035,575
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	45,183,592	(1,680,618)	(4,527)	43,498,447
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated				
Sewer treatment plant and improvements	13,179,287	145,773	-	13,325,060
Furniture and equipment	2,837,722	52,504	(40,692)	2,849,534
Vehicles	345,853	46,563	-	392,416
TOTAL CAPITAL ASSETS BEING DEPRECIATED	16,362,862	244,840	(40,692)	16,567,010
Accumulated depreciation				
Sewer treatment plant and improvements	(6,947,684)	(300,376)	-	(7,248,060)
Furniture and equipment	(1,439,277)	(75,467)	34,344	(1,480,400)
Vehicles	(344,419)	(32,083)	-	(376,502)
TOTAL ACCUMULATED DEPRECIATION	(8,731,380)	(407,926)	34,344	(9,104,962)
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net	7,631,482	(163,086)	(6,348)	7,462,048
CAPITAL ASSETS, net	\$ 52,815,074	\$ (1,843,704)	\$ (10,875)	\$ 50,960,495

Depreciation expense was charged to governmental activities as follows:

General government	\$ 205,775
Codes and planning	71,410
Police and emergency services	422,847
Public works	1,512,993
Culture and recreation	193,056
	<u>193,056</u>
	\$ 2,406,081

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 July 2007, the Township issued a \$5,000,000 General Obligation Note to fund the construction of a new Township Administration Building	Variable not to exceed 12.00%	\$ 3,115,000
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>8,235,000</u>
		<u>\$ 11,350,000</u>

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>
2018	\$ 735,000	\$ 596,550
2019	860,000	546,450
2020	900,000	484,450
2021	945,000	419,550
2022	990,000	351,550
2023 to 2027	5,355,000	962,400
2028 to 2029	<u>1,565,000</u>	<u>47,100</u>
	<u>\$ 11,350,000</u>	<u>\$ 3,408,050</u>

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE F - LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2017, 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	\$ 3,360,000	\$ -	\$ (245,000)	\$ 3,115,000	\$ 245,000
General Obligation Bonds, Series of 2016	<u>8,335,000</u>	<u>-</u>	<u>(100,000)</u>	<u>8,235,000</u>	<u>100,000</u>
TOTAL BONDS AND NOTE PAYABLE	11,695,000	-	(345,000)	11,350,000	345,000
Bond premiums	507,308	-	(39,919)	467,389	-
Compensated absences	1,377,006	205,872	-	1,582,878	-
Net pension liability (asset)	438,804	-	(447,004)	(8,200)	-
Net OPEB obligation	<u>2,158,971</u>	<u>354,190</u>	<u>(291,408)</u>	<u>2,221,753</u>	<u>-</u>
 TOTAL GOVERNMENTAL ACTIVITIES LONG- TERM LIABILITIES	 <u>\$ 16,177,089</u>	 <u>\$ 560,062</u>	 <u>\$ (1,123,331)</u>	 <u>\$ 15,613,820</u>	 <u>\$ 345,000</u>
BUSINESS-TYPE ACTIVITIES					
Compensated absences	<u>\$ 14,319</u>	<u>\$ 6,492</u>	<u>\$ -</u>	<u>\$ 20,811</u>	<u>\$ -</u>

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, 2017, 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, 2017, there were no additional assessments due or anticipated.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 has provided certain non-uniformed retirees with a death benefit in the amount of \$5,000. These benefits are provided at the discretion of the Board of Supervisors.

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 will receive a credit in the amount of its vested interest in the cumulative reserve fund. This credit will only be applied to next year's annual budgetary contribution, which the Township is still required to pay. The Township is then responsible for only its claims.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017

NOTE G - OTHER INFORMATION (Continued)

Payments made by the Township to the Authority during 2017 were as follows:

Industrial waste surcharge	\$ 3,894
Operation related	600,836
Capital related	<u>193,473</u>
	<u>\$ 798,203</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, 2017

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 2017 were as follows:

Operation related	\$ 683,844
Capital related	<u>-</u>
	<u>\$ 683,844</u>

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

Uwchlan Township Municipal Authority (the “Municipal Authority”) - Under an agreement dated December 20, 1971, the Municipal Authority and the Township 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 September 1997, the Township entered into an additional agreement with Uwchlan Township to connect ten additional dwellings to the West Whiteland sewer system. The developer of the dwellings shall pay the tapping fees. Uwchlan Township shall pay West Whiteland Township a one-time fee of \$5,000 upon connection of the first dwelling to the system. Operating costs will be allocated to Uwchlan Township under the provisions of the 1971 agreement described above.

Uwchlan Township’s payments made during 2017 for its share of operating costs were \$136,986.

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

Exton Park Project - In May 1995, the Township and the County of Chester (the “County”) jointly purchased 713 acres of land known as the Church Farm Property. Total cost of this property was \$12,829,539, of which \$4,761,019 was the Township’s share. The land was purchased to preserve open space and provide recreational areas for the use and enjoyment of the public.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE G - OTHER INFORMATION (Continued)

In connection with the purchase of this property, the Township and the County entered into an Agreement of Principles dated March 11, 1996, and amended in 2006. This Agreement outlines the understandings and agreements for the Exton Park Project. The Park was subdivided between Chester County and West Whiteland in 2007. The Township and the County shall continue to cooperate with each other in the general public interest but remain responsible for each entity's property. The County has 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. Multiple requests over several years may be submitted, as phases of the Park are completed, until the \$500,000 is fully expended.

In December 2015, the Township hired URDC and created a study committee to develop a new Master Plan for the Township portion of Exton Park, to be paid for in part by a grant from the PA Department of Conservation and Natural Resources.

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 liability, 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, 2017

NOTE H - POLICE PENSION PLAN (Continued)

Plan Membership

At December 31, 2017, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	16 *
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>23</u>
	<u><u>41</u></u>

* Includes two members 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, 2017

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 \$459,349 to the Plan for the year 2017. The Township's actual contributions for the Plan year 2017 were \$521,903.

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, 2017

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, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity mutual funds	50%
International equity mutual funds	10%
Fixed income corporate bonds	35%
Real estate	0%
Cash	<u>5%</u>
	<u>100%</u>

Concentrations

More than 5% of the Township's investments are in mutual funds and corporate bonds. These investments are 70% and 30%, respectively, of the Plan's total investments.

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 11.71%. 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, 2017

NOTE H - POLICE PENSION PLAN (Continued)

NET PENSION LIABILITY OF THE TOWNSHIP

The components of the net pension liability of the Township at December 31, 2017, were as follows:

Total pension liability	\$ 16,955,769
Plan fiduciary net position	<u>(16,721,161)</u>
NET PENSION LIABILITY	<u>\$ 234,608</u>
 Plan fiduciary net position as a percentage of the total pension liability	 <u>98.62%</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2017, 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 IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA 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, 2017 (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%
Real estate	4.5%-6.5%
Cash	0.0%-1.0%

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
BALANCE AT DECEMBER 31, 2016	\$ 15,138,844	\$ 14,464,331	\$ 674,513
Service cost	365,229	-	365,229
Interest	1,260,606	-	1,260,606
Changes for experience	(106,088)	-	(106,088)
Changes of assumptions	934,139	-	934,139
Contributions			
Employer	-	521,903	(521,903)
Member	-	116,507	(116,507)
Net investment income	-	2,269,516	(2,269,516)
Benefit payments	(636,961)	(636,961)	-
Administrative expense	-	(14,135)	14,135
NET CHANGES	<u>1,816,925</u>	<u>2,256,830</u>	<u>(439,905)</u>
BALANCE AT DECEMBER 31, 2017	\$ <u>16,955,769</u>	\$ <u>16,721,161</u>	\$ <u>234,608</u>

Changes in Assumptions

In the 2017 actuarial valuation, the mortality rates were based on the IRS 2017 Static Combined Table for Small Plans. In prior years, the mortality rates were based on the RP-2000 Healthy Annuitant Mortality Tables. In 2017 the discount rate was also lowered from 7.25% to 7.0%.

WEST WHITELAND TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2017

NOTE H - POLICE PENSION PLAN (Continued)

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

The following presents the net pension liability of the Township, calculated using the discount rate of 7.0%, as well as what the Township's net pension liability 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>2,269,070</u>	\$ <u>234,608</u>	\$ <u>(1,470,095)</u>

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

For the year ended December 31, 2017, the Township recognized pension expense of \$572,467. At December 31, 2017, 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	\$ -	\$ 157,346
Changes in assumptions	1,004,469	-
Difference between projected and actual investment earnings	<u>426,343</u>	<u>1,140,913</u>
	\$ <u>1,430,812</u>	\$ <u>1,298,259</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>	
2018	\$ 61,063
2019	61,062
2020	(152,106)
2021	(147,987)
2022	103,506
Thereafter	207,015

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017, three members have elected to participate in the DROP. The total DROP account balance is approximately \$341,647.

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 liability, 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, 2017

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

Plan Membership

At December 31, 2017, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	<u>32</u>
	<u>52</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, 2017

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 \$63,337 to the Plan for the year 2017. The Township's actual contributions for the Plan year 2017 were \$88,290.

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, 2017

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, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity mutual funds	50%
International equity mutual funds	15%
Fixed income corporate bonds	35%
Real estate	0%
Cash	<u>0%</u>
	<u><u>100%</u></u>

Concentrations

More than 5% of the Township's investments are in mutual funds and corporate bonds. These investments are 70% and 30%, respectively, of the Plan's total investments.

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 11.87%. 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, 2017

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, 2017, were as follows:

Total pension liability	\$ 7,534,025
Plan fiduciary net position	<u>(7,890,363)</u>
NET PENSION ASSET	<u>\$ (356,338)</u>
 Plan fiduciary net position as a percentage of the total pension asset	 <u>104.73%</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2017, 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 IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA 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, 2017 (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%
Real estate	4.5%-6.5%
Cash	0.0%-1.0%

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

	<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, 2016	\$ 4,472,906	\$ 4,708,615	\$ (235,709)
Service cost	129,682	-	129,682
Interest	342,486	-	342,486
Changes for experience	13,454	-	13,454
Changes of assumptions	378,083	-	378,083
Contributions			
Employer	-	60,161	(60,161)
Member	-	69,435	(69,435)
Net investment income	-	749,777	(749,777)
Benefit payments	(202,940)	(202,940)	-
Administrative expense	-	(8,569)	8,569
NET CHANGES	<u>660,765</u>	<u>667,864</u>	<u>(7,099)</u>
BALANCE AT DECEMBER 31, 2017	<u>\$ 5,133,671</u>	<u>\$ 5,376,479</u>	<u>\$ (242,808)</u>

Changes in Assumptions

In the 2017 actuarial valuation, the mortality rates were based on the IRS 2017 Static Combined Table for Small Plans. In prior years, the mortality rates were based on the RP-2000 Healthy Annuitant Mortality Tables. In 2017 the discount rate was also lowered from 7.25% to 7.0%.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2016	\$ 1,910,051	\$ 2,010,705	\$ (100,654)
Service cost	55,378	-	55,378
Interest	146,251	-	146,251
Changes for experience	5,745	-	5,745
Changes of assumptions	161,451	-	161,451
Contributions			
Employer	-	25,690	(25,690)
Member	-	29,651	(29,651)
Net investment income	-	320,175	(320,175)
Benefit payments	(86,661)	(86,661)	-
Administrative expense	-	(3,659)	3,659
NET CHANGES	<u>282,164</u>	<u>285,196</u>	<u>(3,032)</u>
BALANCE AT DECEMBER 31, 2017	<u>\$ 2,192,215</u>	<u>\$ 2,295,901</u>	<u>\$ (103,686)</u>
	Solid Waste Fund		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a)-(b)
BALANCE AT DECEMBER 31, 2016	\$ 181,349	\$ 190,905	\$ (9,557)
Service cost	5,258	-	5,258
Interest	13,886	-	13,886
Changes for experience	545	-	545
Changes of assumptions	15,329	-	15,329
Contributions			
Employer	-	2,439	(2,439)
Member	-	2,815	(2,815)
Net investment income	-	30,399	(30,399)
Benefit payments	(8,228)	(8,228)	-
Administrative expense	-	(347)	347
NET CHANGES	<u>26,790</u>	<u>27,078</u>	<u>(288)</u>
BALANCE AT DECEMBER 31, 2017	<u>\$ 208,139</u>	<u>\$ 217,983</u>	<u>\$ (9,844)</u>

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

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

The following presents the net pension liability of the Township, calculated using the discount rate of 7.0%, as well as what the Township's net pension liability 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:

	1% Decrease <u>(6.0%)</u>	Current Discount Rate (7.0%)	1% Increase <u>(8.0%)</u>
Net pension liability (asset)	\$ <u>496,945</u>	\$ <u>(356,338)</u>	\$ <u>(1,088,476)</u>

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

For the year ended December 31, 2017, the Township recognized pension expense of \$169,605. At December 31, 2017, 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	\$ 11,532	\$ 32,884
Changes in assumptions	383,530	-
Difference between projected and actual investment earnings	<u>138,019</u>	<u>386,370</u>
	<u>\$ 533,081</u>	<u>\$ 419,254</u>

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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	\$ 4,924	\$ 14,043
Changes in assumptions	163,778	-
Difference between projected and actual investment earnings	<u>58,942</u>	<u>164,991</u>
	<u>\$ 227,644</u>	<u>\$ 179,033</u>

	<u>Solid Waste Fund</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 468	\$ 1,333
Changes in assumptions	15,550	-
Difference between projected and actual investment earnings	<u>5,594</u>	<u>15,665</u>
	<u>\$ 21,612</u>	<u>\$ 16,998</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>
2018	\$ 31,004	\$ 13,239	\$ 1,257
2019	31,005	13,240	1,257
2020	(38,011)	(16,232)	(1,541)
2021	(22,028)	(9,407)	(894)
2022	55,934	23,885	2,268
Thereafter	55,923	23,884	2,267

WEST WHITELAND TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2017

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, 2017, plan membership consisted of the following:

Inactive plan members of beneficiaries currently receiving benefits	8
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	24
	<hr/>
	36
	<hr/> <hr/>

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, 2017

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, 2017, the Boards adopted asset allocation policy was to invest in mutual funds.

Rate of Return - For the year ended December 31, 2017, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 15.77%. 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, 2017

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

OTHER POSTEMPLOYMENT BENEFITS – PLAN DISCLOSURES

Net OPEB Liability of the Township

The components of the net pension liability of the Township at December 31, 2017, were as follows:

Total OPEB liability	\$ 3,695,302
Plan fiduciary net position	<u>(1,754,214)</u>
NET OPEB LIABILITY	\$ <u>1,941,088</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>47.47%</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2017, 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 IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA 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, 2017, the long-term expected rate of return on OPEB plan investments is 6.50% and the municipal bond rate is 3.16% based on the S&P Municipal Bond 20 Year High Grade Rate Index.

WEST WHITELAND TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2017

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability 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	\$ <u>2,239,056</u>	\$ <u>1,941,088</u>	\$ <u>1,600,635</u>

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

The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using 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	\$ <u>1,509,159</u>	\$ <u>1,941,088</u>	\$ <u>2,461,216</u>

OTHER POSTEMPLOYMENT BENEFITS – EMPLOYER DISCLOSURES

Annual OPEB Cost and Net OPEB Obligation

The Township's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

The components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Township's net OPEB obligation to the plan are as follows:

Normal cost	\$ 133,007
Amortization of unfunded actuarial accrued liability	<u>253,902</u>
ANNUAL REQUIRED CONTRIBUTION (ARC)	386,909
Interest on net OPEB obligation	107,085
Adjustment to ARC	<u>(139,804)</u>
ANNUAL OPEB EXPENSE	354,190
Net OPEB contributions during the year	<u>(291,408)</u>
ANNUAL OPEB OBLIGATION	62,782
Net OPEB obligation at beginning of year	<u>2,158,971</u>
NET OPEB OBLIGATION AT END OF YEAR	<u>\$ 2,221,753</u>

Three-Year Trend Information

<u>Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 286,980	25.05%	\$ 3,005,547
2016	341,360	348.00%	2,158,971
2017	354,190	82.27%	2,221,753

WEST WHITELAND TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

Funded Status and Funding Progress

As of January 1, 2016, the actuarial accrued liability for benefits was \$3,920,956 and the actuarial value of assets was \$0, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,323,599, and the ratio of the UAAL to the covered payroll was 168.74%. The Township has set aside funds in a Post-Retirement Fund and during 2016 these funds have been placed in a trust by an independent custodian. While the plan is considered unfunded in accordance with GASB Statement No. 45 as of the January 1, 2016 valuation, the funding of the plan during 2016 into a trust will be reflected in subsequent valuations.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information on page 76, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2016 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.96% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 6.5% in 2016, 6.0% in 2017, 5.5% in 2018 through 2020, then decreasing by 5.4% in 2021 to 3.8% in 2075 and later. The actuarial value of assets was determined using the market value of assets. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2017, was 30 years. The same assumptions were used in the alternative measurement calculation.

REQUIRED SUPPLEMENTARY INFORMATION

WEST WHITELAND TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 8,791,255	\$ 8,791,255	\$ 9,739,643	\$ 948,388
Fees, licenses and permits	1,306,660	1,306,660	1,214,576	(92,084)
Investment income and rent	80,700	80,700	146,517	65,817
Intergovernmental revenues	632,900	632,900	572,225	(60,675)
Fines and forfeitures	194,000	194,000	174,351	(19,649)
Program revenues	77,000	77,000	60,382	(16,618)
Other	174,000	174,000	197,312	23,312
TOTAL REVENUES	11,256,515	11,256,515	12,105,006	848,491
EXPENDITURES				
Current				
General government	1,120,657	1,120,657	1,019,700	100,957
Public safety	6,397,223	6,397,223	5,962,145	435,078
Health and human services	23,500	23,500	23,500	-
Highways and roads	852,139	895,139	876,263	18,876
Culture and recreation	532,305	532,305	436,117	96,188
TOTAL EXPENDITURES	8,925,824	8,968,824	8,317,725	651,099
EXCESS OF REVENUES OVER EXPENDITURES	2,330,691	2,287,691	3,787,281	1,499,590
OTHER FINANCING SOURCES (USES)				
Transfers in	105,000	105,000	100,000	(5,000)
Transfers out	(1,864,300)	(1,864,300)	(3,040,125)	(1,175,825)
TOTAL OTHER FINANCING SOURCES (USES)	(1,759,300)	(1,759,300)	(2,940,125)	(1,180,825)
NET CHANGE IN FUND BALANCE	571,391	528,391	847,156	318,765
FUND BALANCE AT BEGINNING OF YEAR	12,568,419	12,568,419	12,568,419	-
FUND BALANCE AT END OF YEAR	\$ 13,139,810	\$ 13,096,810	\$ 13,415,575	\$ 318,765

See accompanying note to the budgetary comparison schedule.

WEST WHITELAND TOWNSHIP
NOTE TO THE BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2017

NOTE A - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

During 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 were no budget revisions made 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.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY				
Service cost	\$ 365,229	\$ 325,957	\$ 311,921	\$ 304,541
Interest	1,260,606	1,038,487	1,000,373	965,369
Changes for experience	(106,088)	-	(129,040)	-
Changes of assumptions	934,139	-	374,192	-
Benefit payments	<u>(636,961)</u>	<u>(715,287)</u>	<u>(617,878)</u>	<u>(573,679)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	1,816,925	649,157	939,568	696,231
TOTAL PENSION LIABILITY, BEGINNING	<u>15,138,844</u>	<u>14,489,687</u>	<u>13,550,119</u>	<u>12,853,888</u>
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 16,955,769</u>	<u>\$ 15,138,844</u>	<u>\$ 14,489,687</u>	<u>\$ 13,550,119</u>
PLAN FIDUCIARY NET POSITION				
Contributions				
Employer	\$ 521,903	\$ 468,924	\$ 508,820	\$ 510,278
Member	116,507	110,706	113,955	119,013
Net investment income (loss)	2,269,516	1,192,538	(86,216)	869,666
Benefit payments, including refunds of member contributions	(636,961)	(715,287)	(617,878)	(547,500)
Administrative expense	<u>(14,135)</u>	<u>(13,920)</u>	<u>(14,371)</u>	<u>(10,222)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	2,256,830	1,042,961	(95,690)	941,235
PLAN FIDUCIARY NET POSITION, BEGINNING	<u>14,464,331</u>	<u>13,421,370</u>	<u>13,517,060</u>	<u>12,575,825</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 16,721,161</u>	<u>\$ 14,464,331</u>	<u>\$ 13,421,370</u>	<u>\$ 13,517,060</u>
TOWNSHIP'S NET PENSION LIABILITY ENDING (a)-(b)	<u>\$ 234,608</u>	<u>\$ 674,513</u>	<u>\$ 1,068,317</u>	<u>\$ 33,059</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>98.62%</u>	<u>95.54%</u>	<u>92.63%</u>	<u>99.76%</u>
COVERED-EMPLOYEE PAYROLL	<u>\$ 2,370,791</u>	<u>\$ 2,187,955</u>	<u>\$ 2,105,036</u>	<u>\$ 2,240,563</u>
TOWNSHIP'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>9.90%</u>	<u>30.83%</u>	<u>50.75%</u>	<u>1.48%</u>

NOTES TO SCHEDULE

Changes of assumptions. 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 7.25%. 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%.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 459,349	\$ 468,924	\$ 508,820	\$ 510,278
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>521,903</u>	<u>468,924</u>	<u>508,820</u>	<u>510,278</u>
CONTRIBUTION DEFICIENCY	<u>\$ 62,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COVERED-EMPLOYEE PAYROLL	<u>\$ 2,370,791</u>	<u>\$ 2,187,955</u>	<u>\$ 2,105,036</u>	<u>\$ 2,240,563</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>22.01%</u>	<u>21.43%</u>	<u>24.17%</u>	<u>22.77%</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	1/1/2015	1/1/2013
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	8 years	8 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	7.25%	7.5%
Retirement age	Normal retirement age	Normal retirement age
Mortality	Assumed life expectancies are based on the RP-2000 Healthy Annuitant Mortality Table	Assumed life expectancies are based on the RP-2000 Healthy Annuitant Mortality Table

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY				
Service cost	\$ 190,318	\$ 182,220	\$ 174,375	\$ 158,027
Interest	502,622	451,059	421,628	403,386
Changes for experience	19,745	-	(84,453)	-
Changes of assumptions	554,863	-	152,705	-
Benefit payments	<u>(297,829)</u>	<u>(216,517)</u>	<u>(179,290)</u>	<u>(238,586)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	969,719	416,762	484,965	322,827
TOTAL PENSION LIABILITY, BEGINNING	<u>6,564,306</u>	<u>6,147,544</u>	<u>5,662,579</u>	<u>5,339,752</u>
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 7,534,025</u>	<u>\$ 6,564,306</u>	<u>\$ 6,147,544</u>	<u>\$ 5,662,579</u>
PLAN FIDUCIARY NET POSITION				
Contributions				
Employer	\$ 88,290	\$ 65,927	\$ 76,271	\$ 76,501
Member	101,901	96,415	94,827	87,490
Net investment income (loss)	1,100,351	578,647	(39,035)	428,177
Benefit payments, including refunds of member contributions	(297,829)	(216,517)	(179,290)	(238,586)
Administrative expense	<u>(12,575)</u>	<u>(10,801)</u>	<u>(13,787)</u>	<u>(6,182)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	980,138	513,671	(61,014)	347,400
PLAN FIDUCIARY NET POSITION, BEGINNING	<u>6,910,225</u>	<u>6,396,554</u>	<u>6,457,568</u>	<u>6,110,168</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 7,890,363</u>	<u>\$ 6,910,225</u>	<u>\$ 6,396,554</u>	<u>\$ 6,457,568</u>
TOWNSHIP'S NET PENSION ASSET ENDING (a)-(b)	<u>\$ (356,338)</u>	<u>\$ (345,919)</u>	<u>\$ (249,010)</u>	<u>\$ (794,989)</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>104.73%</u>	<u>105.27%</u>	<u>104.05%</u>	<u>114.04%</u>
COVERED-EMPLOYEE PAYROLL	<u>\$ 2,094,143</u>	<u>\$ 1,759,223</u>	<u>\$ 1,893,115</u>	<u>\$ 1,638,392</u>
TOWNSHIP'S NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>-17.02%</u>	<u>-19.66%</u>	<u>-13.15%</u>	<u>-48.52%</u>

NOTES TO SCHEDULE

Changes in assumptions. 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 7.25%. 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%.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 63,337	\$ 65,927	\$ 76,271	\$ 76,501
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>88,290</u>	<u>65,927</u>	<u>76,271</u>	<u>76,501</u>
CONTRIBUTION DEFICIENCY	<u>\$ 24,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COVERED-EMPLOYEE PAYROLL	<u>\$ 1,759,223</u>	<u>\$ 1,759,223</u>	<u>\$ 1,893,115</u>	<u>\$ 1,638,392</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>5.02%</u>	<u>3.75%</u>	<u>4.03%</u>	<u>4.67%</u>

NOTES TO SCHEDULE

Valuation date	1/1/2015	1/1/2013
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	N/A	N/A
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	7.50%	7.25%
Retirement age	Normal retirement age	Normal retirement age
Mortality	Assumed life expectancies based on the RP-2000 Healthy Annuitant Mortality Table	Assumed life expectancies based on the RP-2000 Healthy Annuitant Mortality Table

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

	<u>2017</u>
TOTAL OPEB LIABILITY	
Service cost	\$ 97,288
Interest	231,536
Benefit payments	<u>(214,531)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	114,293
TOTAL OPEB LIABILITY, BEGINNING	<u>3,581,009</u>
TOTAL OPEB LIABILITY, ENDING (a)	<u>\$ 3,695,302</u>
PLAN FIDUCIARY NET POSITION	
Contributions	
Employer	\$ 214,531
Net investment income (loss)	239,526
Benefit payments	(214,531)
Refunds of contributions	(80,091)
Administrative expense	<u>(9,510)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	149,925
PLAN FIDUCIARY NET POSITION, BEGINNING	<u>1,604,289</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 1,754,214</u>
TOWNSHIP'S NET OPEB LIABILITY ENDING (a)-(b)	<u>\$ 1,941,088</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY	<u>47.47%</u>
COVERED-EMPLOYEE PAYROLL	<u>\$ 2,323,599</u>
TOWNSHIP'S NET OPEB LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>83.54%</u>

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

	<u>2017</u>
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ 214,531
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	<u>214,531</u>
CONTRIBUTION EXCESS	\$ <u><u>-</u></u>
COVERED-EMPLOYEE PAYROLL	\$ <u><u>2,323,599</u></u>
CONTRIBUTION AS A PERCENTAGE OF COVERED- EMPLOYEE PAYROLL	<u><u>9.23%</u></u>

WEST WHITELAND TOWNSHIP

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFIT

PLAN INVESTMENT RETURNS

LAST FISCAL YEAR

2017

ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF
INVESTMENT EXPENSE

15.77%

WEST WHITELAND TOWNSHIP
POSTEMPLOYMENT BENEFITS OTHER THAN
PENSION FUNDING PROGRESS
YEAR ENDED DECEMBER 31, 2017

Schedule of Funding Progress

<u>Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Accrued Liability (AAL)</u>	<u>(c) Unfunded AAL (UAAL) (b)-(a)</u>	<u>(d) Funded Ratio (a)/(b)</u>	<u>(e) Covered Payroll</u>	<u>(f) UAAL as a Percentage of Covered Payroll (c)/(e)</u>
2010	\$ -	\$ 3,236,364	\$ 3,236,364	0%	\$ 2,368,144	136.66%
2013	-	3,006,845	3,006,845	0%	2,471,021	121.68%
2016	-	3,920,955	3,920,955	0%	2,323,599	168.74%

SUPPLEMENTARY INFORMATION SECTION

WEST WHITELAND TOWNSHIP
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Special Revenue Fund <u>Highway Aid Fund</u>	<u>Township Equipment Fund</u>
ASSETS		
Cash and cash equivalents	\$ 616,487	\$ 597,723
Investments	<u>-</u>	<u>500,721</u>
TOTAL ASSETS	<u>\$ 616,487</u>	<u>\$ 1,098,444</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	<u>\$ 10,328</u>	<u>\$ 15,082</u>
FUND BALANCES		
Restricted		
Highway and street projects	606,159	-
Open space acquisition and improvement	-	-
Assigned		
Capital projects	<u>-</u>	<u>1,083,362</u>
TOTAL FUND BALANCES	<u>606,159</u>	<u>1,083,362</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 616,487</u>	<u>\$ 1,098,444</u>

Capital Projects Funds

Technology Fund	WWFC Equipment Fund	Open Space Fund	Total Capital Projects Funds	Total Other Governmental Funds
\$ 338,302	\$ 942,623	\$ 205,919	\$ 2,084,567	\$ 2,701,054
<u>41,157</u>	<u>202,453</u>	<u>953,636</u>	<u>1,697,967</u>	<u>1,697,967</u>
<u>\$ 379,459</u>	<u>\$ 1,145,076</u>	<u>\$ 1,159,555</u>	<u>\$ 3,782,534</u>	<u>\$ 4,399,021</u>
\$ 12,265	\$ -	\$ -	\$ 27,347	\$ 37,675
-	-	-	-	606,159
-	-	1,159,555	1,159,555	1,159,555
367,194	1,145,076	-	2,595,632	2,595,632
<u>367,194</u>	<u>1,145,076</u>	<u>1,159,555</u>	<u>3,755,187</u>	<u>4,361,346</u>
<u>\$ 379,459</u>	<u>\$ 1,145,076</u>	<u>\$ 1,159,555</u>	<u>\$ 3,782,534</u>	<u>\$ 4,399,021</u>

WEST WHITELAND TOWNSHIP

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OTHER GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2017

	Special Revenue Fund Highway Aid Fund	Township Equipment Fund
REVENUES		
Investment income and rent	\$ 7,958	\$ 8,364
Intergovernmental revenues	548,367	-
Other	800	-
	<u>557,125</u>	<u>8,364</u>
TOTAL REVENUES		
EXPENDITURES		
Current		
General government	-	-
Public safety	-	172,115
Highways and roads	342,743	321,636
Culture and recreation	-	21,088
TOTAL EXPENDITURES	<u>342,743</u>	<u>514,839</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>214,382</u>	<u>(506,475)</u>
OTHER FINANCING SOURCES		
Proceeds from sale of fixed assets	-	62,748
Transfers in	-	745,000
Transfers out	-	(46,563)
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>761,185</u>
NET CHANGE IN FUND BALANCES	214,382	254,710
FUND BALANCES AT BEGINNING OF YEAR	<u>391,777</u>	<u>828,652</u>
FUND BALANCES AT END OF YEAR	<u>\$ 606,159</u>	<u>\$ 1,083,362</u>

Capital Projects Funds

<u>Technology Fund</u>	<u>WWFC Equipment Fund</u>	<u>Open Space Fund</u>	<u>Total Capital Projects Funds</u>	<u>Total Other Governmental Funds</u>
\$ 2,071	\$ 9,094	\$ 10,910	\$ 30,439	\$ 38,397
-	-	-	-	548,367
<u>-</u>	<u>-</u>	<u>48,134</u>	<u>48,134</u>	<u>48,934</u>
<u>2,071</u>	<u>9,094</u>	<u>59,044</u>	<u>78,573</u>	<u>635,698</u>
273,454	-	-	273,454	273,454
-	-	-	172,115	172,115
-	-	-	321,636	664,379
<u>-</u>	<u>-</u>	<u>690</u>	<u>21,778</u>	<u>21,778</u>
<u>273,454</u>	<u>-</u>	<u>690</u>	<u>788,983</u>	<u>1,131,726</u>
<u>(271,383)</u>	<u>9,094</u>	<u>58,354</u>	<u>(710,410)</u>	<u>(496,028)</u>
-	-	-	62,748	62,748
379,000	365,000	-	1,489,000	1,489,000
-	-	-	(46,563)	(46,563)
<u>379,000</u>	<u>365,000</u>	<u>-</u>	<u>1,505,185</u>	<u>1,505,185</u>
107,617	374,094	58,354	794,775	1,009,157
<u>259,577</u>	<u>770,982</u>	<u>1,101,201</u>	<u>2,960,412</u>	<u>3,352,189</u>
<u>\$ 367,194</u>	<u>\$ 1,145,076</u>	<u>\$ 1,159,555</u>	<u>\$ 3,755,187</u>	<u>\$ 4,361,346</u>

WEST WHITELAND TOWNSHIP**COMBINING SCHEDULE OF FIDUCIARY NET POSITION****FIDUCIARY FUNDS****DECEMBER 31, 2017**

	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	\$ 54,348	\$ 491,946	\$ 546,294
Investments, at fair value			
Mutual funds	5,501,245	11,370,709	16,871,954
Corporate bonds	2,334,770	4,812,483	7,147,253
Prepaid expenses	<u>-</u>	<u>46,023</u>	<u>46,023</u>
TOTAL ASSETS	<u>7,890,363</u>	<u>16,721,161</u>	<u>24,611,524</u>
LIABILITIES			
Accounts payable	-	-	-
Deposits payable	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Held in trust for benefits and other purposes	<u>\$ 7,890,363</u>	<u>\$ 16,721,161</u>	<u>\$ 24,611,524</u>

Private- Purpose Trust Funds		
<u>Post- Retirement Fund</u>	<u>Agency Funds</u>	<u>Total Fiduciary Funds</u>
\$ 250,775	\$ 15,815	\$ 812,884
1,749,018	-	18,620,972
-	-	7,147,253
<u>705</u>	<u>-</u>	<u>46,728</u>
<u>2,000,498</u>	<u>15,815</u>	<u>26,627,837</u>
246,284	-	246,284
-	15,815	15,815
<u>246,284</u>	<u>15,815</u>	<u>262,099</u>
<u>\$ 1,754,214</u>	<u>\$ -</u>	<u>\$ 26,365,738</u>

WEST WHITELAND TOWNSHIP
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2017

	Pension Trust Funds		
	Non-Uniformed Employees' Pension Fund	Police Pension Fund	Total Pension Trust Funds
ADDITIONS			
Contributions			
Member contributions	\$ 101,901	\$ 116,507	\$ 218,408
State contributions	88,290	246,652	334,942
Employer contributions	-	275,251	275,251
TOTAL CONTRIBUTIONS	<u>190,191</u>	<u>638,410</u>	<u>828,601</u>
Investment income			
Net decrease in fair value of investments	985,045	2,030,412	3,015,457
Interest and dividends	119,249	246,991	366,240
TOTAL INVESTMENT INCOME	<u>1,104,294</u>	<u>2,277,403</u>	<u>3,381,697</u>
Investment expense	(3,943)	(7,887)	(11,830)
INVESTMENT INCOME (LOSS), net	<u>1,100,351</u>	<u>2,269,516</u>	<u>3,369,867</u>
TOTAL ADDITIONS	<u>1,290,542</u>	<u>2,907,926</u>	<u>4,198,468</u>
DEDUCTIONS			
Actuary fees	8,905	8,905	17,810
Miscellaneous	3,670	5,230	8,900
Benefits	297,829	636,961	934,790
Refunds of contributions	-	-	-
TOTAL DEDUCTIONS	<u>310,404</u>	<u>651,096</u>	<u>961,500</u>
CHANGE IN NET POSITION	<u>980,138</u>	<u>2,256,830</u>	<u>3,236,968</u>
NET POSITION AT BEGINNING OF YEAR	<u>6,910,225</u>	<u>14,464,331</u>	<u>21,374,556</u>
NET POSITION AT END OF YEAR	<u>\$ 7,890,363</u>	<u>\$ 16,721,161</u>	<u>\$ 24,611,524</u>

Private- Purpose Trust Funds	Total Fiduciary Funds
<u>Post- Retirement Fund</u>	<u>Funds</u>
\$ -	\$ 218,408
-	334,942
185,548	460,799
<u>185,548</u>	<u>1,014,149</u>
202,240	3,217,697
37,286	403,526
<u>239,526</u>	<u>3,621,223</u>
-	(11,830)
<u>239,526</u>	<u>3,609,393</u>
<u>425,074</u>	<u>4,623,542</u>
-	17,810
9,510	18,410
185,548	1,120,338
80,091	80,091
<u>275,149</u>	<u>1,236,649</u>
149,925	3,386,893
<u>1,604,289</u>	<u>22,978,845</u>
<u>\$ 1,754,214</u>	<u>\$ 26,365,738</u>

WEST WHITELAND TOWNSHIP
COMBINING SCHEDULE OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CRIME PREVENTION FUND				
ASSETS				
Cash	\$ 14,929	\$ 1,608	\$ (722)	\$ 15,815
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Deposits payable	\$ 14,929	\$ 1,608	\$ (722)	\$ 15,815
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**WEST WHITELAND TOWNSHIP
NON-UNIFORMED EMPLOYEES' PENSION PLAN**

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2017



Certified Public Accountants and Business Consultants

WEST WHITELAND TOWNSHIP
NON-UNIFORMED EMPLOYEES' PENSION PLAN
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YEAR ENDED DECEMBER 31, 2017

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Independent Auditors' Report

To the Board of Supervisors
West Whiteland Township
Exton, Pennsylvania

We have audited the accompanying financial statements of the West Whiteland Township Non-Uniformed Employees' Pension Plan, which comprise the statement of net position available for benefits as of December 31, 2017, and the related statement of changes in net position available for benefits for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

West Whiteland Township Non-Uniformed Employees' Pension Plan'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 an opinion 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 opinion.

To the Board of Supervisors
West Whiteland Township
Exton, Pennsylvania

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position available for benefits of the West Whiteland Township Non-Uniformed Employees' Pension Plan as of December 31, 2017, and the changes in its net position available for benefits for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the Township's net non-uniformed employees' pension plan liability and related ratios on page 10, schedule of Township non-uniformed employees' pension plan contributions on page 11 and schedule of Township non-uniformed employees' pension plan investment returns on page 12 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Maillie LLP

West Chester, Pennsylvania
May 2, 2018

**WEST WHITELAND TOWNSHIP
NON-UNIFORMED EMPLOYEES' PENSION PLAN
STATEMENT OF NET POSITION AVAILABLE FOR BENEFITS
DECEMBER 31, 2017**

ASSETS	
Cash	\$ 54,348
Investments	
Corporate bonds	2,334,770
Mutual funds	<u>5,501,245</u>
TOTAL ASSETS	\$ <u>7,890,363</u>
NET POSITION	
Held in trust for pension benefits	\$ <u>7,890,363</u>

See accompanying notes.

**WEST WHITELAND TOWNSHIP
NON-UNIFORMED EMPLOYEES' PENSION PLAN**
STATEMENT OF CHANGES IN NET POSITION
AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2017

ADDITIONS	
Contributions	
Employee	\$ 101,901
State	88,290
TOTAL CONTRIBUTIONS	<u>190,191</u>
Investment income	
Net increase in fair value of investments	985,045
Interest and dividends	119,249
TOTAL INVESTMENT INCOME	<u>1,104,294</u>
Investment expense	<u>(3,943)</u>
NET INVESTMENT INCOME	<u>1,100,351</u>
TOTAL ADDITIONS	<u>1,290,542</u>
DEDUCTIONS	
Retiree benefits	297,829
Professional fees	12,575
TOTAL DEDUCTIONS	<u>310,404</u>
NET INCREASE	980,138
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
BEGINNING OF YEAR	<u>6,910,225</u>
END OF YEAR	<u>\$ 7,890,363</u>

See accompanying notes.

**WEST WHITELAND TOWNSHIP
NON-UNIFORMED EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

NOTE B - 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.

Plan Membership

At December 31, 2017, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	<u>32</u>
	<u>52</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.

WEST WHITELAND TOWNSHIP
NON-UNIFORMED EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE B - PLAN DESCRIPTION (Continued)

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.

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 \$63,337 to the Plan for the year 2017. The Township's actual contributions for the Plan year 2017 were \$88,290.

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
NON-UNIFORMED EMPLOYEES' PENSION PLAN
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017

NOTE C - 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, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity mutual funds	50%
International equity mutual funds	15%
Fixed income corporate bonds	35%
Real estate	0%
Cash	0%
	<u>100%</u>

Concentrations

More than 5% of the Township's investments are in mutual funds and corporate bonds. These investments are 70% and 30%, respectively, of the Plan's total investments.

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 11.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

WEST WHITELAND TOWNSHIP
NON-UNIFORMED EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE D - NET PENSION ASSET OF THE TOWNSHIP

The components of the net pension asset of the Township at December 31, 2017, were as follows:

Total pension liability	\$ 7,534,025
Plan fiduciary net position	<u>(7,890,363)</u>
NET PENSION ASSET	<u>\$ (356,338)</u>
 Plan fiduciary net position as a percentage of the total pension asset	 <u>104.73%</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2017, 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 IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA 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, 2017 (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%
Real estate	4.5%-6.5%
Cash	0.0%-1.0%

WEST WHITELAND TOWNSHIP
NON-UNIFORMED EMPLOYEES' PENSION PLAN
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017

NOTE D - NET PENSION ASSET OF THE TOWNSHIP (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.

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

The following presents the net pension liability 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:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
	<u> </u>	<u> </u>	<u> </u>
Net pension liability (asset)	\$ <u>496,945</u>	\$ <u>(356,338)</u>	\$ <u>(1,088,476)</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

	2017	2016	2015	2014
TOTAL PENSION LIABILITY				
Service cost	\$ 190,318	\$ 182,220	\$ 174,375	\$ 158,027
Interest	502,622	451,059	421,628	403,386
Changes for experience	19,745	-	(84,453)	-
Changes of assumptions	554,863	-	152,705	-
Benefit payments	(297,829)	(216,517)	(179,290)	(238,586)
NET CHANGE IN TOTAL PENSION LIABILITY	969,719	416,762	484,965	322,827
TOTAL PENSION LIABILITY, BEGINNING	6,564,306	6,147,544	5,662,579	5,339,752
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 7,534,025</u>	<u>\$ 6,564,306</u>	<u>\$ 6,147,544</u>	<u>\$ 5,662,579</u>
PLAN FIDUCIARY NET POSITION				
Contributions				
Employer	\$ 88,290	\$ 65,927	\$ 76,271	\$ 76,501
Member	101,901	96,415	94,827	87,490
Net investment income (loss)	1,100,351	578,647	(39,035)	428,177
Benefit payments, including refunds of member contributions	(297,829)	(216,517)	(179,290)	(238,586)
Administrative expense	(12,575)	(10,801)	(13,787)	(6,182)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	980,138	513,671	(61,014)	347,400
PLAN FIDUCIARY NET POSITION, BEGINNING	6,910,225	6,396,554	6,457,568	6,110,168
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 7,890,363</u>	<u>\$ 6,910,225</u>	<u>\$ 6,396,554</u>	<u>\$ 6,457,568</u>
TOWNSHIP'S NET PENSION ASSET ENDING (a)-(b)	<u>\$ (356,338)</u>	<u>\$ (345,919)</u>	<u>\$ (249,010)</u>	<u>\$ (794,989)</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>104.73%</u>	<u>105.27%</u>	<u>104.05%</u>	<u>114.04%</u>
COVERED-EMPLOYEE PAYROLL	<u>\$ 2,094,143</u>	<u>\$ 1,759,223</u>	<u>\$ 1,893,115</u>	<u>\$ 1,638,392</u>
TOWNSHIP'S NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>-17.02%</u>	<u>-19.66%</u>	<u>-13.15%</u>	<u>-48.52%</u>

NOTES TO SCHEDULE

Changes in assumptions. 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 7.25%. 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%.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 63,337	\$ 65,927	\$ 76,271	\$ 76,501
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>88,290</u>	<u>65,927</u>	<u>76,271</u>	<u>76,501</u>
CONTRIBUTION DEFICIENCY	<u>\$ 24,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COVERED-EMPLOYEE PAYROLL	<u>\$ 1,759,223</u>	<u>\$ 1,759,223</u>	<u>\$ 1,893,115</u>	<u>\$ 1,638,392</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>5.02%</u>	<u>3.75%</u>	<u>4.03%</u>	<u>4.67%</u>

NOTES TO SCHEDULE

Valuation date	1/1/2015	1/1/2013
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	N/A	N/A
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	7.50%	7.25%
Retirement age	Normal retirement age	Normal retirement age
Mortality	Assumed life expectancies based on the RP-2000 Healthy Annuitant Mortality Table	Assumed life expectancies based on the RP-2000 Healthy Annuitant Mortality Table

WEST WHITELAND TOWNSHIP
NON-UNIFORMED EMPLOYEES' PENSION PLAN
SCHEDULE OF TOWNSHIP NON-UNIFORMED EMPLOYEES'
PENSION PLAN INVESTMENT RETURNS
LAST FOUR FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	<u>11.87%</u>	<u>6.28%</u>	<u>-0.55%</u>	<u>7.13%</u>

**WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN**

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2017



Certified Public Accountants and Business Consultants

WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN
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YEAR ENDED DECEMBER 31, 2017

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Schedule of Township Police Pension Plan Contributions	12
Schedule of Township Police Pension Plan Investment Returns	13

Independent Auditors' Report

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

We have audited the accompanying financial statements of the West Whiteland Township Police Pension Plan, which comprise the statement of net position available for benefits as of December 31, 2017, and the related statement of changes in net position available for benefits for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

West Whiteland Township Police Pension Plan'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 an opinion 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 opinion.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position available for benefits of the West Whiteland Township Police Pension Plan as of December 31, 2017, and the changes in its net position available for benefits for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the Township's net police pension plan liability and related ratios on page 11, schedule of Township police pension plan contributions on page 12 and schedule of Township police pension plan investment returns on page 13 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Maillie LLP

West Chester, Pennsylvania
May 2, 2018

**WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN**

**STATEMENT OF NET POSITION AVAILABLE FOR BENEFITS
DECEMBER 31, 2017**

ASSETS

Cash	\$ 491,946
Investments	
Corporate bonds	4,812,483
Mutual funds	11,370,709
Prepaid expenses	<u>46,023</u>

TOTAL ASSETS \$ 16,721,161

NET POSITION

Held in trust for pension benefits	\$ <u>16,721,161</u>
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See accompanying notes.

WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN
STATEMENT OF CHANGES IN NET POSITION
AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2017

ADDITIONS	
Contributions	
Employer	\$ 275,251
Employee	116,507
State	246,652
TOTAL CONTRIBUTIONS	<u>638,410</u>
Investment income	
Net increase in fair value of investments	2,030,412
Interest and dividends	246,991
TOTAL INVESTMENT INCOME	<u>2,277,403</u>
Investment expense	(7,887)
NET INVESTMENT INCOME	<u>2,269,516</u>
TOTAL ADDITIONS	<u>2,907,926</u>
DEDUCTIONS	
Retiree benefits	636,961
Professional fees	14,135
TOTAL DEDUCTIONS	<u>651,096</u>
NET INCREASE	2,256,830
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
BEGINNING OF YEAR	<u>14,464,331</u>
END OF YEAR	<u>\$ 16,721,161</u>

See accompanying notes.

WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017

NOTE A - 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.

NOTE B - 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.

Plan Membership

At December 31, 2017, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	16
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>23</u>
	<u>41</u>

* Includes two members 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.

WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE B - PLAN DESCRIPTION (Continued)

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.

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.

WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017

NOTE B - PLAN DESCRIPTION (Continued)

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 \$459,349 to the Plan for the year 2017. The Township’s actual contributions for the Plan year 2017 were \$521,903.

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.

NOTE C - 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, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity mutual funds	50%
International equity mutual funds	10%
Fixed income corporate bonds	35%
Real estate	0%
Cash	5%
	<u>100%</u>

WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017

NOTE C - INVESTMENTS (Continued)

Concentrations

More than 5% of the Township's investments are in mutual funds and corporate bonds. These investments are 70% and 30%, respectively, of the Plan's total investments.

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 11.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE D - NET PENSION LIABILITY OF THE TOWNSHIP

The components of the net pension liability of the Township at December 31, 2017, were as follows:

Total pension liability	\$ 16,955,769
Plan fiduciary net position	<u>(16,721,161)</u>
NET PENSION LIABILITY	<u>\$ 234,608</u>
 Plan fiduciary net position as a percentage of the total pension liability	 <u>98.62%</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2017, 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 IRS 2017 Static Combined Table for Small Plans. Incorporated into the tables are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvements.

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

WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE D - NET PENSION LIABILITY OF THE TOWNSHIP (Continued)

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2017 (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%
Real estate	4.5%-6.5%
Cash	0.0%-1.0%

Discount Rate

The discount rate is based on the long-term expected rate of return on Plan investments 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 Assumptions

In the 2017 actuarial valuation, the mortality rates were based on the IRS 2017 Static Combined Table for Small Plans. In prior years, the mortality rates were based on the RP-2000 Healthy Annuitant Mortality Tables. In 2017, the discount rate was also lowered from 7.25% to 7.0%.

WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2017

NOTE D - NET PENSION LIABILITY OF THE TOWNSHIP (Continued)

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

The following presents the net pension liability of the Township, calculated using the discount rate of 7.0%, as well as what the Township's net pension liability 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:

	1% Decrease <u>(6.0%)</u>	Current Discount <u>Rate (7.0%)</u>	1% Increase <u>(8.0%)</u>
Net pension (asset) liability	\$ <u>2,269,070</u>	\$ <u>234,608</u>	\$ <u>(1,470,095)</u>

NOTE E - 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, 2017, two members have elected to participate in the DROP. The total DROP account balance is approximately \$341,647.

REQUIRED SUPPLEMENTARY INFORMATION

WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN
SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET POLICE
PENSION PLAN LIABILITY AND RELATED RATIOS
LAST FOUR FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY				
Service cost	\$ 365,229	\$ 325,957	\$ 311,921	\$ 304,541
Interest	1,260,606	1,038,487	1,000,373	965,369
Changes for experience	(106,088)	-	(129,040)	-
Changes of assumptions	934,139	-	374,192	-
Benefit payments	<u>(636,961)</u>	<u>(715,287)</u>	<u>(617,878)</u>	<u>(573,679)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	1816,925	649,157	939,568	696,231
TOTAL PENSION LIABILITY, BEGINNING	<u>15,138,844</u>	<u>14,489,687</u>	<u>13,550,119</u>	<u>12,853,888</u>
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 16,955,769</u>	<u>\$ 15,138,844</u>	<u>\$ 14,489,687</u>	<u>\$ 13,550,119</u>
PLAN FIDUCIARY NET POSITION				
Contributions				
Employer	\$ 521,903	\$ 468,924	\$ 508,820	\$ 510,278
Member	116,507	110,706	113,955	119,013
Net investment income (loss)	2,269,516	1,192,538	(86,216)	869,666
Benefit payments, including refunds of member contributions	(636,961)	(715,287)	(617,878)	(547,500)
Administrative expense	<u>(14,135)</u>	<u>(13,920)</u>	<u>(14,371)</u>	<u>(10,222)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	2,256,830	1,042,961	(95,690)	941,235
PLAN FIDUCIARY NET POSITION, BEGINNING	<u>14,464,331</u>	<u>13,421,370</u>	<u>13,517,060</u>	<u>12,575,825</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 16,721,161</u>	<u>\$ 14,464,331</u>	<u>\$ 13,421,370</u>	<u>\$ 13,517,060</u>
TOWNSHIP'S NET PENSION LIABILITY ENDING (a)-(b)	<u>\$ 234,608</u>	<u>\$ 674,513</u>	<u>\$ 1,068,317</u>	<u>\$ 33,059</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>98.62%</u>	<u>95.54%</u>	<u>92.63%</u>	<u>99.76%</u>
COVERED-EMPLOYEE PAYROLL	<u>\$ 2,370,791</u>	<u>\$ 2,187,955</u>	<u>\$ 2,105,036</u>	<u>\$ 2,240,563</u>
TOWNSHIP'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>9.90%</u>	<u>30.83%</u>	<u>50.75%</u>	<u>148%</u>

NOTES TO SCHEDULE

Changes of assumptions. 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 7.25%. 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%.

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

	2017	2016	2015	2014
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 459,349	\$ 468,924	\$ 508,820	\$ 510,278
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>521,903</u>	<u>468,924</u>	<u>508,820</u>	<u>510,278</u>
CONTRIBUTION DEFICIENCY	\$ <u>62,554</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
COVERED-EMPLOYEE PAYROLL	\$ <u>2,370,791</u>	\$ <u>2,187,955</u>	\$ <u>2,105,036</u>	\$ <u>2,240,563</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>22.01%</u>	<u>21.43%</u>	<u>24.17%</u>	<u>22.77%</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	1/1/2015	1/1/2013
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	8 years	8 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	7.25%	7.5%
Retirement age	Normal retirement age	Normal retirement age
Mortality	Assumed life expectancies are based on the RP-2000 Healthy Annuitant Mortality Table	Assumed life expectancies are based on the RP-2000 Healthy Annuitant Mortality Table

WEST WHITELAND TOWNSHIP
POLICE PENSION PLAN
SCHEDULE OF TOWNSHIP POLICE PENSION PLAN
INVESTMENT RETURNS
LAST FOUR FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	<u>11.71%</u>	<u>6.22%</u>	<u>-0.59%</u>	<u>7.06%</u>