

# ***Township of Upper St. Clair*** ***Pennsylvania***

## **Comprehensive Annual Financial Report** **Year Ended December 31, 2014**



**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2014

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Daniel W. Berty, Accounting Manager

Steven A. Williams, Finance & Recreation Accountant

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2014**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Letter of Transmittal .....	7-10
Certificate of Achievement .....	11
Organizational Chart .....	12

**FINANCIAL SECTION**

Independent Auditors' Report .....	14-15
Management's Discussion and Analysis .....	16-28
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	29
Statement of Activities .....	30
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	31
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	32
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	33-34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	35
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund .....	36
Statement of Net Position – Proprietary Funds .....	37
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	38
Statement of Cash Flows – Proprietary Funds .....	39-40
Combined Statement of Plan Net Position – Pension Trust Funds .....	41
Combined Statement of Changes in Plan Net Position – Pension Trust Funds .....	42
Notes to Financial Statements .....	43-82

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2014**

---

**TABLE OF CONTENTS**

(Continued)

**FINANCIAL SECTION** (Continued)

Required Supplementary Pension Information – Defined Benefit Pension Trust Funds:

- Schedules of Funding Progress– Police Pension Plan, Public Works Employees’ Pension Plan, and Defined Benefit Pension Trust Funds 84-87
- Schedules of Employer’s Contributions .....88
- Notes to Required Supplementary Pension Information .....89

Required Supplementary OPEB Information:

- Schedules of Funding Progress .....90
- Schedule of Employer Contributions .....91
- Notes to Required Supplementary OPEB Information – Factors and Trends Used in Actuarial Valuation .....92

Combining and Individual Fund Financial Statements and Schedules:

Governmental Funds:

- Description of Governmental Fund Types ..... 94-95
- Combining Balance Sheet – Other Governmental Funds .....96
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Governmental Funds .....97

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:

Governmental Funds:

- Capital Projects Fund - Regular .....99
- State Liquid Fuels Fund .....100
- Storm Sewer Improvement Fund .....101
- Field Improvement Fund .....102
- Regional Asset District Library Fund .....103
- Regional Asset District Boyce Mayview Fund .....104
- General Obligation Bonds of 2008 Fund .....105
- General Obligation Bonds of 2009 Fund .....106
- General Obligation Bonds of 2011 Fund .....107
- General Obligation Bonds of 2012 Fund .....108

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2014**

---

**TABLE OF CONTENTS**  
(Continued)

**FINANCIAL SECTION** (Continued)

Schedule of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual:

Proprietary Funds:

Sanitary Sewer Fund .....	110
Boyce Mayview Community & Recreation Center Fund .....	111
Township/School District Magazine Fund .....	112

Capital Assets Used in the Operation of Governmental Funds

Schedule of Capital Assets – By Source .....	114
Schedule of Changes in Capital Assets – By Source .....	115
Schedule of Capital Assets – By Function and Activity .....	116
Schedule of Changes in Capital Assets – By Function and Activity .....	117

**STATISTICAL SECTION**

Net Position by Component – Last Ten Years .....	120
Changes in Net Position – Last Ten Years .....	121-123
Fund Balances, Governmental Funds – Last Ten Years .....	124
Changes in Fund Balances, Governmental Funds – Last Ten Years .....	125
Program Revenues by Function/Program – Last Ten Years .....	126
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years .....	127
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Years .....	128
Principal Taxpayers .....	129
Property Tax Levies and Collections – Last Ten Years .....	130
Municipal Earned Income Tax, Revenue Base and Collections – Last Ten Years .....	131
Ratios of Outstanding Debt by Type – Last Ten Years .....	132
Legal Debt Margin Information – Last Ten Years .....	133

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2014**

---

**TABLE OF CONTENTS**  
(Continued)

**STATISTICAL SECTION** (Continued)

Computation of Direct and Overlapping Debt .....	134
Demographic and Economic Statistics – Last Ten Years .....	135
Principal Employers – Current Year and Nine Years Ago .....	136
Full-time Equivalent Municipal Employees by Function/Program .....	137
Operating Indicators by Function/Program .....	138
Capital Asset Statistics by Function/Program .....	139



Office of the Manager  
***Matthew R. Serakowski***

June 22, 2015

Board of Commissioners  
Township of Upper St. Clair, Pennsylvania

The Comprehensive Annual Financial Report of the Township of Upper St. Clair, Pennsylvania (Township) for the year ended December 31, 2014, is submitted herewith. Management's representations concerning the finances of the Township are contained in this report. We believe that the data, as presented, is accurate in all material aspects and that the complete set of financial statements are presented in conformity with generally accepted accounting principles (GAAP) and have been audited in accordance with U. S. generally accepted auditing standards by a firm of licensed certified public accountants.

Management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the Township's management has established a comprehensive internal control framework that is designed both to protect the Township's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Township's financial statements in conformity with GAAP. Since the costs of internal controls should not outweigh their benefits, the Township's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. The Township management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Goff Backa Alfera & Company, LLC, a firm of licensed certified public accountants, has audited the Township's financial statements. The independent audit provides reasonable assurance that the Township's financial statements for the year ended December 31, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Township's financial statements for the year ended December 31, 2014 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Township's MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE GOVERNMENT**

The Township of Upper St. Clair was incorporated in 1788 as one of the original seven townships of Allegheny County located in southwestern Pennsylvania. In January 1954, Upper St. Clair was designated a First Class Township of the Commonwealth of Pennsylvania. On January 1, 1976, Upper St. Clair officially became a Home Rule Community when its Home Rule Charter went into effect. The Township currently occupies a land area of 10 square miles and serves a population estimated at 19,335 by the U. S. Census Bureau. The Township is empowered to levy a property tax on real estate and an earned income tax on salaries, wages, and net profits.

The Home Rule Charter provides for a Board of seven Township Commissioners, two of whom are elected at large by all the voters of the Township, and one who is elected from each of the five wards in the Township. Each Commissioner serves a term of four (4) years. This Board of Commissioners is the final policy authority of the Township. The Township Manager is appointed by the Board of Commissioners and is the Chief Administrative Officer of the Township, directly responsible and accountable to the Board of Commissioners. The Manager also serves as Secretary of the Township.

The Township provides a full range of services and programs for residents and businesses within its boundaries. Included in this report are public safety, public works, which includes the construction and maintenance of highways, streets, and other infrastructure, community development and planning, recreation programs for all age groups, library services, and general administration services. The Township also operates a Community & Recreation Center that features an outdoor and an indoor aquatic center, a gymnasium with two full-sized basketball courts, a fully equipped fitness area, an indoor running track, and meeting spaces for community events. Fire protection services are provided by the Upper St. Clair Volunteer Fire Department, a self-governing organization independent of the Township, and are not included in this report. Emergency and non-emergency medical transport services are provided by the Tri-Community South Emergency Medical Services (TCS), which is a joint venture the Township has with two other local government units. This report does not include the Upper St. Clair School District, which is also an independent organization.

The Annual Budget serves as a foundation for the Township's financial planning and control. All departments of the Township are required to submit requests for appropriation to the Township Manager by the end of August of each year. The Township Manager uses these requests as a starting point for developing a proposed budget. The Manager's proposed budget is presented to the Board of Commissioners and the public prior to October 31. The Board of Commissioners is required to hold a public hearing on the proposed budget at its November meeting and to adopt a final budget by no later than December 31, the close of the Township's fiscal year. Budget-to-actual comparisons are provided in this report for each governmental and proprietary fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 36 as part of the basic financial statements for governmental funds. For governmental funds, other than the general fund, and proprietary funds with appropriated annual budgets, budget-to-actual comparisons can be found on pages 91-105.

## **LOCAL ECONOMY**

To understand the local economy in which the Township operates, it is important to note that the Township is primarily a residential community situated 12 miles south of the City of Pittsburgh in Allegheny County. During the past 40 years, the local economy has gradually shifted from a concentration in heavy industry, manufacturing, and farming to service oriented businesses. While the Township has retail and professional office developments, most of the residents are professional employees who commute to work outside of the Township.

In 2009, the Township was recognized by *U.S. News and World Report* as one of the “Top Ten Best Places to Live in the United States.” The Township is generally regarded as a desirable community in which to live, and attracts many transferring corporate executives, medical, legal, and other professionals. These individuals' incomes have grown during the past 40 years, and have been relatively unaffected by major plant closings. During the past ten years, the unemployment rate of Allegheny County has fluctuated from a low of 3.8% in 2006 to a high of 6.8% in each of 2009, 2010, and 2012. As of December 2014, Allegheny County’s unemployment rate was 4.2%. The fluctuating unemployment rate in Allegheny County has not had a significant impact on the Township’s ability to collect the tax it levies on its residents. The data presented in the Statistical Section illustrates steady to rising collections from both Real Estate and Earned Income Taxes.

The Township believes that the future economic outlook as it affects Township residents remains fairly positive. The Real Estate and Earned Income Tax bases are stable and the Township expects to continue to provide quality municipal services, as expected by its residents.

### **LONG-TERM FINANCIAL PLANNING**

Unassigned fund balance in the general fund (15.2 percent of total general fund revenues) is well above the minimum acceptable amount established by policy guidelines set by the Board of Commissioners for budgetary and planning purposes (i.e. 8 percent of total general fund revenues). The Community & Recreation Center and its operation are a major component of the Township’s long-term planning process, and maintenance of the facility and equipment replacement are major priorities of the Township’s Capital Improvement Plan. The Board of Commissioners continually monitors the fee structure of the Community & Recreation Center to ensure its self-sustaining operation; thus, allowing the fund balance level of the general fund to be maintained for future capital needs. The other major area of long-term focus for the Township remains the costs of complying with the EPA consent order for the sanitary sewer system.

### **RELEVANT FINANCIAL POLICIES**

The Township’s Finance Department regularly reviews established policies and procedures, and considers implementation of new policies and procedures or modification of existing policies and procedures when necessary. No new policies were implemented in 2014. The Township believes its internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **MAJOR INITIATIVES AND ACCOMPLISHMENTS**

The Township continues to enhance its parks and recreation facilities. Major improvements were made to Wiltshire Park in 2014 and will continue into 2015. Also in 2014, the Township began installation of new playground equipment at the Miracle League Field within Boyce Mayview Park. The new equipment will provide for a playground design that addresses accessibility, age and developmental appropriateness and sensory-stimulating activity, thus creating a safer and more accommodating environment for all users. The safety surface is designed to allow all users to navigate the playground freely to enjoy all activities. The playground will be completed in 2015.

In 2014, the Township continued a Storm Sewer Fund to provide for projects dedicated to improve storm water management systems throughout the Township. The Township is evaluating the overall system needs, and will continue to consider the funding mechanisms for these projects in the future.

In 2014, safety improvements, building reconfigurations and infrastructure upgrades were made to upgrade the administrative and information technology areas of the Township's municipal building. One major feature of these upgrades is that it allows for future expansion of the Township's Information Technology initiatives, which ultimately increase the efficiency of delivering services to the Township's residents.

### **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Township for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2013. This was the twenty-sixth (26th) consecutive year that the Township has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to conform to the Certificate of Achievement Program requirements; we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation. We would like to thank the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the Township's finances.

Respectfully submitted,



Matthew R. Serakowski  
Township Manager



Mark P. Romito  
Director of Finance

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

CERTIFICATE OF ACHIEVEMENT

YEAR ENDED DECEMBER 31, 2014

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Township of Upper St. Clair  
Pennsylvania**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

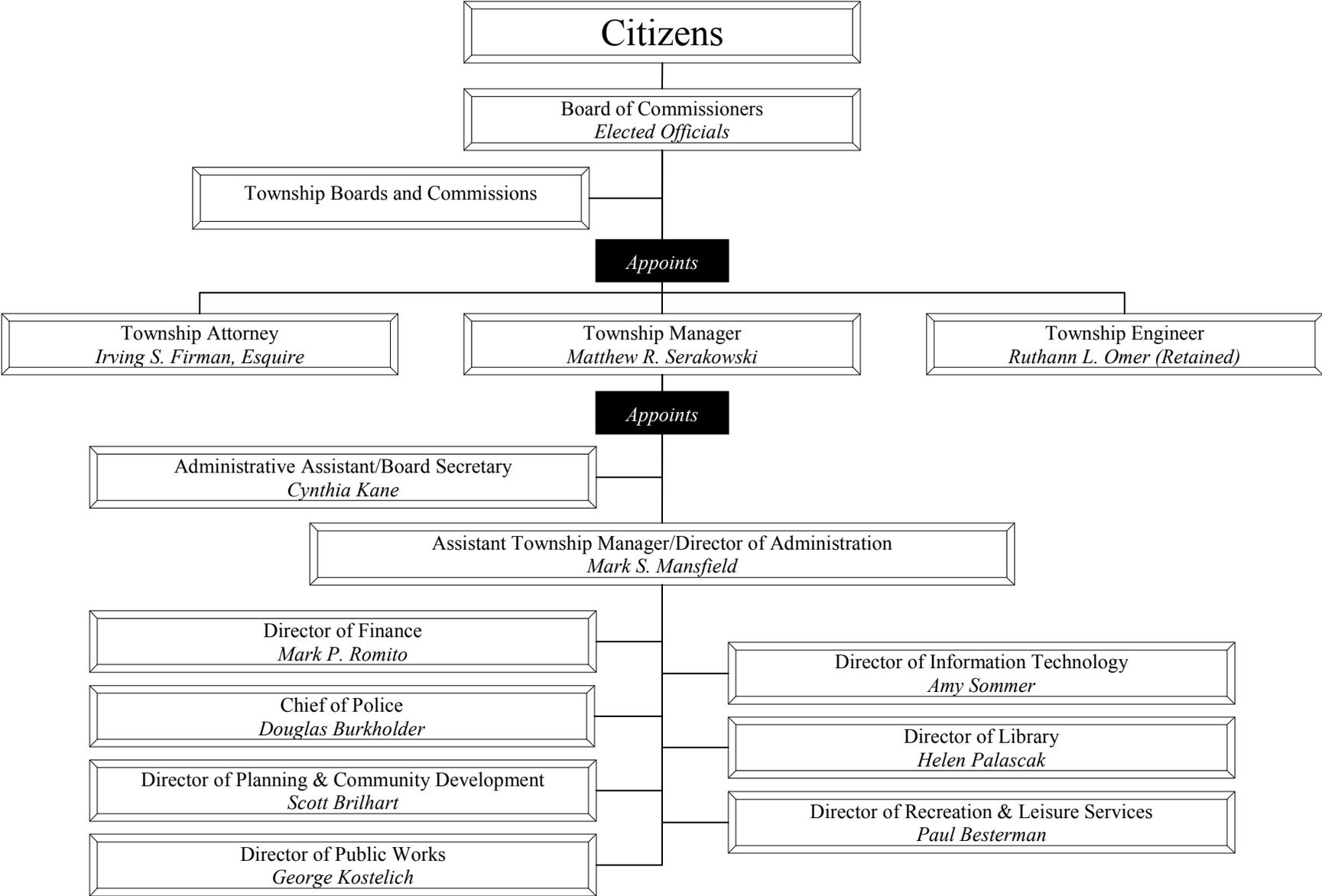
**December 31, 2013**

Executive Director/CEO

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

ORGANIZATIONAL CHART

YEAR ENDED DECEMBER 31, 2014



## **FINANCIAL SECTION**



*Certified Public Accountants*

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## **INDEPENDENT AUDITORS' REPORT**

Board of Commissioners  
Township of Upper St. Clair  
Upper St. Clair, Pennsylvania

### **Report on the Financial Statements**

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 Township of Upper St. Clair, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise The Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

The 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.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Township of Upper St. Clair, as of December 31, 2014, 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.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required supplementary pension and OPEB information, and budgetary comparison information 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 Township of Upper St. Clair's basic financial statements. The introductory section, combining and individual non major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Gooff Backa Alferra & Company, LLC*

GOFF BACKA ALFERA & COMPANY, LLC  
Pittsburgh, Pennsylvania  
June 22, 2015

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2014

---

Our Management's Discussion and Analysis (MD&A) of the Township of Upper St. Clair's (Township) financial performance provides an overview of the Township's financial activities for the year ended December 31, 2014. This information should be reviewed in conjunction with the Township's financial statements that begin on page 29.

The MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*," issued June 1999. The intent of this discussion and analysis is to look at the Township's financial performance as a whole.

### **FINANCIAL HIGHLIGHTS**

- At December 31, 2014, the Township's net position was \$28,796,321, an increase of \$2,501,839 or 9.5% from 2013. The increase was due mainly to increases in tax collections, program revenues, Sanitary Sewer user fees, as well as substantial decreases in interest on Long-Term debt expenses from 2013.
- The unrestricted net position was \$16,057,146 at December 31, 2014, a net increase of \$1,234,732 or 8.33% from the prior fiscal year. The governmental activities portion of this increase was \$817,353 and the business-type activities portion was \$417,379. The increase in the governmental activities portion occurred partly due to increased charges for services and operating grants and contributions over 2013 revenues of \$316,371. The increase in the business type activities portion occurred due to increased charges for services revenues over 2013 of \$1.28 million.
- At December 31, 2014, the Township had \$52,132,214 of general obligation debt outstanding. This represents a net decrease of \$1,251,242 or 2.34% from the previous year. The Township made principal payments on its outstanding bonds and notes in 2014 totaling \$1,251,242. The Debt outstanding represents a manageable burden of \$2,711 per capita.
- The Township maintained a strong bond rating of AA+ from Standard & Poor's Rating Services.
- The real estate tax rate remained at 3.83 mills for 2014.
- The total fund balance of the Township's General Fund at December 31, 2014 was \$3,345,299, an increase of \$5,000 from the preceding year. The unassigned fund balance in the General Fund was \$3,123,147 at December 31, 2014 which represents 22.61% of the General Fund's current expenditures for fiscal year 2014.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

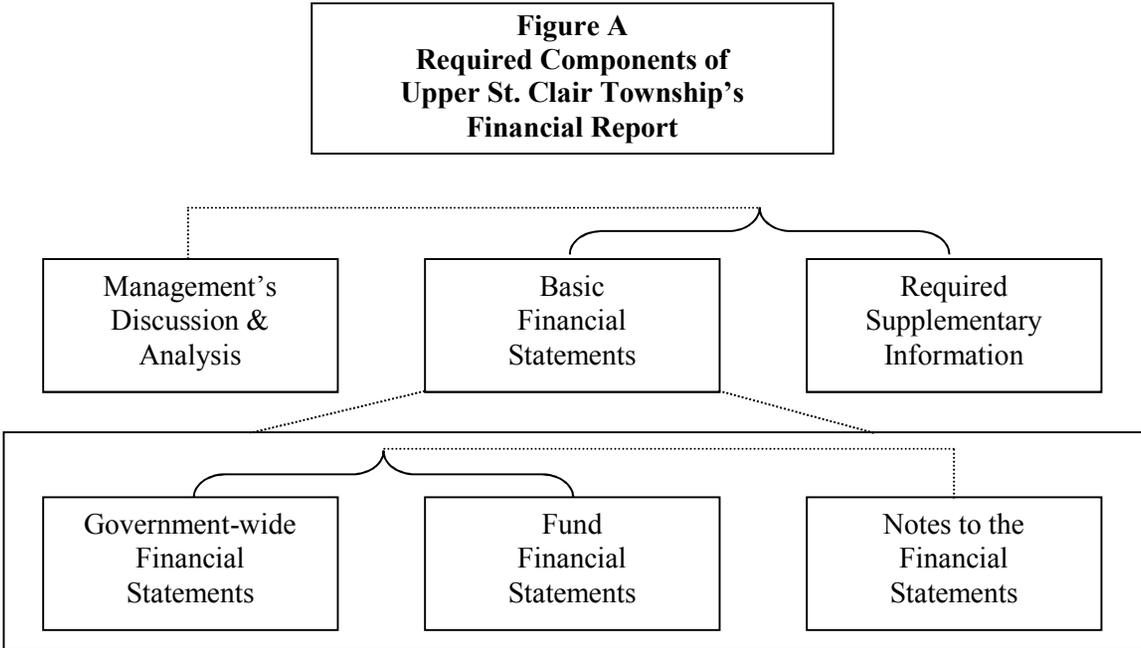
**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**

DECEMBER 31, 2014

**USING THE BASIC FINANCIAL STATEMENT REPORT**

This Basic Financial Statement Report consists of a transmittal letter and a Financial Section. Within the Financial Section are the Management’s Discussion and Analysis (this section) and a series of financial statements and notes to those statements. The Statement of Net Position and Statement of Activities, on pages 29 and 30 respectively, provide information about the activities of the Township as a whole and present a longer-term view of the Township’s finances. Fund Financial Statements, which start on page 31, provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The Fund Financial Statements also look at the Township’s most significant funds with all other non-major funds presented in total in one column. For Upper St. Clair Township, the General Fund is the most significant fund. Lastly, the financial statements include notes that explain some of the information in the financial statements and provide more detailed data.

Figure A shows how the required parts of the Financial Section are arranged and relate to one another:



# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2014

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### **Reporting the Township as a Whole**

#### **Government-wide Financial Statements**

While the Fund Financial Statements beginning on page 31 contain the majority of funds used by the Township to provide programs and activities, the Statement of Net Position and the Statement of Activities answer the question, "How did we do financially during 2014?" These statements, beginning on page 29, include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Township's net position and the change in that position. This change in net position is important because it informs the reader, for the Township as a whole, whether the financial position of the Township has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Township's property tax base, current property tax laws in Pennsylvania restricting revenue growth, facility conditions, required governmental services and other factors.

In the Statement of Net Position and the Statement of Activities, the Township is divided into two distinct kinds of activities:

- Governmental activities – Most of the Township's basic services are included here, such as general government, public safety, public works, community development, recreation, and library services. Earned income taxes and property taxes finance most of these activities.
- Business-type activities –The Township operates a sanitary sewer system, a magazine publication, and a community & recreation center. The sanitary sewer system is funded through fees to users of the system. The magazine publication is financed through advertisements. The majority of the operating activities of the community & recreation center are financed through membership fees.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2014

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### Reporting the Township's Most Significant Funds

#### Fund Financial Statements

Fund financial statements, which begin on page 31, provide detailed information about the most significant funds – not the Township as a whole. Some funds are required by state law and by bond requirements.

**Governmental funds:** Most of the Township's operating activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's services. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reflected in a reconciliation after each fund statement on pages 32 and 35.

**Proprietary funds:** These funds are used to account for the Township's activities that are similar to business operations in the private sector. A significant portion of funding is from user charges. When the Township charges for services it provides – whether to outside customers or to other units in the Township – these services are generally reported in proprietary funds. The Sanitary Sewer Fund, the Township/School District Magazine Fund, and the Community & Recreation Center Fund are the Township's proprietary funds and use the same basis of accounting as business-type activities. Therefore, these statements are the same as the business-type activities discussed above. The basic proprietary fund financial statements can be found on pages 37-40 of this report.

**Fiduciary funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 41-42 of this report.

**Notes to financial statements:** The notes provide additional information that is essential to 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 43-82 of this report.

**Other supplementary information:** In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the Township's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 84-92 of this report.

The combining statements referred to in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 96-97.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2014

### FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Position may serve over time as a useful indicator of the Township's financial position. The total net position was \$28,796,321 and \$26,294,482 at December 31, 2014 and December 31, 2013, respectively. The largest portion of the Township's net position (56%) reflects its unrestricted net position. The Township may use these funds to meet the Township's debt related to capital assets or other ongoing obligations to citizens and creditors.

**Table 1**  
**Year Ended December 31**  
**Net Position**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>ASSETS</b>						
Current and Other Assets	\$ 15,161,641	\$ 14,526,903	\$ 6,761,274	\$ 4,290,619	\$ 21,922,915	\$ 18,817,522
Capital Assets	26,951,346	27,110,607	36,818,577	38,334,409	63,769,923	65,445,016
<b>TOTAL ASSETS</b>	<b>\$ 42,112,987</b>	<b>\$ 41,637,510</b>	<b>\$ 43,579,851</b>	<b>\$ 42,625,028</b>	<b>\$ 85,692,838</b>	<b>\$ 84,262,538</b>
<b>LIABILITIES</b>						
Current and Other Liabilities	\$ 2,627,041	\$ 2,815,551	\$ 1,086,218	\$ 1,123,889	\$ 3,713,259	\$ 3,939,440
Long-term Liabilities:						
Due within one year	1,629,834	1,220,255	786,211	744,903	2,416,045	1,965,158
Due in more than one year	17,309,835	17,855,566	33,457,378	34,207,892	50,767,213	52,063,458
<b>TOTAL LIABILITIES</b>	<b>21,566,710</b>	<b>21,891,372</b>	<b>35,329,807</b>	<b>36,076,684</b>	<b>56,896,517</b>	<b>57,968,056</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	8,011,677	8,034,786	4,665,935	3,381,614	12,677,612	11,416,400
Restricted	61,563	55,668	-	-	61,563	55,668
Unrestricted	12,473,037	11,655,684	3,584,109	3,166,730	16,057,146	14,822,414
<b>TOTAL NET POSITION</b>	<b>20,546,277</b>	<b>19,746,138</b>	<b>8,250,044</b>	<b>6,548,344</b>	<b>28,796,321</b>	<b>26,294,482</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 42,112,987</b>	<b>\$ 41,637,510</b>	<b>\$ 43,579,851</b>	<b>\$ 42,625,028</b>	<b>\$ 85,692,838</b>	<b>\$ 84,262,538</b>

Part of the Township's net position is invested in capital assets (infrastructure, land, buildings, and equipment) and these capital assets cannot be used to liquidate the debt related to acquire them. *The remaining unrestricted net position (\$16,057,146) may be used to meet the Township's debt related to capital assets or other ongoing obligations to citizens and creditors.*

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2014

After excluding transfers from governmental funds to business-type funds of \$1,603,459 and \$1,600,486 for 2014 and 2013, respectively, governmental revenues for 2014 totaled \$21,607,428, while governmental revenues for 2013 amounted to \$21,387,960. This 1% increase in governmental revenue from 2013 amounted to \$219,468, and provided the funds to cover the total governmental expenses of \$19,203,830. For 2014, governmental revenues exceeded governmental expenses by \$2,403,598 or 12.5% and were due mainly to an increase of program revenues and to the unanticipated cost savings from within Community Development, General Government, Library, Public Safety, Public Works, and Recreation. The business-type funds reported that revenues exceeded expenses by \$106,716 for 2014. These results occurred because of increased collections from the Sanitary Sewer usage billings. The results of this year's operations as a whole are reported in the Statement of Activities on Page 30. All expenses are reported in the first column. Specific charges, grants, and revenues that directly relate to specific expense categories are presented to determine the final amount of the Township's activities that are supported by other general revenues. The four largest general tax revenues are listed below in Table 2.

**Table 2**  
**Year Ended December 31**

	<u>2014</u>	<u>2013</u>
Property Taxes, Levied for General Purposes	\$ 7,921,103	\$ 7,869,860
Earned Income Taxes, Levied for General Purposes	8,286,351	8,213,525
Local Services Taxes	274,454	274,724
Other Taxes	1,580,875	1,620,549

The 2014 financial statements offer a view of the financial condition of the Township on a consolidated basis. For example, investment earnings (Statement of Activities, page 30) not only include interest earnings in the General Fund, but also interest earnings in the regular Capital Projects Fund and all other Governmental Funds. Table 3 summarizes total revenues for the current year, with comparative data from 2013.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2014

**Table 3**  
**Year Ended December 31**  
**Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 1,001,469	\$ 887,538	\$ 9,768,735	\$ 8,492,914	\$ 10,770,204	\$ 9,380,452
Operating Grants and Contributions	1,716,362	1,513,922	-	-	1,716,362	1,513,922
<b>General Revenues:</b>						
Property Taxes	7,921,103	7,869,860	-	-	7,921,103	7,869,860
Earned Income Taxes	8,286,351	8,213,525	-	-	8,286,351	8,213,525
Local Services Taxes	274,454	274,724	-	-	274,454	274,724
Other Taxes	1,580,875	1,620,549	-	-	1,580,875	1,620,549
Franchise Fees	442,645	431,849	-	-	442,645	431,849
Investment Earnings	13,013	13,543	2,730	1,417	15,743	14,960
Miscellaneous	371,156	562,450	-	-	371,156	562,450
<b>Total Revenues</b>	<b>21,607,428</b>	<b>21,387,960</b>	<b>9,771,465</b>	<b>8,494,331</b>	<b>31,378,893</b>	<b>29,882,291</b>
<b>Expenses</b>						
General Government	2,208,573	1,881,228	-	-	2,208,573	1,881,228
Public Safety	5,224,826	5,306,190	-	-	5,224,826	5,306,190
Public Works	7,522,628	7,437,013	-	-	7,522,628	7,437,013
Community Development	662,534	647,435	-	-	662,534	647,435
Recreation and Leisure Services	1,956,555	1,357,804	-	-	1,956,555	1,357,804
Library Services	1,028,723	1,029,614	-	-	1,028,723	1,029,614
Interest on Long-Term Debt	599,991	619,556	-	-	599,991	619,556
Sanitary Sewer	-	-	4,965,703	4,863,183	4,965,703	4,863,183
Community & Recreation Center	-	-	4,527,770	4,402,999	4,527,770	4,402,999
Magazine	-	-	171,276	168,464	171,276	168,464
<b>Total Expenses</b>	<b>19,203,830</b>	<b>18,278,840</b>	<b>9,664,749</b>	<b>9,434,646</b>	<b>28,868,579</b>	<b>27,713,486</b>
<b>Changes in Net Position Before Transfers</b>	<b>2,403,598</b>	<b>3,109,120</b>	<b>106,716</b>	<b>(940,315)</b>	<b>2,510,314</b>	<b>2,168,805</b>
Transfers	(1,603,459)	(1,600,486)	1,594,978	1,600,486	(8,481)	-
<b>CHANGE IN NET POSITION</b>	<b>800,139</b>	<b>1,508,634</b>	<b>1,701,694</b>	<b>660,171</b>	<b>2,501,833</b>	<b>2,168,805</b>
NET POSITION - BEGINNING (Restated for 2012)	19,746,138	18,237,504	6,548,350	5,888,179	26,294,488	24,125,683
NET POSITION - ENDING	<b>\$ 20,546,277</b>	<b>\$ 19,746,138</b>	<b>\$ 8,250,044</b>	<b>\$ 6,548,350</b>	<b>\$ 28,796,321</b>	<b>\$ 26,294,488</b>

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2014

Real estate tax revenues rose from 2013 to 2014 with an increase in collections of \$51,243 or 1%. Earned income taxes increased by \$72,826 or 1%. Other taxes decreased by \$39,674 from 2013.

Within program revenues, governmental activities' charge for services increased by \$113,931 due to an increase in building permits, alarm fees, scrap metal, and developer fees. The governmental activities grants increased by \$202,440 largely due to a one-time PEMA grant for storm clean-up.

For the most part, there were decreases or nominal increases in expenses from 2013 to 2014 due to planned departmental spending and staffing requirements within the Township.

Table 4 categorizes the Township's expenses into seven functions – general government, public safety, public works, community development, recreation and leisure services, library services, and interest on long-term debt, as well as each program's net cost (total cost less revenues generated by the activities). This table also shows the remaining financial needs supported by local taxes and other miscellaneous revenues.

**Table 4**  
**Year Ended December 31, 2014**  
**Governmental Activities**

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
<b>Functions/Programs:</b>		
General Government	\$ 2,208,573	\$ 1,670,723
Public Safety	5,224,826	4,931,857
Public Works	7,522,628	6,660,999
Community Development	662,534	662,534
Recreation and Leisure Services	1,956,555	1,263,157
Library Services	1,028,723	696,738
Interest on Long-Term Debt	599,991	599,991
<b>Total Expenses</b>	<b>\$ 19,203,830</b>	<b>\$ 16,485,999</b>
<b>Total required from local taxes and other revenues</b>		<b>\$ 16,485,999</b>

The dependence upon local tax revenues for governmental activities is apparent. The Township had expenses for governmental activities of \$19.2 million while only \$2.7 million has been provided by the State and program-specific charges. An additional \$16.5 million of support must be covered by local taxes and other revenues. Approximately 86 percent of all government activities are supported through taxes and other general revenues. The community, as a whole, is the primary support for Upper St. Clair Township's services for its citizens.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2014

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### Business-Type Activities

The business-type activities of the Township are the Sanitary Sewer, the Township/School District Magazine, and the Community & Recreation Center operations. The Sanitary Sewer and the Township/School District Magazine operations had revenues of \$5.69 and \$.18 million, respectively, and expenses of \$4.97 and \$.17 million, respectively, for 2014. The Community & Recreation Center had revenues of \$3.9 million and expenses of \$4.53 million. The membership fees pay for all of the operating costs of the Center, but general tax revenues will always fund the debt service costs associated with the debt incurred to build the facility. The deficit of revenues over expenses in the Community & Recreation Center Fund has been subtracted from the balance of unrestricted net position.

### THE TOWNSHIP'S FUNDS

The General Fund, which accounts for the Township's operations, represents the Township's most significant major fund. The Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds on pages 33-34 are summarized in Table 5.

**Table 5**  
**Year Ended December 31, 2014**  
**Summary of Governmental Changes in Fund Balance**

	<b>General Fund</b>	<b>Capital Projects Fund Regular</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Beginning Fund Balance	\$ 3,340,299	\$ 6,606,542	\$ 892,194	\$ 10,839,035
Net Change in Fund Balance	5,000	737,077	87,243	829,320
Ending Fund Balance	\$ 3,345,299	\$ 7,343,619	\$ 979,437	\$ 11,668,355

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2014

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### **General Fund Budgetary Highlights**

The Township's budget is prepared according to the Home Rule Charter and Pennsylvania law and is based on accounting for certain transactions on a modified accrual basis of accounting.

During the year, the Board of Commissioners (the Board) can authorize revisions to the original budget to accommodate differences between the original budget and the actual expenditures of the Township. No budget revisions were made to the 2014 original budget. The budgeting system is designed with internal controls that assign responsibility for each Township Department's budget to the managing Department Head with overall responsibility assigned to the Township Manager. The Department Heads are each responsible for their individual areas.

For the General Fund, revenues were above budget expectations by \$645,813. This amount is the net result of real estate taxes, earned income taxes, other taxes, licenses and permits, fees and fines, rents, service agreements, and other revenue and grants, while there were decreases experienced in interest and recreation. Expenditures were under appropriations by \$604,447 due to decreases in personnel and material costs of all Township departments. With this combination of positive results, the Township Manager authorized an additional transfer from the General Fund to the Regular Capital Projects Fund to finance future capital needs.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets (See Note 5)**

At December 31, 2014, the Township's Governmental Activities had \$26,951,346 invested in a broad range of capital assets, including land, infrastructure, site improvements, buildings, equipment, and vehicles. This amount represents a net decrease (including additions, deletions and depreciation) of \$159,261 or .6% from last year. The primary decrease in capital assets is a result of depreciation of infrastructure assets such as street, building and park improvements, buildings and other improvements and the depreciation and disposal of equipment.

The Township's Business-type Activities had infrastructure of \$13,875,522, buildings of \$22,363,506, and \$577,870 invested in vehicles and equipment on December 31, 2014. The amounts for infrastructure and buildings include depreciation of \$756,152 and \$648,218, respectively, which remained the same as the prior year. The equipment amount includes depreciation during the year that totaled \$159,942 for a decrease of 20.5% from the prior year. Detail of capital asset activity for 2014 can be found in Note No. 5 on pages 65-66 and in the section entitled "*Capital Assets Used in the Operation of Governmental Funds*" found on pages 114-117.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2014

**Table 6**  
**Governmental and Business-type Activities**  
**Year Ended December 31**  
**Capital Assets - Net of Depreciation (when applicable)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 2,325,917	\$ 2,325,917	\$ -	\$ -
Infrastructure	15,252,235	15,607,355	13,875,522	14,631,674
Buildings	6,028,115	6,060,252	22,363,506	23,011,724
Improvements other than buildings	605,796	634,064	-	-
Equipment	2,699,177	2,454,873	577,870	689,875
Library assets	40,106	28,146	-	-
	<u>\$ 26,951,346</u>	<u>\$ 27,110,607</u>	<u>\$ 36,816,898</u>	<u>\$ 38,333,273</u>

**Debt Administration**

The Township had total outstanding bond and note principal of \$52.12 million and \$53.38 million as of December 31, 2014 and December 31, 2013, respectively. The Township made principal payments on its outstanding bonds and notes in 2014 totaling \$542,038 for governmental activity debt and \$719,206 for business-type activity debt. More detailed information about our long-term liabilities is included in Notes 7 and 8 to the financial statements on pages 67-71.

**Table 7**  
**Year Ended December 31**  
**General Obligation Bonds and Notes**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Series of 2009-Bonds	2,720,321	3,124,385	1,360,164	1,562,198
Series of 2011-Bonds	5,158,206	5,212,848	4,516,055	4,519,795
Series of 2012-Bonds	5,858,174	5,856,254	3,755,729	3,749,258
Series of 2008-Bonds	4,151,924	4,237,176	24,601,639	25,121,542
	<u>\$ 17,888,625</u>	<u>\$ 18,430,663</u>	<u>\$ 34,233,587</u>	<u>\$ 34,952,793</u>

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2014

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### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The revenue budget for 2015 is \$2.44 million higher than the final budget for 2014. This represents a 7.52% increase in budgeted revenues. This increase in revenues is mainly due to continued increases in collections of earned income and real estate taxes, as well as the planned use of fund reserves for capital projects. The budgeted expenditures increase is mainly attributable to increases in the capital costs associated with building improvements, software upgrades, and equipment replacements. The Township Commissioners adopted a General Fund Budget that increased by 3.11% in operating expenditures from the prior year due to a variety of reasons including contractual wage increases, technology costs, and winter maintenance expenses. The comparison of revenue and expenditure categories is listed in Table 8.

**Table 8**  
**Year Ended December 31**  
**Budgeted Revenues and Expenditures (Original & Final Budget)**

	<u>2015</u>	<u>2014</u>
<b><u>Revenues</u></b>		
Local	\$ 30,519,688	\$ 29,873,844
State	1,120,241	1,134,870
Fund Reserve	<u>3,340,715</u>	<u>1,525,807</u>
<b>Total</b>	<b><u>\$ 34,980,644</u></b>	<b><u>\$ 32,534,521</u></b>
<b><u>Expenditures</u></b>		
General Government	\$ 3,421,711	\$ 3,037,191
Public Safety	5,150,915	5,095,538
Public Works	14,796,873	11,901,767
Community Development	675,162	665,553
Recreation and Leisure Services	6,914,525	6,287,795
Library Services	1,151,297	1,119,311
Debt Service/Fund Transfers/Reserve	<u>2,870,161</u>	<u>4,427,366</u>
<b>Total</b>	<b><u>\$ 34,980,644</u></b>	<b><u>\$ 32,534,521</u></b>

Upper St. Clair Township has committed itself to excellence in the delivery of essential governmental services and quality financial reporting for its taxpayers and residents.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

DECEMBER 31, 2014

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**CONTACTING THE TOWNSHIP FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to show the Board of Commissioners and Township Staff's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Mark P. Romito, Director of Finance, 1820 McLaughlin Run Road, Upper St. Clair, PA 15241, 412-831-9000, ext. 218, or by email at [romito@twpusc.org](mailto:romito@twpusc.org).

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## STATEMENT OF NET POSITION

DECEMBER 31, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,197,409	\$ 9,422,291	\$ 16,619,700
Taxes Receivable (net)	3,133,355	-	3,133,355
Other Receivables (net)	341,866	914,710	1,256,576
Internal Balances	4,043,348	(3,574,727)	468,621
Due from Other Governmental Agencies	223,511	-	223,511
Prepays	222,152	(1,000)	221,152
Capital Assets, not being depreciated	2,325,917	-	2,325,917
Capital Assets, net of accumulated depreciation	9,373,194	22,943,056	32,316,250
Infrastructure Assets, Net of Accumulated Depreciation	15,252,235	13,875,521	29,127,756
<b>TOTAL ASSETS</b>	<b>\$ 42,112,987</b>	<b>\$ 43,579,851</b>	<b>\$ 85,692,838</b>
<b>DEFERRED OUTFLOW (INFLOW) OF RESOURCES</b>			
Deferred Outflow of Resources-Related to Derivative Instrument	333,554	1,924,765	2,258,319
Inflow of Derivative Instrument	(333,554)	(1,924,765)	(2,258,319)
<b>TOTAL DEFERRED OUTFLOW (INFLOW) OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,015,089	\$ 806,940	\$ 1,822,029
Accrued Interest Payable	51,049	39,368	90,417
Accrued Wages Payable	506,412	-	506,412
Unearned Revenues	-	239,910	239,910
Refundable Deposits	475,701	-	475,701
Noncurrent Liabilities:			
Bonds Payable due in one year	578,790	786,211	1,365,001
Net Other Post Employment Benefits due in more than one year	1,629,834	-	1,629,834
Bonds Payable due in more than one year	17,309,835	33,457,378	50,767,213
<b>TOTAL LIABILITIES</b>	<b>21,566,710</b>	<b>35,329,807</b>	<b>56,896,517</b>
<b>NET POSITION</b>			
Net investment in capital assets	8,011,677	4,665,935	12,677,612
Restricted			
By Grantors	61,563	-	61,563
Unrestricted	12,473,037	3,584,109	16,057,146
<b>TOTAL NET POSITION</b>	<b>\$ 20,546,277</b>	<b>\$ 8,250,044</b>	<b>\$ 28,796,321</b>

The notes to the financial statements are an integral part of this statement.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
Governmental Activities							
General Government	\$ 2,208,573	\$ 215,840	\$ 322,010	\$ -	\$ (1,670,723)	\$ -	\$ (1,670,723)
Public Safety	5,224,826	89,092	203,877	-	(4,931,857)	-	(4,931,857)
Public Works	7,522,628	258,638	602,991	-	(6,660,999)	-	(6,660,999)
Community Development	662,534	-	-	-	(662,534)	-	(662,534)
Recreation and Leisure Services	1,956,555	397,398	296,000	-	(1,263,157)	-	(1,263,157)
Library Services	1,028,723	40,501	291,484	-	(696,738)	-	(696,738)
Interest on Long-Term Debt	599,991	-	-	-	(599,991)	-	(599,991)
Total Governmental Activities	<u>19,203,830</u>	<u>1,001,469</u>	<u>1,716,362</u>	<u>-</u>	<u>(16,485,999)</u>	<u>-</u>	<u>(16,485,999)</u>
Business-type Activities							
Sanitary Sewer	4,965,703	5,694,915	-	-	-	729,212	729,212
Community & Recreation Center	4,527,770	3,895,680	-	-	-	(632,090)	(632,090)
Magazine	171,276	178,140	-	-	-	6,864	6,864
Total Business-type Activities	<u>9,664,749</u>	<u>9,768,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,986</u>	<u>103,986</u>
Total Primary Government	<u>\$ 28,868,579</u>	<u>\$ 10,770,204</u>	<u>\$ 1,716,362</u>	<u>\$ -</u>	<u>(16,485,999)</u>	<u>103,986</u>	<u>(16,382,013)</u>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes					7,921,103	-	7,921,103
Earned Income Taxes, Levied for General Purposes					8,286,351	-	8,286,351
Local Services Tax					274,454	-	274,454
Other Taxes					1,580,875	-	1,580,875
Franchise Fees (5% of Gross Cable Receipts)					442,645	-	442,645
Unrestricted Investment Earnings					13,013	2,730	15,743
Miscellaneous					371,156	-	371,156
Transfers					<u>(1,603,459)</u>	<u>1,594,978</u>	<u>(8,481)</u>
Total General Revenues and Transfers					<u>17,286,138</u>	<u>1,597,708</u>	<u>18,883,846</u>
<b>CHANGE IN NET POSITION</b>					<u>800,139</u>	<u>1,701,694</u>	<u>2,501,833</u>
NET POSITION - BEGINNING					<u>19,746,138</u>	<u>6,548,350</u>	<u>26,294,488</u>
NET POSITION - ENDING					<u>\$ 20,546,277</u>	<u>\$ 8,250,044</u>	<u>\$ 28,796,321</u>

The notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

BALANCE SHEET  
GOVERNMENTAL FUNDS

DECEMBER 31, 2014

	General Fund	Capital Projects Fund Regular	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,906,927	\$ 4,418,671	\$ 871,811	\$ 7,197,409
Real Estate Taxes Receivable	486,412	-	-	486,412
Earned Income Taxes Receivable	2,646,943	-	-	2,646,943
Due from Other Funds	4,397,970	3,585,091	425,643	8,408,704
Due from Tri-Community South EMS	223,511	-	-	223,511
Other Receivables	321,736	-	20,130	341,866
Prepaid Items	222,152	-	-	222,152
<b>TOTAL ASSETS</b>	<b>\$ 10,205,651</b>	<b>\$ 8,003,762</b>	<b>\$ 1,317,584</b>	<b>\$ 19,526,997</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 398,817	\$ 425,236	\$ 136,222	\$ 960,275
Due to Other Funds	3,934,524	228,907	201,925	4,365,356
Due to Fiduciary Funds	54,814	-	-	54,814
Accrued Wages Payable	506,412	-	-	506,412
Refundable Deposits	469,701	6,000	-	475,701
Total Liabilities	5,364,268	660,143	338,147	6,362,558
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues-Taxes	1,496,084	-	-	1,496,084
Total Deferred Infows of Resources	1,496,084	-	-	1,496,084
<b>FUND BALANCES</b>				
NonSpendable	222,152	-	-	222,152
Restricted:				
Restricted for State Liquid Fuels Expenses	-	-	1,283	1,283
Restricted for Boyce Mayview Park Grant Expenses	-	-	5,493	5,493
Restricted for Library Expenses and Services	-	-	54,787	54,787
Committed	-	-	917,874	917,874
Assigned	-	7,343,619	-	7,343,619
Unassigned	3,123,147	-	-	3,123,147
Total Fund Balances	3,345,299	7,343,619	979,437	11,668,355
<b>TOTAL LIABILITIES, INFLOW OF DEFERRED RESOURCES AND FUND BALANCES</b>	<b>\$ 10,205,651</b>	<b>\$ 8,003,762</b>	<b>\$ 1,317,584</b>	<b>\$ 19,526,997</b>

The notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2014**

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**Total Fund Balances, Governmental Funds** \$ 11,668,355

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the statement of net position. 26,951,346

Property and earned income taxes receivable will be collected next year, but are not available to pay for the current period's expenditures and therefore, are deferred in the funds. 1,496,084

The net other postemployment benefit obligation is not reflected on the fund statements. (1,629,834)

Long-term liabilities, including bonds payable, are not due and therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds and Notes Payable, net of discounts and premiums	(17,888,625)	
Accrued Interest Payable	(51,049)	(17,939,674)

**Total Net Position - Governmental Activities** \$ 20,546,277

The notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>General Fund</u>	<u>Capital Projects Fund Regular</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Real Estate Taxes	\$ 7,924,247	\$ -	\$ -	\$ 7,924,247
Earned Income Taxes	8,285,627	-	-	8,285,627
Other Taxes	1,855,329	-	-	1,855,329
Licenses and Permits	212,713	-	24,400	237,113
Fees and Fines	533,771	-	-	533,771
Rents	85,816	-	-	85,816
Interest	2,286	10,450	279	13,015
Service Agreements	240,384	-	-	240,384
Other Revenue and Grants	1,037,986	9,351	989,815	2,037,152
Recreation Fees	377,268	-	20,130	397,398
<b>TOTAL REVENUES</b>	<b>20,555,427</b>	<b>19,801</b>	<b>1,034,624</b>	<b>21,609,852</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General Government	1,686,924	321,989	1,050	2,009,963
Community Development	576,943	75,455	-	652,398
Public Safety	4,754,895	122,038	-	4,876,933
Public Works	5,552,895	146,108	561,398	6,260,401
Recreation and Leisure Services	441,584	512,322	922,410	1,876,316
Library Services	801,606	600	218,932	1,021,138
Total Current Expenditures	13,814,847	1,178,512	1,703,790	16,697,149
<b>Capital Outlay:</b>				
General Government	-	86,460	-	86,460
Public Safety	-	208,331	-	208,331
Public Works	-	1,025,903	-	1,025,903
Recreation and Leisure Services	-	-	-	-
Library Services	-	17,136	-	17,136
Total Capital Outlay Expenditures	-	1,337,830	-	1,337,830

(Continued)

The notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2014**

	<b>General Fund</b>	<b>Capital Projects Fund Regular</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Debt Service:</b>				
Principal Retirement	-	-	575,097	575,097
Interest	-	-	566,998	566,998
Total Debt Service Expenditures	-	-	1,142,095	1,142,095
<b>TOTAL EXPENDITURES</b>	<b>13,814,847</b>	<b>2,516,342</b>	<b>2,845,885</b>	<b>19,177,074</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,740,580</b>	<b>(2,496,541)</b>	<b>(1,811,261)</b>	<b>2,432,778</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfer In	-	3,363,618	1,898,504	5,262,122
Interfund Transfer Out	(6,735,580)	(130,000)	-	(6,865,580)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(6,735,580)</b>	<b>3,233,618</b>	<b>1,898,504</b>	<b>(1,603,458)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,000</b>	<b>737,077</b>	<b>87,243</b>	<b>829,320</b>
FUND BALANCES - BEGINNING	3,340,299	6,606,542	892,194	10,839,035
FUND BALANCES - ENDING	<u>\$ 3,345,299</u>	<u>\$ 7,343,619</u>	<u>\$ 979,437</u>	<u>\$ 11,668,355</u>

(Concluded)

The notes to the financial statements are an integral part of this statement.

## TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2014

**Net Change in Fund Balances - Total Governmental Funds:** \$ 829,315

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

Governmental funds report capital outlays for capital assets as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays for capital assets exceeded depreciation expense in the current period.

Capital Outlay for Capital Assets	1,337,830	
Capital Asset Disposal	(375,803)	
Less: Depreciation Expense	<u>(1,497,092)</u>	(535,065)

Because some taxes will not be collected for several months after the Township's year-end, they are not considered as "available" revenues in the governmental funds. Deferred revenues increased by this amount during the year. (2,420)

The increase in the net other post employment benefit obligation does not require the use of current financial resources and therefore is not reflected on the fund statements. (33,795)

Current year long-term debt principal payments reported as expenditures in the governmental fund financial statements are shown as a reduction in the debt in the government-wide financial statements. 575,097

The governmental fund financial statements report the effect of bond issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (33,059)

Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due. Accrued interest increased by this amount during the year. 66

**Change in Net Position of Governmental Activities** \$ 800,139

The notes to the financial statements are an integral part of this statement.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL YEAR ENDED DECEMBER 31, 2014

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
<b>REVENUES</b>				
Real Estate Taxes	\$ 7,781,700	\$ 7,781,700	\$ 7,924,247	\$ 142,547
Earned Income Taxes	8,202,090	8,202,090	8,285,627	83,537
Other Taxes	1,642,500	1,642,500	1,855,329	212,829
Licenses and Permits	151,525	151,525	212,713	61,188
Fees and Fines	524,200	524,200	533,771	9,571
Rents	80,900	80,900	85,816	4,916
Interest	3,500	3,500	2,286	(1,214)
Service Agreements	208,826	208,826	240,384	31,558
Other Revenue and Grants	934,373	934,373	1,037,986	103,613
Recreation Fees	380,000	380,000	377,268	(2,732)
<b>TOTAL REVENUES</b>	<b>19,909,614</b>	<b>19,909,614</b>	<b>20,555,427</b>	<b>645,813</b>
-				
<b>EXPENDITURES</b>				
<b>Current:</b>				
General Government	1,835,298	1,835,298	1,686,924	148,374
Community Development	602,053	602,053	576,943	25,110
Public Safety	4,845,638	4,845,638	4,754,895	90,743
Public Works	5,731,909	5,731,909	5,552,895	179,014
Recreation and Leisure Services	527,969	527,969	441,584	86,385
Library Services	876,427	876,427	801,606	74,821
Total Current Expenditures	14,419,294	14,419,294	13,814,847	604,447
<b>TOTAL EXPENDITURES</b>	<b>14,419,294</b>	<b>14,419,294</b>	<b>13,814,847</b>	<b>604,447</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>5,490,320</b>	<b>5,490,320</b>	<b>6,740,580</b>	<b>1,250,260</b>
<b>OTHER FINANCING (USES)</b>				
Interfund Transfer Out	(5,490,320)	(5,490,320)	(6,735,580)	(1,245,260)
<b>TOTAL OTHER FINANCING (USES)</b>	<b>(5,490,320)</b>	<b>(5,490,320)</b>	<b>(6,735,580)</b>	<b>(1,245,260)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>

The notes to the financial statements are an integral part of this statement.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS

DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds			
	Sanitary Sewer Fund	Boyce Mayview Community & Recreation Center Fund	Township/ School District Magazine Fund	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 4,421,842	\$ 5,000,449	\$ -	\$ 9,422,291
Accounts Receivable	666,409	232,199	16,102	914,710
Due from Other Funds	-	-	152,697	152,697
Prepaid Expenses	-	-	(1,000)	(1,000)
Total Current Assets	5,088,251	5,232,648	167,799	10,488,698
Capital Assets:				
Sewer Lines, Net of Accumulated Depreciation	13,875,521	-	-	13,875,521
Buildings and Improvements, Net of Accumulated Depreciation	-	22,363,507	-	22,363,507
Machinery and Equipment, Net of Accumulated Depreciation	85,658	489,498	4,393	579,549
Total Capital Assets	13,961,179	22,853,005	4,393	36,818,577
<b>TOTAL ASSETS</b>	\$ 19,049,430	\$ 28,085,653	\$ 172,192	\$ 47,307,275
<b>DEFERRED OUTFLOW (INFLOW) OF RESOURCES</b>				
Deferred Outflow of Resources-Related to Derivative Instrument	380,301	1,544,464	-	1,924,765
Inflow of Derivative Instrument	(380,301)	(1,544,464)	-	(1,924,765)
<b>TOTAL DEFERRED OUTFLOW (INFLOW) OF RESOURCES</b>	-	-	-	-
Current Liabilities:				
Accounts Payable	\$ 752,401	\$ 54,539	\$ -	\$ 806,940
Unearned Revenues	-	239,910	-	239,910
Accrued Interest	39,368	-	-	39,368
Due to Other Funds	2,198,590	1,528,834	-	3,727,424
Current Portion - Long-Term Debt	351,934	434,277	-	786,211
Total Current Liabilities	3,342,293	2,257,560	-	5,599,853
Non-Current Liabilities:				
Long-Term Debt	14,150,881	19,306,497	-	33,457,378
Total Non-Current Liabilities	14,150,881	19,306,497	-	33,457,378
<b>TOTAL LIABILITIES</b>	17,493,174	21,564,057	-	39,057,231
<b>NET POSITION</b>				
Net Investment in Capital Assets	875,475	3,790,216	244	4,665,935
Unrestricted	680,781	2,731,380	171,948	3,584,109
<b>TOTAL NET POSITION</b>	1,556,256	6,521,596	172,192	8,250,044

The notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2014**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>Sanitary Sewer Fund</b>	<b>Boyce Mayview Community &amp; Recreation Center Fund</b>	<b>Township/ School District Magazine Fund</b>	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 5,694,915	\$ 3,895,680	\$ 178,140	\$ 9,768,735
Total Operating Revenues	<u>5,694,915</u>	<u>3,895,680</u>	<u>178,140</u>	<u>9,768,735</u>
<b>OPERATING EXPENSES</b>				
Sewage Treatment Charges	2,674,872	-	-	2,674,872
Personnel Services	243,650	1,868,338	51,173	2,163,161
Contractual Services	732,838	892,236	111,552	1,736,626
Materials and Supplies	15,378	214,635	8,133	238,146
Depreciation and Amortization	769,231	794,357	418	1,564,006
Total Operating Expenses	<u>4,435,969</u>	<u>3,769,566</u>	<u>171,276</u>	<u>8,376,811</u>
Operating Income	<u>1,258,946</u>	<u>126,114</u>	<u>6,864</u>	<u>1,391,924</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Income	1,032	1,698	-	2,730
Interest Expense	(529,734)	(758,204)	-	(1,287,938)
Total Non-Operating Expenses	<u>(528,702)</u>	<u>(756,506)</u>	<u>-</u>	<u>(1,285,208)</u>
Change in Assets Before Interfund Transfers	<u>730,244</u>	<u>(630,392)</u>	<u>6,864</u>	<u>106,716</u>
<b>TRANSFERS</b>				
Interfund Transfers In	-	1,594,978	-	1,594,978
Interfund Transfers Out	-	-	-	-
Total Transfers	<u>-</u>	<u>1,594,978</u>	<u>-</u>	<u>1,594,978</u>
<b>CHANGE IN NET POSITION</b>	730,244	964,586	6,864	1,701,694
NET POSITION - BEGINNING	<u>826,012</u>	<u>5,557,010</u>	<u>165,328</u>	<u>6,548,350</u>
NET POSITION - ENDING	<u>\$ 1,556,256</u>	<u>\$ 6,521,596</u>	<u>\$ 172,192</u>	<u>\$ 8,250,044</u>

The notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2014

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sanitary Sewer Fund</b>	<b>Boyce Mayview Community &amp; Recreation Center Fund</b>	<b>Township/ School District Magazine Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Users	\$ 5,590,788	\$ 3,690,559	\$ 172,788	\$ 9,454,135
Payments for Treatment Charges	(2,674,872)	-	-	(2,674,872)
Payments to Employees	(243,650)	(1,868,338)	(81,692)	(2,193,680)
Payments for Services	(717,402)	(875,461)	(82,224)	(1,675,087)
Payments to Suppliers	(15,378)	(214,635)	(20,039)	(250,052)
Net Cash Provided by (Used In) Operating Activities	<u>1,939,486</u>	<u>732,125</u>	<u>(11,167)</u>	<u>2,660,444</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer From (To) Other Funds	<u>2,162,735</u>	<u>3,096,367</u>	<u>15,978</u>	<u>5,275,080</u>
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>2,162,735</u>	<u>3,096,367</u>	<u>15,978</u>	<u>5,275,080</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Purchases of Capital Assets	-	(43,363)	(4,811)	(48,174)
Principal Paid on Capital Debt	(317,724)	(417,179)	-	(734,903)
Interest Paid on Capital Debt	(504,790)	(758,204)	-	(1,262,994)
Net Cash Provided by (Used In) Capital Financing Activities	<u>(822,514)</u>	<u>(1,218,746)</u>	<u>(4,811)</u>	<u>(2,046,071)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment Income	<u>1,032</u>	<u>1,698</u>	<u>-</u>	<u>2,730</u>
Net Cash Provided by (Used In) Investing Activities	<u>1,032</u>	<u>1,698</u>	<u>-</u>	<u>2,730</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,280,739</b>	<b>2,611,444</b>	<b>-</b>	<b>5,892,183</b>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,141,103</u>	<u>2,389,006</u>	<u>-</u>	<u>3,530,109</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,421,842</u>	<u>\$ 5,000,450</u>	<u>\$ -</u>	<u>\$ 9,422,292</u>

(Continued)

The notes to the financial statements are an integral part of this statement.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2014

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### RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating Income	\$ 1,258,947	\$ 126,114	\$ 6,864	\$ 1,391,925
Adjustments to Reconcile Operating Income to Net Cash				
Provided by Operating Activities:				
Depreciation and Amortization	769,231	794,357	418	1,564,006
Change in Operating Assets and Liabilities:				
Accounts Receivable	(104,128)	(151,090)	(5,352)	(260,570)
Prepaid Items	-	-	2,000	2,000
Accounts Payable	15,436	16,775	(15,097)	17,114
Deferred Revenues	-	(54,031)	-	(54,031)
Net Cash Provided by Operating Activities	<u>\$ 1,939,486</u>	<u>\$ 732,125</u>	<u>\$ (11,167)</u>	<u>\$ 2,660,444</u> (Concluded)

The notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

**COMBINED STATEMENT OF PLAN NET POSITION  
PENSION TRUST FUNDS**

DECEMBER 31, 2014

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	<b>Total</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,073,887
Investments (at fair value):	
Managed by VOYA Financial Advisors, Inc.	3,397,610
Managed by PNC Bank, N.A.	17,116,225
Employee Directed through ICMA-RC	3,212,272
Held with The Principal Financial Group	1,754,064
Due from Other Funds	54,814
<b>TOTAL ASSETS</b>	<b>27,608,872</b>
<b>LIABILITIES</b>	
Accounts Payable	-
<b>TOTAL LIABILITIES</b>	<b>-</b>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 27,608,872</b>

The notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**COMBINED STATEMENT OF CHANGES IN PLAN NET POSITION**  
**PENSION TRUST FUNDS**  
**YEAR ENDED DECEMBER 31, 2014**

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	<b>Total</b>
<b>ADDITIONS</b>	
Contributions:	
Member Contributions	\$ 126,505
Township Contributions	277,357
State Aid - Contributed by Township	537,137
Total Contributions	940,999
Investment Income:	
Net Appreciation in Fair Value of Investments	1,543,787
Less: Investment Expenses	(116,777)
Net Investment Income	1,427,010
Total Additions	2,368,009
<b>DEDUCTIONS</b>	
Benefits Paid	679,824
Withdrawal Credits	329,308
Administrative Expenses	40,843
Total Deductions	1,049,975
Change in Plan Net Position	1,318,034
Net Position-Beginning (as restated)	26,290,838
Net Position-End	\$ 27,608,872

The notes to the financial statements are an integral part of this statement.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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### 1. Summary of Significant Accounting Policies

The accounting policies of the Township of Upper St. Clair, Pennsylvania (Township) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant policies:

#### A. Reporting Entity

In evaluating how to define a government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America (GAAP), and more specifically, the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity." The following summarizes the guidance provided by GASB in determining the governmental activities, organizations, functions, and component units that should be included in the governing entity's financial statements. The criterion for inclusion of a component unit is if the primary government is financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the Township's reporting entity.

#### Municipal Authority of the Township of Upper St. Clair (MATUSC)

The Municipal Authority of the Township of Upper St. Clair (MATUSC) was incorporated in 1950 under the Municipal Authorities Act of 1945 to construct and lease certain capital assets for and to the Township. The MATUSC Board is appointed by the Township's Board. MATUSC leases the facilities to the Township and the Township pays lease rentals to MATUSC for repayment of the Authority's debt. As of December 31, 2014, there is no active lease arrangement between the MATUSC and the Township.

Although it is legally separate from the Township, MATUSC is blended with the primary government for financial reporting because its purpose is to finance certain capital assets of the Township and the Township has the financial burden of the MATUSC debt. Its operations are included with non-major Special Revenue Fund types. It operates on an August 31 fiscal year. Complete financial statements for MATUSC can be obtained from the Administration Offices of MATUSC at 1820 McLaughlin Run Road, Upper St. Clair, PA 15241.

#### Joint Ventures

The Township is a member of a joint venture with two other local government units. The joint venture, Tri-Community South Emergency Medical Services (TCS), provides emergency and non-emergency transport and first-aid services to the residents of three Communities. TCS is administered by a three-member board, composed of the members of all three participating governments. Neither the Township nor the other two local governments exercise specific control over the fiscal policies or operations of TCS. TCS's operating budget is funded by annual subscriptions, nonsubscriber medical charges, third-party billings, and non-emergency transport fees. The Township had no equity interest in TCS as of December 31, 2014. Complete financial statements for TCS can be obtained from the Administrative offices of TCS at 5490 Progress Boulevard, Bethel Park, PA 15102.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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### B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Township. For the most part, the effect of inter-fund 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 net position presents the financial condition of the governmental and business-type activities of the Township at year-end.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

### C. 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 fund and fiduciary fund 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.

Governmental fund 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 considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, franchise taxes, licenses, and interest 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. Expenditures generally are recorded when a liability is incurred, as under the 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.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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The Township reports the following major governmental funds:

The *General Fund* is the operating fund of the Township. It accounts for all financial resources except those required to be accounted for in another fund.

The *Capital Projects Fund - Regular* accounts for costs of capital assets acquired for use in the Township for general government, public safety, public works, or parks and recreation purposes.

The Township reports the following major proprietary funds:

The *Sanitary Sewer Fund* is used to account for costs associated with providing sewage treatment and disposal service to all parts of the Township. This fund was established in 1985 by ordinance so that user fees could primarily fund the costs associated with regular system maintenance and Corrective Action Plan projects.

The *Boyce Mayview Community & Recreation Center Fund (C&RC Fund)* is used to account for the operations of the Community & Recreation Center.

Additionally, the Township reports the following fiduciary fund types:

The *Pension Trust Funds* account for the accumulation of resources to be used for future payment of benefits to qualified employees. The Township provides pension coverage through three separate plans: Public Works Employees, Police, and Management & Administrative Employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as *program revenues* include 1) charges to customers of 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 program revenues. Likewise, *general revenues* include all taxes.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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Proprietary funds distinguish *operating revenues and expenses* from *non-operating* 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 Township's enterprise funds are sewer usage charges, membership fees and advertisement fees. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

### D. Budgets and Budgetary Accounting

An operating budget is legally adopted each year for the General Fund, State Liquid Fuels Fund, Storm Sewer Improvement Fund, Field Improvement Fund, Regional Asset District Library Fund, and Regional Asset District Boyce Mayview Fund (Special Revenue Funds), Debt Service Funds for the General Obligation Bonds of 2008, 2009, 2011, and 2012, the Capital Projects Fund - Regular (Capital Projects Funds), the Sanitary Sewer Fund, the Boyce Mayview Community & Recreation Center Fund, and the Township/School District Magazine Fund (Enterprise Funds) on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). No budgets were legally adopted for the Pension Trust Funds (Fiduciary Funds), the Library Endowment Fund, or MATUSC.

Adoption of the budget by the Board of Commissioners constitutes approximations of the expenditures for the fiscal year and the budget is employed as a management control device during the year. Within the General Fund accounts, the Township Manager is authorized to transfer budgeted amounts between operating departments provided that such transfers do not alter total expenditures approved by the Board of Commissioners. Therefore, in the General Fund, as in all other funds that have legally adopted budgets, the measurement level of control over expenditures is the surplus or deficit of the funds as a whole. Operating departments are charged with the maintenance of the budget for the department as a whole; however, operating departments may exceed the appropriation with the approval of the Township Manager. Any excess appropriations at the end of the fiscal year are not carried forward; but instead, lapse.

Expenditures for the Pension Trust Funds and MATUSC are limited to the level of available revenues.

Under the Home Rule Charter, the Board of Commissioners may amend the expenditure budget after public hearing.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

### E. Interfund Receivables, Payables and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances."

Interfund receivables, payables, and transfers for the year ending December 31, 2014, are summarized below:

Fund	Interfund Receivable	Interfund Payable	Transfer In	Transfer Out
Major Funds:				
General Fund	\$ 3,731,982	\$ 3,791,972	\$ -	\$ 6,735,580
Capital Projects Fund - Regular	3,356,184	-	3,362,098	130,000
Sanitary Sewer Fund	-	2,198,590	-	-
Boyce Mayview C&RC Fund	-	1,528,834	1,594,978	-
Other Enterprise Funds	152,697	-	-	-
Other Governmental Funds	228,277	4,558	1,908,504	-
Fiduciary Funds	54,814	-	-	-
Total	<u>\$ 7,523,954</u>	<u>\$ 7,523,954</u>	<u>\$ 6,865,580</u>	<u>\$ 6,865,580</u>

Transactions between funds which are not expected to be repaid are accounted for as transfers. In those cases when repayment is expected within the next fiscal year, the transactions are accounted for through the various due from and due to accounts.

Outstanding interfund balances at year-end include a \$1,528,834 interfund balance between the Boyce Mayview C&RC fund and the General Fund. The amount represents a portion of operating costs covered by the general fund and reimbursable by the Boyce Mayview C&RC fund.

Transfers are made from the General Fund 1) to the Capital Projects Fund - Regular to fund various capital projects, 2) to the Debt Service Funds for current principal and interest payments, 3) to the Boyce Mayview C&RC fund for short-term financing and 4) to the Regional Asset District Boyce Mayview Fund for operating and maintenance expenses associated with Boyce Mayview Park.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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### F. Cash and Investments

Pennsylvania statutes provide for investment of Governmental Funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania Government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of Governmental Funds for investment purposes.

In addition to the investments authorized for Governmental Funds, Fiduciary Fund investments may also be made in corporate stocks and bonds, real estate and other investments consistent with sound business practice.

The deposit and investment policy of the Township adheres to state statutes and prudent business practice. Deposits of the Governmental Funds are either maintained in demand deposits, highly liquid money market funds or pooled for investment purposes in the Pennsylvania Local Government Investment Trust (PLGIT). The deposits and investments of the Fiduciary Funds are administered by trustees and are held separately from those of other municipal funds. There were no deposit or investment transactions during the year that were in violation of either their state statutes or the policy of the Township.

Investments for the Township are reported at fair value based on quoted market prices.

GASB Statement No. 40, "Deposit and Investment Risk Disclosures," requires disclosures related to the following deposit and investment risks: credit risk (including custodial credit risk) and interest rate risk. The following is a description of the Township's deposit and investment risks:

#### Governmental and Proprietary Funds

*Custodial Credit Risk - Deposits.* 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 does not have a formal deposit policy for custodial credit risk.

As of December 31, 2014, \$11,651,510 of the Township's bank balance of \$12,271,455 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits had carrying amounts of \$12,198,886 as of December 31, 2014.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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As of December 31, 2014, the Township's cash and investments consisted of the following:

Investments (at fair value)	
PLGIT	\$ 4,319,306
Money Market	102,398
Total Investments (at fair value)	<u>4,421,704</u>
Carrying Amount - Deposits	<u>12,198,886</u>
Total Cash and Investments per Financial Statements	<u>\$ 16,620,590</u>

The fair value of the investments is the same as their carrying amount. The Township's cash equivalent investments in Pennsylvania Local Government Investment Trust (PLGIT) and money market funds are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The fair value of the Township's position in the PLGIT external investment pool is the same as the fair value of the pool shares. Pennsylvania Local Government Investment Trust is subject to oversight by the Commonwealth of Pennsylvania.

The following is a description of the Municipality's investment risks:

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the Township's investments. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Township's investments in PLGIT, and money markets have maturities of less than one year.

*Credit Risk.* The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Township has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. At December 31, 2014, the Township's investments in PLGIT and money markets were rated AAA by Standard and Poor's.

*Concentration of Credit Risk.* The Township places no limit on the amount that may be invested in any one issuer. At December 31, 2014, the Township had no investment that represented 5% or more of total investments.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

### Pension Trust Funds

The Pension Trust Funds are used to account for assets held by the Township in a trustee capacity for future payment of retirement benefits to employees or former employees. As of December 31, 2014, the Township had the following cash and investments in its pension trust funds:

Investment Type	Fair Value	Maturity (in years)		
		Less Than 1	1-5	6-10
PNC Bank Fixed Income Funds	\$ 5,795,552	\$ -	\$ 601,428	\$ 5,194,124
VOYA Fixed Income Funds	1,358,437	69,077	637,894	651,466
ICMA Fixed Income Funds	624,192	135,704	488,488	-
Total Fixed Income Funds	<u>7,778,181</u>	<u>\$ 204,781</u>	<u>\$ 1,727,810</u>	<u>\$ 5,845,590</u>
PNC Bank Equity Funds	11,320,673			
VOYA Equity Funds	2,039,172			
ICMA Equity Funds	2,588,079			
Principal Financial Group Equity Funds	<u>1,754,065</u>			
Total Investments with Securities	<u>25,480,171</u>			
Cash	-			
Money Market	<u>2,073,887</u>			
Total Pension Trust Fund Assets per Financial Statements	<u>\$ 27,554,058</u>			

*Custodial Credit Risk - Deposits.* 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 Pension Trust Funds do not have a formal deposit policy for custodial credit risk. As of December 31, 2014, none of the Pension Trust Funds' deposits were exposed to custodial credit risk.

The following is a description of the investment risks of the Pension Trust Funds:

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of the Township's investments. The Pension Trust Funds do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Pension Trust Funds do not have a formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. At December 31, 2014, none of the Pension Trust Fund investments were rated by Nationally Recognized Statistical Rating Organizations.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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At December 31, 2014, the pension trust fund investment in the following funds represented 5% or more of total investments.

<u>Investment</u>	<u>Amount</u>
<u>Equity</u>	
Principal Financial Group Inc (PFG)	\$ 1,754,066
T. Rowe Price Growth Stock (PRGFX)	1,407,509
<u>Fixed Income</u>	
iShares Core U.S. Aggregate Bond ETF (AGG)	\$ 2,009,800
Vanguard Total Bd Mkt Indx Fund Adm (VBTLX)	1,918,793

The pension trust funds are invested in various types of financial instruments. This diversification of the investment portfolio serves to assist in mitigating the various types of risks associated with different types of financial instruments. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments could occur in the near-term and that such a change could materially affect the amount reported on the statement of plan net position.

### G. Inventory and Prepaid Items

Inventory is recorded as expenditure when purchased. Year-end inventories are not material for financial statement purposes.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### H. Statement of Cash Flows

For the purpose of the statement of cash flows, the Township considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

### I. 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 \$1,000 and an estimated useful life in excess of one year, and all computers regardless of price. 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.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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The Township reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the Township chose to include all such items regardless of their acquisition date or amount. For the initial reporting of these assets, the Township was able to use actual historical cost or estimate historical through back trending. As the Township constructs or acquires additional capital assets each period, including infrastructure assets; they are capitalized and reported at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as construction-in-progress, while in the construction phase. 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.

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

<u>Assets</u>	<u>Years</u>
Building and Improvements	40
Public Domain Infrastructure	40-50
Vehicles	3-15
Equipment	5-15
Sewer Lines	30-50
Library Assets	5

### J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 one item that qualifies for reporting in this category. The deferred outflows and inflows created by the derivative financial instrument of the interest swap agreement between the Township and PNC Bank used to synthetically fix an interest rate of 3.28% on the variable bonds issued in 2008. This agreement is further explained in Note 11 entitled "Derivative Financial Instruments-Interest Rate Swap" on pages 75-77.

In addition to liabilities, the statement of financial 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 only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and earned income taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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### K. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line amortization method. Bonds payable are reported net of the applicable bond premium or discount. Bond premiums and discounts related to outstanding debt issued prior to January 1, 2003 were expensed at the time of issuance.

In the fund financial statements, the face amount of debt issued is reported as another financing source. Premiums received on debt issuances are also 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.

### L. 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.

### M. Fund Balance Flow Assumptions

Sometimes the Township will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental 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 fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### N. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Township itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Township's highest level of decision-making authority. The Board of Commissioners is the highest level of decision-making authority for the Township that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as committed. The Board of Commissioners (Board) has by ordinance authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments,

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The Board has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund. The target level is set within a range of between 8%-20% of General Fund annual revenues. This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a "revenue" source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level. Generally, replenishment is to occur within a three-year period.

O. Net Position

The government-wide and proprietary fund financial statements are required to report three components of net position:

- *Net investments in capital assets* - This component of net position consists of capital assets net of accumulated depreciation and is reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The unspent portion of the capital related debts are presented with unrestricted net position.
- *Restricted* - This component of net position consists of constraints placed on net position use through external restrictions. The Township's restricted net position at December 31, 2014 consist of funds restricted for State Liquid Fuels Tax projects \$1,283, library services \$54,787, and Boyce Mayview Regional Park \$5,493.
- *Unrestricted* - This is the component of net position that does not meet the definition of "restricted" or "net investment in capital assets."

*Boyce Mayview Community & Recreation Center Fund (C&RC Fund) Net Position.* As of December 31, 2014, the C&RC Fund had an unrestricted net position of \$2,731,380. The difference between this figure and the amount in the table below is caused by the depreciation on the building since the opening of the facility in 2009. Since the actual building is intended to be financed through taxpayer dollars, the Township removes the building depreciation from the net position for capital budgeting and planning purposes. Illustrated below is the budgeted net position for the C&RC Fund for the year ended December 31, 2014.

Year Ended December 31,	Oper. Revenue & Transfers In	Operating Expenses	Add Back: Bldg. Depreciation	Net Equip. Purchases	Net Position For Capital Budgeting
2007	400,000	0	0	0	400,000
2008	500,000	(65,623)	0	0	834,377
2009	1,034,752	(2,184,346)	324,109	(16,087)	(7,195)
2010	2,905,761	(3,250,077)	648,218	(151,473)	145,234
2011	3,313,648	(3,502,126)	648,218	103,519	708,493
2012	3,792,127	(3,580,411)	648,218	114,782	1,683,209
2013	4,008,014	(3,598,474)	648,218	105,636	2,846,603
2014	4,315,276	(3,769,566)	648,218	99,893	4,140,424

*Net Equip. Purchases: Equipment depreciation less current year equipment purchases*

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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### P. Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### 2. Property Taxes

The Township bills and collects its own property taxes based on assessed valuations provided by Allegheny County. Property tax revenues are recognized when levied to the extent that they result in current receivables. The schedule for property taxes levied for 2014 at 3.83 mills (\$.383 per \$100 assessed valuation) is as follows:

May 1	Tax Date
May 1 – June 30	2% Discount
July 1 – August 31	Face Amount Period
September 1 – December 31	10% Penalty Period
January 1, 2015	Lien Date

### 3. Defined Benefit Pension Plans

#### A. Summary of Significant Accounting Policies

Financial information of the pension plans (Plans) is presented on the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Employer contributions to the Plans are recognized when due as required by applicable law. Investments of the Plans are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. For additional information related to basis of accounting and reported investment values, see Notes 1.C and 1.F.

#### B. Plan Descriptions

The Township's Police Pension Plan is a single-employer defined benefit pension plan. The plan was established effective December 2, 1957 under the provisions of Act 600 of 1956 of the Commonwealth of Pennsylvania (Act). The pension plan was last amended and restated effective June 2, 2014. The plan covers all full time police officers. The plan is governed by the Township's Board of Commissioners which has delegated the authority to manage plan to the Township Manager. Plan provisions and contributions are established by Ordinance, and may be amended by the Township. The pension plan is required to file Form PC-201C biennially with the Public Employee Retirement Commission (PERC). The most recent filing was as of January 1, 2013.

The Township's Public Works Employee Pension Plan is a single-employer defined benefit pension plan. The plan was established effective October 5, 1959 under the provisions of Act 600 of 1956 of the Commonwealth of Pennsylvania (Act). The pension plan was last amended and restated effective June 2, 2014. The plan covers all full time public works employees. The plan is governed by the Township's Board of Commissioners which has delegated the authority to manage plan to the Township Manager. Plan provisions and contributions are established by Ordinance, and may be amended by the Township. The pension plan is required to file Form PC-203C biennially with the Public Employee Retirement Commission (PERC). The most recent filing was as of January 1, 2013.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

The activity of the Plans is reported as the Pension Trust Fund in the accompanying financial statements. The plans do not issue stand-alone financial reports. Individual plan financial statements are included in Note 14 of this report. At December 31, 2014, participants in the plans were as follows:

	<b>Police Pension Plan</b>	<b>Public Works Employees' Pension Plan</b>
Inactive plan members or beneficiaries currently receiving benefits	17	18
Inactive plan members entitled to but not yet receiving benefits	0	4
Active plan members	24	27
Total	41	49

**C. Benefits Provided – Police Pension Plan**

*Retirement Benefit* – Participants are eligible for a normal retirement benefit after completing 25 years of service and attaining age 54. The scheduled normal retirement benefit is 50% of the participant’s gross pay averaged over the last 36 months of employment, plus a service increment of \$100 per month for completion of 26 years of service. Participants may elect an early retirement benefit with only 20 years of service. The early retirement benefit is determined by actuarially reducing the normal retirement benefit amount to reflect the early commencement of retirement payments.

*Disability Benefit* – If a participant becomes totally and permanently disabled as a result of accident or sickness occurring in the line of duty, the participant is entitled to receive a monthly disability benefit. The scheduled monthly benefit is 50% of the participant’s gross pay averaged over the last 36 months of employment at the time the disability was incurred, offset by Social Security disability benefits for the same injury. Payments will continue until the earliest of recovery, death, or normal retirement.

*Death Benefit* – If a participant’s death occurs before retirement eligibility, the participant’s beneficiary is entitled to receive a refund of contributions made by the participant, plus interest. If a participant shall die after commencement of benefit payments in the normal form, or after becoming eligible to receive benefit payments, a survivor benefit shall be paid to the surviving spouse or dependent children of the participant in an amount equal to 50% of the benefit the participant was receiving or was eligible to receive as of the date of death. The monthly survivor benefit is payable to the participant’s spouse for life. If there is no spouse or the spouse later dies, the benefit will be paid to the participant’s dependent children, if any, until age 18 (age 23 if attending college).

*Deferred Retirement Option Plan (DROP)* – The DROP provides an alternative method of payment for retirement benefits for a specified and limited period of time for eligible participants. Under the DROP, employees stop earning service credit toward a future benefit at the time their DROP period begins. The participant’s normal retirement benefit is calculated at that point, and the participant is considered retired for pension plan purposes. At the same time, the Township retains the participant as an employee for a period not to exceed 30 months. During the DROP period, the participant’s monthly retirement benefit is deposited into a separate account and credited with interest earnings between 0% and 4.5% for the duration of the DROP period. At December 31, 2014, there were 4 employees participating in the DROP.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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*Cost of Living Adjustments* – Effective on each anniversary of retirement, a retiree will receive an increase in the monthly benefit equal to the percentage increase in the Consumer Price Index. The total of all increases may not exceed 20% of the original benefit, nor may the total benefit exceed 75% of the average monthly salary used to calculate the original benefit.

### D. Benefits Provided – Public Works Employees Pension Plan

*Retirement Benefit* – Participants are eligible for a normal retirement benefit after completing 10 years of service and attaining age 60. The scheduled normal retirement benefit is equal to the sum of \$60.00 multiplied by years of service before January 1, 2009, plus \$65.00 multiplied by years of service from January 1, 2009 through December 31, 2010, plus \$67.50 multiplied by years of service from January 1, 2011 through December 31, 2011, plus \$70.00 multiplied by years of service from January 1, 2012 through December 31, 2014. The total years of service shall not exceed a total of forty years, which shall be the participant's final forty years of service. Participants may elect an early retirement benefit at age 57 with 10 years of service. The early retirement benefit is determined by reducing the normal retirement benefit amount by 0.5% for each month that early retirement precedes the normal retirement date.

*Disability Benefit* – A Participant who has completed at least ten years of service, is an employee and shall incur a total and permanent disability in the course of and as a direct result of employment shall be entitled to a disability retirement benefit as of the date which is twenty seven (27) weeks after the disability date. The scheduled monthly benefit is equal to the normal retirement benefit reduced by the amount of workers' compensation (or other statutorily prescribed benefit) received on account of the same injury or disease which resulted in the disability. Disability benefits shall continue until the earliest of the death of the participant or cessation of total and permanent Disability before attainment of age 60.

*Death Benefit* – If a participant's death occurs before retirement eligibility, the participant's beneficiary is entitled to receive a refund of contributions made by the participant. If a participant shall die after commencement of benefit payments in the normal form, or after becoming eligible to receive benefit payments, the Beneficiary shall be entitled to a benefit payable as if the Participant had retired on the day prior to the date of death and had commenced receipt of a fifty percent (50%) joint and survivor annuity benefit.

*Cost of Living Adjustments* – The plan does not provide for any post-retirement adjustments.

### E. Contributions

The Plans are funded by the Township on an annual basis pursuant to the provisions of the Act. The Act requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). Employees are not required to contribute under the Act; such contributions are subject to collective bargaining. For the year ended December 31, 2014, participating employees in the Police plan were required to contribute 5.0% of their compensation. Participating employees in the Public Works plan were not required to make contributions. During the year, employee contributions to the Police plan totaled \$126,505. There were no employee contributions made to the Public Works plan.

The Commonwealth of Pennsylvania provides annual State Pension Aid funding to the Township that must be contributed in the pension plans. For the year ended December 31, 2014, the State Pension Aid contributed to the Police plan totaled \$203,877, and the State Pension Aid contributed to the Public Works plan totaled \$108,367. If the amount of State Pension Aid received is not sufficient to meet the funding required by the MMO, the Township must make a contribution to fund the difference. For the year ended December 31, 2014, the Township contributed \$28,259 to the Police plan, and \$248,828 to the Public Works plan.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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F. Net Pension Liability

The components of the net pension liability of the Plans at December 31, 2014, were as follows:

	<u>Police Plan</u>	<u>Public Works Plan</u>
Total pension liability	\$ 18,714,205	\$ 5,426,638
Plan fiduciary net position	<u>(19,886,581)</u>	<u>(4,510,019)</u>
Net pension liability	<u>\$ (1,172,376)</u>	<u>\$ 916,619</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>106.26%</u>	<u>83.11%</u>

*Actuarial assumptions* – The total pension liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods in the measurement:

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

	Police Plan	Public Works Plan
Actuarial valuation date	January 1, 2013	January 1, 2013
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	4.5%	N/A
Underlying inflation rate	3.0%	3.0%
Cost of living adjustments	See below **	N/A

\*\* Effective each anniversary of retirement, a Police Plan retiree will receive an increase in the monthly benefit equal to the percentage change in the CPI-W, but cannot exceed 20% of the total original benefit or 75% of the final monthly average salary used to calculate the original benefit.

Actuarial assumptions based on actuarial experience study for the period January 1, 2011 to December 31, 2012

RP-2000 Combined Healthy Mortality Table, with blue collar adjustment and rates projected to improve at 75% of scale AA.

*Changes in Actuarial Assumptions* – Effective for the actuarial valuations performed as of January 1, 2013, the assumed rate of return in both plans was reduced from 8.0% to 7.5%. Also, the mortality table for both plans was updated from the 1994 Uninsured Pensioner Mortality Table to the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment and rates projected to improve at 75% of scale AA. Additionally, the assumed rate of salary increase used in the Police plan was changed from 5.5% to 4.5% per year, and rates of retirement from age 54 to 58 were introduced for the Police plan. The net effect of these changes was an increase in the actuarial accrued liability of \$406,674 for the Police plan and \$333,771 for the Public Works plan.

*Investment policy* – The Plan’s policies in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners by a majority vote of its members. It is the policy of the Township that all investments for the Plans be made with the care, skill, and diligence that a prudent person would exercise. The Plans objectives are long-term in nature, and there are no foreseeable circumstances that would necessitate the immediate liquidation of over 20% of the portfolio.

*Long Term Expected Rate of Return* – 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 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.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plans' target asset allocation as of December 31, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>		<u>Long Term Expected Real Rate of Return</u>	
	<u>Police</u>	<u>Public Works</u>	<u>Police</u>	<u>Public Works</u>
Domestic equities	40-75%	40-75%	6.3%	6.3%
International equities	0-20%	0-20%	6.3%	6.3%
Fixed income	25-45%	25-45%	2.0%	2.0%
Cash equivalents	0-20%	0-20%	0.0%	0.0%

*Rate of Return* – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2014, the annual money-weighted rate of return on the Police and Public Works Plan investments, net of investment expense, was 6.26% and 4.73%, respectively.

*Concentrations* – At December 31, 2014, the pension trust fund investment in the following funds represented 5% or more of total investments:

<u>Investment</u>	<u>Amount</u>
<u>Equity</u>	
Principal Financial Group Inc (PFG)	\$ 1,754,066
T. Rowe Price Growth Stock (PRGFX)	1,407,509
<u>Fixed Income</u>	
iShares Core U.S. Aggregate Bond ETF (AGG)	\$ 2,009,800
Vanguard Total Bd Mkt Indx Fund Adm (VBTLX)	1,918,793

*Discount rate* – The discount rate used to measure the total pension liability for both the Police Plan and Public Works Plan was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the contractual contribution rates and that the Township's contributions will continue to be made based on the yearly MMO calculation. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on each pension plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate* – The following presents the net pension liability of each plan calculated using the discount rates described above, as well as what each plan's net pension liabilities would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Police Plan	\$ 20,505,256	\$ 18,714,205	\$ 17,191,096
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Public Works Plan	\$ 5,919,748	\$ 5,426,638	\$ 5,004,806

G. Additional Employer Disclosures Required by GASB Statements No. 27 and 50

The information below is with regard to employer pension activity for the year ended December 31, 2014. Costs and contributions were based upon an actuarial valuation performed as of January 1, 2013, as required by Act 205.

The Plan assumptions under Act 205 are as follows:

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

	Police Plan	Public Works Plan
Actuarial valuation date	January 1, 2013	January 1, 2013
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Closed	Level Dollar Closed
Asset valuation method	4 year Smoothing	4 year Smoothing
Amortization period	8 Years (aggregate)	12 Years (aggregate)
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	4.5%	N/A
Underlying inflation rate	3.0%	3.0%
Cost of living adjustments	See below **	N/A

\*\* Effective each anniversary of retirement, a Police Plan retiree will receive an increase in the monthly benefit equal to the percentage change in the CPI-W, but cannot exceed 20% of the total original benefit or 75% of the final monthly average salary used to calculate the original benefit.

The Township's annual pension cost, percentage of the annual pension costs contributed, and net pension obligation (asset) for the past three years is as follows:

	Police Pension Plan			Public Works Employees' Pension Plan		
	Year Ended December 31,	Annual Pension Costs	Percentage Contributed	Net Pension Obligation (NPO)	Annual Pension Costs	Percentage Contributed
2012	\$ 371,309	109%	\$ 103,573	\$ 231,481	102%	\$ 16,251
2013	\$ 465,291	107%	\$ 69,294	\$ 271,805	102%	\$ 11,452
2014	\$ 320,174	112%	\$ 32,273	\$ 227,223	102%	\$ 6,269

The Township's net pension obligation (NPO) for both plans as of December 31, 2014 is calculated as follows:

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

	Police Plan	Public Works Plan
Annual required contribution	\$ 232,406	\$ 357,195
Interest on NPO	5,544	916
Adjustment to the ARC	(42,565)	(6,099)
Annual pension cost	195,385	352,012
Contribution made	232,406	357,195
Change in NPO	(37,021)	(5,183)
NPO (Asset), December 31, 2013	69,294	11,452
NPO (Asset), December 31, 2014	\$ 32,273	\$ 6,269

The Township's funded status and related information for each plan as of the latest actuarial valuation date, January 1, 2013, under Act 205, is as follows:

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<b><u>Police Pension Plan</u></b>						
1/1/2013	\$ 14,716,499	\$ 16,584,353	\$ 1,867,854	88.7%	\$ 2,570,259	72.7%
<b><u>Public Works Employees' Pension Plan</u></b>						
1/1/2013	\$ 3,335,687	\$ 4,998,464	\$ 1,662,777	66.7%	\$ 1,510,444	110.1%

The schedule of funding progress reported as Required Supplementary Information immediately following the notes to financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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#### 4. Defined Contribution Plan

##### A. Plan Description

The Township provides pension benefits for its management and other employees that are not eligible for the aforementioned defined benefit pension plans, through a single-employer defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon employment. Participants become 100% vested upon their admittance to the plan. Contributions to the plan are made by the Township for participating employees based upon a percentage of the participant's base salary. The percentage contributed is in accordance with the pension plan document as approved by the Board of Commissioners. Employees are not obligated to contribute to the plan.

This is a money purchase plan maintained in accordance with Internal Revenue Code Section 401(a). Although the Township has fiduciary responsibility for plan assets, the Township contracts the International City Management Association Retirement Corporation (ICMA-RC) for management and investment of plan assets.

The amount contributed by the Township to the plan for the year ended December 31, 2014 was \$224,893 or 7.56% of the \$2,975,001 in wages paid to participants. The Township Manager and the Township Board of Commissioners are responsible for establishing and/or amending the plan provisions and contribution requirements. Separate audited financial statements are not issued for the plan.

##### B. Summary of Significant Accounting Policies

The financial statements of the plan are included in Note 17 of this report. For additional information related to the basis of accounting used and the categorization of reported investment values, see Notes 1.C and 1.F, respectively.

##### C. Concentrations

The Management Employees' Pension Plan investments in mutual funds held by ICMA-RC account for 100% of the total investments at December 31, 2014.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

### 5. Capital Assets

A summary of changes in capital assets during 2014 is as follows:

	January 1, 2014	Increases	Decreases	December 31, 2014
<u>Governmental Activities:</u>				
Capital Assets not being depreciated:				
Land	\$ 2,325,917	\$ -	\$ -	\$ 2,325,917
Capital Assets being depreciated:				
Infrastructure	34,038,535	283,415	-	34,321,950
Buildings	12,932,495	288,093	-	13,220,588
Improvements	1,666,912	13,575	-	1,680,487
Equipment	6,828,157	735,611	(375,803)	7,187,965
Library assets	712,005	17,136	-	729,141
	58,504,021	1,337,830	(375,803)	59,466,048
Less: Accumulated Depreciation for:				
Infrastructure	(18,431,180)	(638,535)	-	(19,069,715)
Buildings	(6,872,243)	(320,230)	-	(7,192,473)
Improvements	(1,032,848)	(41,843)	-	(1,074,691)
Equipment	(4,373,284)	(491,308)	375,803	(4,488,788)
Library assets	(683,859)	(5,176)	-	(689,035)
	(31,393,414)	(1,497,092)	375,803	(32,514,702)
Governmental Activities Capital Assets, Net	\$ 27,110,607	\$ (159,262)	\$ -	\$ 26,951,346
<u>Business-Type Activities:</u>				
Capital Assets being depreciated:				
C&RC Building	25,928,704	-	-	25,928,704
Sewer lines and improvements	29,100,791	-	-	29,100,791
Equipment	1,668,335	47,937	(21,893)	1,694,379
	56,697,830	47,937	(21,893)	56,723,874
Less: Accumulated Depreciation for:				
C&RC Building	(2,916,980)	(648,218)	-	(3,565,198)
Sewer lines and improvements	(14,469,117)	(756,152)	-	(15,225,269)
Equipment	(978,460)	(159,942)	21,893	(1,116,509)
	(18,364,557)	(1,564,312)	21,893	(19,906,976)
Business-Type Activities Capital Assets, Net	\$ 38,333,273	\$ (1,516,375)	\$ -	\$ 36,816,898

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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

Governmental Activities		
General Government	\$	195,331
Public Safety		202,722
Public Works		1,006,483
Community Development		4,732
Recreation and Leisure		80,239
Library		7,585
		<hr/>
Total Depreciation Expense - Governmental Activities	\$	<u>1,497,092</u>
Business-Type Activities		
Sanitary Sewer	\$	769,231
Community & Recreation Center		794,663
Magazine		418
		<hr/>
Total Depreciation Expense - Business-type Activities	\$	<u>1,564,312</u>

6. Allowance for Uncollectible Accounts

Accounts receivable have been reported net of an allowance for uncollectible accounts.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

7. Changes in Long-Term Debt

	<b>Amounts Payable as of January 1, 2014</b>	<b>New Debt</b>	<b>Amortization, Repayment</b>	<b>Amounts Payable as of December 31, 2014</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Bonds Payable	\$ 18,833,456	\$ -	\$ (575,097)	\$ 18,258,359	\$ 578,790
Less Deferred Amounts:					
Bond Premium	12,370	-	(2,062)	10,308	-
Issuance Discounts	(302,777)	-	13,037	(289,740)	-
On Refunding	(112,386)	-	22,084	(90,302)	-
Governmental Activities Long-Term Liabilities	<u>\$ 18,430,663</u>	<u>\$ -</u>	<u>\$ (542,038)</u>	<u>\$ 17,888,625</u>	<u>\$ 578,790</u>
 <b>Business-type Activities</b>					
Bonds Payable	\$ 35,461,542	\$ -	\$ (744,903)	\$ 34,716,639	786,211
Less Deferred Amounts:					
Bond Premium	5,942	-	(991)	4,951	-
Deferred Loss	(514,691)	-	26,688	(488,003)	-
On Refunding	-	-	-	-	-
Business-type Activities Long-Term Liabilities	<u>\$ 34,952,793</u>	<u>\$ -</u>	<u>\$ (719,206)</u>	<u>\$ 34,233,587</u>	<u>\$ 786,211</u>

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

8. Description of Long-Term Debt

*Issue:* General Obligation Bonds of 2008

*Date:* March 3, 2008

*Original Proceeds:* \$32,300,000

*Principal amount at December 31, 2014:* \$28,864,998

*Interest Rate:* Variable rate, payable monthly. An interest rate swap was also entered into in connection with the bonds (Note 11). The Swap agreement is with PNC Bank and is in effect until June 1, 2018. Interest payments below were calculated using the synthetic fixed rate as described in Note 11.

*Debt Service Source:* General Fund transfers to Debt Service Fund, Sanitary Sewer Fund, and C&RC Fund.

*Purpose:* The proceeds of the bonds were used to provide funds for various capital improvements within the Township, including, but not limited to, repair and refurbishing portions of the Township's sanitary sewer system and to finance a new Community & Recreation Center.

*Liquidity Facility:* In connection with the bonds, the Township has entered into a Standby Bond Purchase Agreement with BNY Mellon Capital Markets, LLC (Bank). The agreement, dated June 3, 2013, is scheduled to expire on June 3, 2016. At December 31, 2014, none of the 2008 bonds outstanding were held by the Bank. During 2014, the Township incurred \$118,343 in facility fees.

The annual debt service requirements to maturity for the General Obligation Bonds of 2008 are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	93,790	138,300	541,211	798,058
2016	96,005	135,187	553,995	780,097
2017	99,698	131,978	575,303	761,576
2018	104,129	128,635	600,872	742,287
2019	107,083	125,171	617,918	722,299
2020-2024	596,708	569,575	3,443,292	3,286,721
2025-2029	707,483	462,801	4,082,517	2,670,583
2030-2034	1,297,545	315,151	7,487,456	1,818,571
2035-2038	1,160,918	75,355	6,699,075	434,846
Totals	\$ 4,263,359	\$ 2,082,153	\$ 24,601,639	\$ 12,015,038

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

*Issue:* General Obligation Bonds of 2009

*Date:* November 23, 2009

*Original Proceeds:* \$7,010,000

*Principal amount at December 31, 2014:* \$4,200,000

*Interest Rate:* 2.00 - 3.35% semi-annual interest due May 15 and November 15

*Debt Service Source:* General Fund transfers to Debt Service Fund, and Sanitary Sewer Fund

*Purpose:* The proceeds were used to advance refund \$6,692,141 of the Township's General Obligation Bonds of 2003. In connection with this advance refunding, \$6,987,949 of the proceeds were deposited into an irrevocable trust with an escrow agent to provide for certain debt service payments on the refunded debt.

The annual debt service requirements to maturity for the General Obligation Bonds of 2009 are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	435,000	78,492	215,000	38,153
2016	450,000	66,117	220,000	32,068
2017	460,000	53,713	225,000	26,001
2018	480,000	39,958	230,000	19,345
2019	495,000	24,837	235,000	12,135
2020	505,000	8,459	250,000	4,187
Totals	\$ 2,825,000	\$ 271,576	\$ 1,375,000	\$ 131,889

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

*Issue:* General Obligation Bonds of 2011

*Date:* November 15, 2011

*Original Proceeds:* \$10,205,000

*Principal Amount at December 31, 2014:* \$9,990,000

*Interest Rate:* 2.79%

*Debt Service Source:* General Fund transfers to Debt Service Fund

*Purpose:* The proceeds were used to refund \$9,935,000 of the Township's General Obligation Bonds of 2006. In connection with this refunding, the net proceeds of \$9,982,214 (including the original issue discount of \$136,043 and after payment of \$86,743 in underwriting fees were deposited into an irrevocable trust with an escrow agent to redeem the 2006 General Obligation Bonds and pay \$47,214 of other issuance costs. As a result, the 2006 general obligation bonds are considered defeased and the liability for those bonds have been removed from the statement of net position.

The aggregate difference in the debt service payments between the 2006 general obligation bonds and the refunding debt, 2011 general obligation bond, is a decrease of \$1,409,356. The refunding of the 2006 general obligation bonds by the 2011 general obligation bonds resulted in an economic gain of \$1,010,104.

The annual debt service requirements to maturity for the General Obligation Bonds of 2011 are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	50,000	152,662	25,000	152,995
2016	55,000	152,069	25,000	152,714
2017	55,000	151,312	25,000	152,370
2018	55,000	150,405	25,000	151,957
2019	60,000	149,310	25,000	151,483
2020-2024	2,405,000	617,407	1,295,000	689,206
2025-2029	2,580,000	174,376	1,830,000	434,080
2030-2033	-	-	1,480,000	114,600
Totals	\$ 5,260,000	\$ 1,547,541	\$ 4,730,000	\$ 1,999,405

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

*Issue:* General Obligation Bonds of 2012

*Date:* February 6, 2012

*Original Proceeds:* \$9,925,000

*Principal Amount at December 31, 2014:* \$9,920,000

*Interest Rate:* 1.00 - 3.60% semi-annual interest due May 15 and November 15

*Debt Service Source:* General Fund transfers to Debt Service Fund

*Purpose:* The proceeds were used to refund \$9,732,386 of the Township's General Obligation Bonds of 2007. In connection with this refunding, the net proceeds of \$9,782,240 (including the original issue discount of \$58,397 and after payment of \$84,363 in underwriting fees) were deposited into an irrevocable trust with an escrow agent to redeem the 2007 General Obligation Bonds and pay \$49,854 of other issuance costs. As a result, the 2007 general obligation bonds are considered defeased and the liability for those bonds have been removed from the statement of net position.

The aggregate difference in the debt service payments between the 2007 general obligation bonds and the refunding debt, 2012 general obligation bond, is a decrease of \$1,372,092. The refunding of the 2007 general obligation bonds by the 2012 general obligation bonds resulted in an economic gain of \$808,834.

The annual debt service requirements to maturity for the General Obligation Bonds of 2012 are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	-	159,292	5,000	121,066
2016	10,000	159,241	10,000	120,991
2017	185,000	156,417	85,000	119,666
2018	185,000	152,531	90,000	117,851
2019	185,000	150,080	95,000	116,623
2020-2024	1,065,000	696,242	550,000	555,041
2025-2029	1,955,000	548,935	680,000	480,941
2030-2034	2,325,000	82,789	1,205,000	363,582
2035-2036	-	-	1,290,000	46,482
Totals	\$ 5,910,000	\$ 2,105,527	\$ 4,010,000	\$ 2,042,243

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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### 9. Unpaid Vacation and Sick Days

The Township's vacation policy for union and non-union employees provides that such employees are to take vacation within the year it is earned, with no carry forward provisions. Thus, there is no current liability for unused vacation at December 31, 2014. Vacation days may be carried forward only upon approval of the Township Manager. At December 31, 2014, there was no unrecorded General Fund liability for unused vacation days. Sick days are earned continuously at the rate of 7 to 10 days per year to a maximum of 125 days depending upon applicable contracts. Employees may use this time during their term of employment. No accrual is necessary as employees are not entitled to receive compensation for unused days.

### 10. Post-Employment Benefits Other Than Pension Benefits (OPEBs)

#### A. Plan Description

In addition to the pension benefits previously described, the Township provides post-retirement health and life insurance benefits to certain administrative and police retirees through a single employer defined benefit plan. The benefit limits, funding policy, and employee and employer contributions are established and amended through union contracts or the Township's Board of Commissioners. The plan is not accounted for as a trust fund, an irrevocable trust has not been established, the plan does not issue a separate report, and activity of the plan is reported in the Township's General Fund.

Details of the benefits provided are as follows:

#### Police

The Township provides post-retirement medical coverage to all eligible police retirees in accordance with the requirements set forth by the union contract. Generally, police retirees who retire after age 54 and 25 years of service are offered hospitalization and major medical coverage for the retiree, spouse, and dependents until the death of the retiree. Prior to age 65, retirees are required to pay for any increases in premiums after retirement. After age 65, a Medicare Supplement Plan is provided at no cost to the retiree. Also upon retirement, a \$10,000 life insurance policy is provided by the Township for all officers with at least 15 years of service.

As of December 31, 2014, there were 27 active plan participants and 8 retired participants receiving benefits.

#### Non-Uniformed

For administrative employees, upon retirement at age 59 1/2, a \$5,000 life insurance policy is provided by the Township. For Teamsters, upon retirement at age 60 with 10 years of service, an \$8,000 life insurance policy is provided by the Township.

As of December 31, 2014, there were 90 active plan participants and 27 retired participants receiving benefits.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

### B. Funding Policy

Life insurance benefits are expensed when incurred and are financed on a pay-as-you-go basis. The Township contributes \$1,000 per year per police officer to a Voluntary Employee's Beneficiary Association (VEBA) account to be applied toward the cost of post-retirement health benefits. Upon retirement, each retiree shall have the option to accept the full amount deposited in his/her account with accrued interest in lieu of receipt of post-retirement health benefits from the Township. For fiscal year 2014, the Township incurred \$104,562 for post-employment health benefits (\$74,085 related to net premiums paid for current retirees and \$25,666 in contributions to VEBA accounts) and \$929 for post-employment life insurance benefits. No amounts were required to be reimbursed by retirees receiving benefits. At December 31, 2014, the total of the VEBA account balances was \$638,873.

The Township's annual OPEB cost 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 the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a closed period not to exceed 30 years. The following table shows the component of the Township's annual OPEB cost for the year, the amount actually contributed, and changes in the Township's net OPEB obligation:

	<u>Police</u>	<u>Non-Uniformed</u>	<u>Total</u>
Annual Required Contribution (ARC)	\$ 292,469	\$ 25,352	\$ 317,821
Interest on Net OPEB Obligation	57,345	3,489	60,834
Adjustment to Annual Required Contribution	-	-	-
Annual OPEB Cost (AOC)	349,814	28,841	378,655
Contributions Made	(100,027)	(653)	(100,680)
Increase (Decrease) in Net OPEB Obligation	249,787	28,188	277,975
Net OPEB Obligation - Beginning of Year	1,274,324	77,535	1,351,859
Net OPEB Obligation - End of Year	\$ 1,524,111	\$ 105,723	\$ 1,629,834

The Township's annual OPEB cost (AOC), the percentage of annual OPEB cost contributed and the net OPEB obligation were as follows:

<u>Police</u>	<u>Annual OPEB Costs</u>	<u>% of AOC Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
Fiscal Year Ending			
December 31, 2009	\$233,210	21%	\$362,644
December 31, 2010	\$241,475	28%	\$537,550
December 31, 2011	\$320,827	24%	\$781,161
December 31, 2012	\$331,789	22%	\$1,038,715
December 31, 2013	\$343,379	31%	\$1,274,324
December 31, 2014	\$349,814	29%	\$1,524,111

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

**Non-Uniformed**

<u>Fiscal Year Ending</u>	<u>Annual OPEB Costs</u>	<u>% of AOC Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
December 31, 2009	\$11,430	3%	\$21,783
December 31, 2010	\$11,930	3%	\$33,402
December 31, 2011	\$14,538	3%	\$47,470
December 31, 2012	\$15,171	3%	\$62,170
December 31, 2013	\$15,833	3%	\$77,535
December 31, 2014	\$28,841	2%	\$105,723

The ARC for the current year for the Police and Non-Uniformed Plans was computed as of January 1, 2014 using the following actuarial assumptions:

<b>Valuation Date</b>	<b>January 1, 2014</b>
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Dollar
Amortization Period	30 year open period
Inflation Rate	3.0%
Investment Rate	4.5% compounded annually
Mortality	RP-2000 Combined Health Mortality Table with Blue Collar Adjustment, with rates set forward 5 years for disabled lives
Projected Salary Increases	Not applicable to Plan
Post-retirement benefit increases	Not applicable to Plan
Health Care Cost Trend Rates	5.0%

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

The schedule of funding progress for the Township's OPEBs is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Covered Payroll ((b-a)/c)
<b><u>Police Employees:</u></b>						
01/01/08	\$ 329,593	\$ 3,007,568	\$ 2,677,975	11.0%	\$ 2,565,652	104.4%
01/01/11	\$ 374,001	\$ 4,198,942	\$ 3,824,941	8.9%	\$ 2,480,361	154.2%
01/01/14	\$ 591,280	\$ 4,230,085	\$ 3,638,805	14.0%	\$ 2,510,689	144.9%
<b><u>Non-Uniformed Employees:</u></b>						
01/01/08	\$ -	\$ 106,226	\$ 106,226	0.0%	\$ 3,484,257	3.0%
01/01/11	\$ -	\$ 134,730	\$ 134,730	0.0%	\$ 3,991,979	3.4%
01/01/14	\$ -	\$ 271,304	\$ 271,304	0.0%	\$ 4,452,889	6.1%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Healthcare cost trend assumptions are based on recent experience and anticipated future cost increases under the Township's medical plans. Amounts determined regarding the funded status 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 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.

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 actuarial 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.

### 11. Derivative Financial Instruments – Interest Rate Swap

#### Objective of the Interest Rate Swap

As a means to lower its borrowing costs, when compared against fixed-rate bonds at the time of issuance of its variable rate 2008 General Obligation Bonds (Bonds), the Township entered into a pay-fixed, receive-variable interest rate swap agreement with PNC Bank, National Association (Counterparty). The intention of the swap was to effectively change the Township's variable interest rate on the Bonds to a synthetic fixed rate of 3.28%. The net interest resulting from the difference between the fixed payment and variable receipt is the only amount related to the swap agreement recorded in the financial statements.

#### Terms

The swap agreement was entered into at the same time the Bonds were issued (March 2008). The swap agreement expires on June 1, 2018. The swap's original notional amount was \$32,300,000. Starting in 2009, the notional value of the swap began reducing so that the notional amount approximates the principal amount on the bonds outstanding. The notional value as of December 31, 2014 was \$28,865,000.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Initially, the Bonds will accrue interest at a weekly rate determined by the remarketing agent on the effective rate date. The interest rate on the Bonds while in the weekly rate may not exceed 12%. Per the interest rate swap agreement, the Township will pay the Counterparty interest at a fixed rate of 3.28% and will receive from the Counterparty interest equal to the tax-exempt floating rate index (SIFMA Municipal Swap Index). The interest payments on the interest rate swap is calculated based on the notional amounts, which reduce over time.

Pursuant to the swap contract, both the Township and the Counterparty make payments monthly on the first of each month. For the year ended December 31, 2014, the Township paid \$955,109 fixed and received \$14,968 variable with respect to the swap.

### Fair Values

As of December 31, 2014, the interest rate swap had negative fair market value of \$2,258,318. The fair market value was provided by the Counterparty at mid-market, based on financial principles and assumptions of the Counterparty.

Valuation Date	Trade Type	Initial Notional Amount	Current Notional Amount	Start Date	Maturity Date	Net Present Value
12/31/14	Swap	32,300,000	28,865,000	03/06/2008	06/01/2018	(2,258,318)

### Effectiveness of the Interest Rate Swap

The interest rate swap was entered into as part of the 2008 bond issue, which is financed by both governmental activities and business-type activities. As shown below, the annualized average interest rate for 2014 was 3.29%. The swap was designed to achieve a synthetic interest rate of 3.28%. Since the average interest rate for 2014 was between 100 and 101 percent of the desired synthetic interest rate, the Township deemed the swap to be effective. Therefore, the Township recognized a derivative instrument liability and deferred outflow of resources asset within the governmental activities for \$333,554 and business-type activities for \$1,924,765.

Interest Period	PNC Bank Receives	PNC Bank Pays	PNC Bank Net Interest	Wells Fargo Interest Payments	Total Interest Payment	Notional Amount	Annualized Average Interest Rate
Jan-May 2014	402,825	(7,147)	395,678	10,017	405,696	29,475,000	3.30%
Jun-Dec 2014	552,284	(7,821)	544,462	8,149	552,612	28,865,000	3.28%
Total	955,109	(14,968)	940,140	18,166	958,308		<b>3.29%</b>

### Risk Exposure

Through the use of derivative instruments such as interest rate swaps, the Township is exposed to a variety of risks, including credit risk, remarketing/interest rate/basis risk and termination risk.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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*Credit risk* is the risk that the Counterparty will not fulfill its obligations. On December 31, 2014, the Counterparty was rated A by Standard & Poor's and A2 by Moody's Investors Services, Inc., nationally recognized rating agencies. If the Counterparty fails to perform according to the terms of the interest rate swap agreement, there is some risk of loss to the Township; if the Township would need to replace the swap; it would likely cost the Township the then fair market value. Because the swap now has a negative fair market value, there is no current credit risk to the Township. This risk includes the potential for the Counterparty to fail to make periodic variable rate payments to the Township and the Counterparty to fail to make termination payments to the Township, if the swap is terminated and a termination payment is due from the Counterparty. Under the terms of the agreement, if the Counterparty's credit rating falls below A- by Standard & Poor's or A3 by Moody's Investors Services, Inc., the Township may 1) require the Counterparty to fully collateralize the fair value of the swap in the Township's favor (subject to a \$500,000 minimum transfer amount) with eligible collateral, including cash or government securities, or 2) terminate the swap. Collateral would be posted with a third-party custodian, a commercial bank or trust company selected by the Township, meeting certain requirements of the Counterparty.

*Remarketing/interest rate/basis risk* is the risk that arises when variable interest rates on a derivative and associated bond are based on different indexes. The Township is subject to remarketing/interest rate/basis risk as the interest index on the variable rate arm of the swaps is based on the SIFMA Municipal Swap Index, as previously discussed, and the variable interest rate on the Bonds is based on current market conditions as determined by the remarketing agent. Although expected to correlate over the long-term, the short-term relationships between the SIFMA Municipal Swap Index and the weekly tax exempt rate may vary. The variance could adversely affect the Township's calculated payments, and synthetic interest rates may not be realized. This risk has been minimized, however, because the swap indexes are directly related to the markets for the Bonds and the variance over the long-term should be minimal.

*Termination risk* is the risk that the swap will end before the final maturity of the Bonds. Currently, the swap transaction is scheduled to expire on June 1, 2018 which is prior to the final maturity on the bonds of June 1, 2038. There are also other instances when the swap could be terminated earlier than its expiration date. The swap uses the International Swaps and Derivatives Association Master Agreement, which includes standard termination events, such as rating downgrades, covenant violations, bankruptcy, or swap payment default by either the Township or the Counterparty. The Township or the Counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bonds would no longer carry a synthetic fixed interest rate. The credit rating threshold for the Township under which the Counterparty may terminate the swap is BBB by Standard & Poor's.

### 12. Commitments and Contingencies

The Township has entered into an administrative consent order with the Allegheny County Health Department, the Pennsylvania Department of Environmental Protection and the United States Environmental Protection Agency related to storm water inflow into the Township's sanitary sewer system. Phase I of the consent order was completed during 2010. Management estimates that the Township's capital cost to comply with Phase II of the consent order will be \$32.4 million.

### 13. Risk Management

The Township of Upper St. Clair is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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The Township also purchases commercial insurance for its employee health and accident insurance coverage. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

### 14. Fund Balance Classifications

The Township adopted the Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definition, in 2011. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This statement also clarifies existing governmental fund type definitions. The effect of implementing this statement led to the Township's governmental fund balance being classified according to the new classification as described below.

#### Fund Balance

*Nonspendable* – consists of amounts that cannot be spent because they are either (1) not in spendable form, or (2) legally or contractually required to be maintained intact. The Township reports nonspendable fund balance for prepaid expenses as of December 31, 2014.

*Restricted* – consists of amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, or contributors, or (2) law through constitutional provisions or enabling legislation. The Township reported fund balance restricted for grant activity as of December 31, 2014.

*Committed* – consists of amounts that can only be used pursuant to specific purposes pursuant to constraints imposed by a resolution enacted by the Township's governing board. Once committed, a resolution by the Board is required to lift the commitment. The Township has committed fund balances in its Storm Sewer Fund (\$53,886), the Field Improvement Fund (\$423,640) and the MATUSC Special Revenue Fund (\$440,348) as of December 31, 2014.

*Assigned* – consists of amounts that are constrained by the Township's intent to be used for specific purposes. The Township's governing board has authorization to assign fund balance. The Township has assigned the Capital Projects Fund Balance of \$7,343,619 as of December 31, 2014.

*Unassigned* – represents fund balance of \$3,123,147 that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

When committed, assigned, and unassigned resources are available for use, it is the Township's policy to use committed resources first, assigned resources second, and then unassigned resources as they are needed.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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### 15. Adopted Governmental Accounting Standards Board (GASB) Pronouncements

The Township has adopted GASB Statement No. 67, *Financial Reporting for Pension Plans; an amendment of GASB Statement No. 25*. This statement revises existing guidance for the financial reports of most pension plans, and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The Township's financial disclosures were updated to reflect this pronouncement (see Note 17).

The Township has adopted GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This statement specifies the information required to be disclosed by governments that extend non-exchange financial guarantees, and requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The Township has no nonexchange financial guarantees to report.

### 16. Pending Governmental Accounting Standards Board (GASB) Pronouncements

GASB has issued the following statements that will become effective in future years as shown below. Management has not yet determined the impact of these statements on the Township's financial statements.

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*. This statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through certain types of pension plans, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This statement will become effective for the December 31, 2015 year-end.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. This statement amends accounting and financial reporting by addressing an issue in GASB Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit plans prior to implementation of GASB Statement No. 68 by employers and non-employer contributing entities. This statement will become effective for the December 31, 2015 year-end.
- GASB Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. This statement will become effective for the December 31, 2016 year-end.

### 17. Pension Plan Financial Statements

Financial statements for the Township's individual pension plans are shown below. State Aid represents amounts recognized during the year related to the Commonwealth of Pennsylvania's allocation to assist in pension funding. The contributions and investment income shown below for each individual pension plan were recognized as revenue in the Township's financial statements when earned and the benefits paid and expenses incurred were recognized when the liability was incurred.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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### 18. Restatement of Net Position in Pension Plan Financial Statements

Net Position has been restated in the Pension Trust Funds to incorporate a portion of the plans' investments that were previously excluded from the financial statements. The investments originated from a demutualization of the Principal Financial Group. The value of these investments at December 31, 2013 was \$429,391 in the Public Works Plan and \$1,235,854 in the Police Plan. The inclusion of these investments has the following impact on the beginning Net Position for January 1, 2014:

	<b>Public Works</b>	
	<b>Employees</b>	<b>Police</b>
Beginning Net Position - January 1, 2014 (as reported)	\$ 3,776,783	\$ 17,672,450
Change due to restatement	429,391	1,235,854
Beginning Net Position - January 1, 2014 (as restated)	4,206,174	18,908,304

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS  
 COMBINING STATEMENT OF PLAN NET POSITION  
 PENSION TRUST FUNDS

DECEMBER 31, 2014

	<b>Public Works Employees</b>	<b>Police</b>	<b>Mgt &amp; Admin Employees</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 654,283	\$ 1,419,604	\$ -	\$ 2,073,887
Investments (at fair value):				
Managed by VOYA Financial Advisors, Inc.	3,397,610	-	-	3,397,610
Managed by PNC Bank, N.A.	-	17,116,225	-	17,116,225
Employee Directed through ICMA-RC	-	-	3,212,272	3,212,272
Held with The Principal Financial Group	452,293	1,301,771	-	1,754,064
Due from Other Funds	5,833	48,981	-	54,814
<b>TOTAL ASSETS</b>	<b>4,510,019</b>	<b>19,886,581</b>	<b>3,212,272</b>	<b>27,608,872</b>
<b>LIABILITIES</b>				
Accounts Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 4,510,019</b>	<b>\$ 19,886,581</b>	<b>\$ 3,212,272</b>	<b>\$ 27,608,872</b>

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION  
 PENSION TRUST FUNDS  
 YEAR ENDED DECEMBER 31, 2014

	<b>Public Works Employees</b>	<b>Police</b>	<b>Mgt &amp; Admin Employees</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions:				
Member Contributions	\$ -	\$ 126,505	\$ -	\$ 126,505
Township Contributions	248,828	28,529	-	277,357
State Aid - Contributed by Township	108,367	203,877	224,894	537,137
Total Contributions	<u>357,195</u>	<u>358,911</u>	<u>224,894</u>	<u>940,999</u>
Investment Income:				
Net Appreciation in Fair Value of Investments	212,952	1,188,993	141,842	1,543,787
Less: Investment Expenses	(33,556)	(83,221)	-	(116,777)
Net Investment Income	<u>179,396</u>	<u>1,105,772</u>	<u>141,842</u>	<u>1,427,010</u>
Total Additions	<u>536,591</u>	<u>1,464,683</u>	<u>366,735</u>	<u>2,368,009</u>
<b>DEDUCTIONS</b>				
Benefits Paid	224,651	455,173	-	679,824
Withdrawal Credits	-	-	329,308	329,308
Administrative Expenses	8,095	31,233	1,515	40,843
Total Deductions	<u>232,746</u>	<u>486,406</u>	<u>330,823</u>	<u>1,049,975</u>
Change in Plan Net Position	303,845	978,277	35,912	1,318,034
Net Position-Beginning (as restated)	<u>4,206,174</u>	<u>18,908,304</u>	<u>3,176,360</u>	<u>26,290,838</u>
Net Position-End	<u>\$ 4,510,019</u>	<u>\$ 19,886,581</u>	<u>\$ 3,212,272</u>	<u>\$ 27,608,872</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION SECTION**

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET  
PENSION LIABILITY AND RELATED RATIOS

POLICE PENSION PLAN

DECEMBER 31, 2014

<b>Total Pension Liability:</b>	
Service cost	\$ 417,064
Interest	2,566,696
Benefit payments, including refunds of member contributions	<u>(853,908)</u>
<b>Net Changes in Total Pension Liability</b>	2,129,852
<b>Total Pension Liability - Beginning</b>	<u>16,584,353</u>
<b>Total Pension Liability - Ending (a)</b>	<u><u>\$ 18,714,205</u></u>
<b>Plan Fiduciary Net Position:</b>	
Contributions - employer	\$ 232,406
Contributions - member	126,505
Net investment income	1,105,772
Benefit payments, including refunds of members contributions	(455,173)
Administrative expense	<u>(31,233)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	978,277
<b>Plan Fiduciary Net Position - Beginning (as restated)</b>	<u>18,908,304</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u><u>\$ 19,886,581</u></u>
<b>Net Pension Liability - Ending (a-b)</b>	<u><u>\$ (1,172,376)</u></u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<u><u>106.26%</u></u>
<b>Covered Employee Payroll</b>	<u><u>\$ 2,662,018</u></u>
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	-44.04%

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET  
PENSION LIABILITY AND RELATED RATIOS

PUBLIC WORKS EMPLOYEES PENSION PLAN

DECEMBER 31, 2014

<b>Total Pension Liability:</b>	
Service cost	\$ 110,924
Interest	757,680
Benefit payments, including refunds of member contributions	<u>(440,430)</u>
<b>Net Changes in Total Pension Liability</b>	428,174
<b>Total Pension Liability - Beginning</b>	<u>4,998,464</u>
<b>Total Pension Liability - Ending (a)</b>	<u><u>\$ 5,426,638</u></u>
<b>Plan Fiduciary Net Position:</b>	
Contributions - employer	\$ 357,195
Contributions - member	-
Net investment income	179,396
Benefit payments, including refunds of members contributions	(224,651)
Administrative expense	<u>(8,095)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	303,845
<b>Plan Fiduciary Net Position - Beginning (as restated)</b>	<u>4,206,174</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u><u>\$ 4,510,019</u></u>
<b>Net Pension Liability - Ending (a-b)</b>	<u><u>\$ 916,619</u></u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<u><u>83.11%</u></u>
<b>Covered Employee Payroll</b>	<u><u>\$ 1,615,471</u></u>
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	56.74%

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

**SCHEDULE OF TOWNSHIP CONTRIBUTIONS  
AND INVESTMENT RETURNS**

**DEFINED BENEFIT PENSION TRUST FUNDS**

DECEMBER 31, 2014

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**POLICE PLAN:**

**Schedule of Township Contributions**

Actuarially determined contribution	\$ 232,406
Contributions in relation to the actuarially determined contribution	<u>232,406</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered employee payroll	<u>\$ 2,662,018</u>
Contributions as a percentage of covered employee payroll	8.73%

**Investment Returns**

Annual money-weighted rate of return, net of investment expense	6.26%
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**PUBLIC WORKS PLAN:**

**Schedule of Township Contributions**

Actuarially determined contribution	\$ 357,195
Contributions in relation to the actuarially determined contribution	<u>357,195</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered employee payroll	<u>\$ 1,615,471</u>
Contributions as a percentage of covered employee payroll	22.11%

**Investment Returns**

Annual money-weighted rate of return, net of investment expense	4.73%
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**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

SCHEDULE OF FUNDING PROGRESS  
DEFINED BENEFIT PENSION TRUST FUNDS

DECEMBER 31, 2014

**Police Pension Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
01/01/09	\$ 10,567,438	\$ 14,032,612	\$ 3,465,174	75.3%	\$ 2,496,409	138.8%
01/01/11	\$ 12,664,006	\$ 14,721,506	\$ 2,057,500	86.0%	\$ 2,480,361	83.0%
01/01/13	\$ 14,716,499	\$ 16,584,353	\$ 1,867,854	88.7%	\$ 2,570,259	72.7%

**Public Works Employees' Pension Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
01/01/09	\$ 2,476,257	\$ 3,933,308	\$ 1,457,051	63.0%	\$ 1,331,978	109.4%
01/01/11	\$ 2,953,097	\$ 4,422,501	\$ 1,469,404	66.8%	\$ 1,499,209	98.0%
01/01/13	\$ 3,335,687	\$ 4,998,464	\$ 1,662,777	66.7%	\$ 1,510,444	110.1%

Note: State law requires biennial valuation on the odd numbered years.

See accompanying note to required supplementary Pension information.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
DEFINED BENEFIT PENSION TRUST FUNDS**

DECEMBER 31, 2014

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Year Ended December 31,	<u>Public Works Plan</u>		<u>Police Plan</u>	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2009	\$ 128,406	100%	\$ 268,543	100%
2010	\$ 134,067	100%	\$ 269,912	100%
2011	\$ 219,107	100%	\$ 616,944	100%
2012	\$ 235,924	100%	\$ 403,049	100%
2013	\$ 276,604	100%	\$ 499,570	100%
2014	\$ 357,195	100%	\$ 232,406	100%

See accompanying note to required supplementary Pension information.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION**  
**DEFINED BENEFIT PENSION TRUST FUNDS**  
**YEAR ENDED DECEMBER 31, 2014**

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The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial report follows:

	<b><u>Police Pension Plan</u></b>	<b><u>Public Works Employees' Pension Plan</u></b>
Valuation Date	January 1, 2013	January 1, 2013
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar, Closed	Level Dollar, Closed
Remaining Amortization Period	5 Years (aggregate)	9 Years (aggregate)
Asset Valuation Method	4-Year Smoothing	4-Year Smoothing
Actuarial Assumptions		
Investment Rate of Return	7.5%	7.5%
Projected Salary Increase	4.5%	N/A
Underlying Inflation Rate	3.0%	3.0%
Cost-of-Living Adjustments	Effective each anniversary of retirement, a retiree will receive an increase in the monthly benefit equal to the percentage change in the CPI-W, but cannot exceed 20% of the total original benefit or 75% of the final monthly average salary used to calculate the original benefit.	N/A

See accompanying note to required supplementary Pension information.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

REQUIRED SUPPLEMENTARY PENSION INFORMATION  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS

DECEMBER 31, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Covered Payroll ((b-a)/c)
<b><u>Police Employees:</u></b>						
01/01/08	\$ 329,593	\$ 3,007,568	\$ 2,677,975	11.0%	\$ 2,565,652	104.4%
01/01/11	\$ 374,001	\$ 4,198,942	\$ 3,824,941	8.9%	\$ 2,480,361	154.2%
01/01/14	\$ 591,280	\$ 4,230,085	\$ 3,638,805	14.0%	\$ 2,510,689	144.9%
<b><u>Non-Uniformed Employees:</u></b>						
01/01/08	\$ -	\$ 106,226	\$ 106,226	0.0%	\$ 3,484,257	3.0%
01/01/11	\$ -	\$ 134,730	\$ 134,730	0.0%	\$ 3,991,979	3.4%
01/01/14	\$ -	\$ 271,304	\$ 271,304	0.0%	\$ 4,452,889	6.1%

2008 was the first year of implementation for GASB No. 45.

See accompanying note to required supplementary pension information.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

REQUIRED SUPPLEMENTARY PENSION INFORMATION  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS

DECEMBER 31, 2014

Year Ended December 31,	<u>Police OPEB Plan</u>		<u>Non-Uniformed OPEB Plan</u>		
	Annual Required Contribution	Percentage Contributed	Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2009	\$ 225,156	22%	2009	\$ 10,950	3%
2010	\$ 225,156	30%	2010	\$ 10,950	3%
2011	\$ 296,637	24%	2011	\$ 13,035	4%
2012	\$ 296,637	25%	2012	\$ 13,035	4%
2013	\$ 296,637	36%	2013	\$ 13,035	4%
2014	\$ 292,469	34%	2014	\$ 25,352	3%

See accompanying note to required supplementary pension information.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION  
FACTORS AND TRENDS USED IN ACTUARIAL VALUATION  
YEAR ENDED DECEMBER 31, 2014

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**Note to Required Supplementary OPEB Information**

**Actuarial Data:**

Valuation Date	January 1, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar

**Demographic Assumptions:**

Mortality	1994 Uninsured Pensioner Mortality Table
Disabled Life Mortality	1994 Uninsured Pensioner Mortality Table, with rates set forward 5 years
Withdraw	Tables T-1, <i>Actuary's Pension Handbook</i>
Disablement	<u>Police:</u> 60% of the rates of disablement from <i>Advanced Pension Tables</i> <u>Non-Uniformed:</u> None Assumed
Valuation Retirement Age	<u>Police:</u> Age 54 with 25 years of service <u>Non-Uniformed:</u> Administrative – Age 60; Teamsters – Age 60 with 10 years of service
Percent Electing Husband/Wife Health Coverage	<u>Police:</u> 80% of future retirees
Participant Percentage	<u>Police:</u> 90% of future retirees for health insurance <u>Police and Non-Uniformed:</u> 100% of future retirees for life insurance

**Economic Assumptions:**

Interest Rate	4.50%			
Annual Trend Rates for OPEB Costs	<u>Year</u>	<u>Medical</u>	<u>Year</u>	<u>Medical</u>
	2011	7.00%	2015 and later	5.00%
	2012	6.50%		
	2013	6.00%		
	2014	5.50%		

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

## Major Governmental Funds

General Fund is the operating fund of the Township. It accounts for financial resources except those required to be in another fund.

Capital Projects Fund - Regular accounts for the costs of capital assets acquired for use in the Township for general government, public safety, public works, or parks and recreation purposes.

## Non-Major Governmental Funds

Non-major governmental funds did not meet the established criteria for major fund status. All non-major governmental funds have been presented; however, only certain funds have legally adopted budgets.

### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues derived from grants or other earmarked sources of revenue. They are required by statute, charter provision, or local ordinance to finance particular functions or activities of government. The seven non-major Special Revenue Funds are:

State Liquid Fuels Fund is used to account for state liquid fuels tax monies rebated to the Township. This fund is required by state law.

Storm Sewer Improvement Fund is used to account for storm sewer improvement fees paid by developers and monies expended for storm water management projects. This fund is required by local ordinance.

Field Improvement Fund is used to account for funds donated by the Upper St. Clair Athletic Association for improvements to ball fields. This fund is required by local ordinance.

Library Endowment Fund is used to account for fund drive donations and capital expenditures. This fund is required by local ordinance.

Regional Asset District Library Fund is used to account for monies allocated to the Upper St. Clair Library by the Allegheny County Library Association which is an organization that has received funding from the Allegheny County Regional Asset District. These funds are required to be spent for upgrading the existing capabilities of the Library and to create new and innovative ways of administering programs of the Library. This fund is required by local ordinance.

Regional Asset District Boyce Mayview Fund is used to account for monies allocated to the Township by the Allegheny County Regional Asset District. These funds are to be used for continual maintenance and expansion of facilities and services of Boyce Mayview Park.

Municipal Authority of the Township of Upper St. Clair (MATUSC) Special Revenue Fund is used to account for revenues derived from investments made by the Authority's governing board and general expenditures needed for its operation.

## **Non-Major Governmental Funds**

(Continued)

### **DEBT SERVICE FUNDS**

Debt Service Funds are used to accumulate monies for payment of principal and interest on general obligation bonds and notes issued by the Township and Revenue bonds issued by the Municipal Authority of the Township of Upper St. Clair (MATUSC). There were no outstanding bonds issued by the MATUSC as of December 31, 2014.

Debt Service Fund is used to channel funds from the General Fund to satisfy principal and interest requirements on general obligation bonds and notes issued by the Township. The debt service on these bonds and notes is derived from general operating revenues from the General Fund. Listed below are the long-term obligations of the Township that are serviced by the Debt Service Fund.

- General Obligation Bonds of 2008 – Maturity Year: 2038
- General Obligation Bonds of 2009 – Maturity Year: 2020
- General Obligation Bonds of 2011 – Maturity Year: 2033
- General Obligation Bonds of 2012 – Maturity Year: 2036

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2014

	Special Revenue Funds									
	State Liquid Fuels Fund	Storm Sewer Improvement Fund	Field Improvement Fund	Wiltshire Park Fund	Library Endowment Fund	Regional Asset District Library Fund	Regional Asset District Boyce Mayview Fund	MATUSC Special Revenue Fund	Total Special Revenue Funds	Total Other Governmental Funds
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ 1,283	\$ 10,166	\$ 359,018	\$ -	\$ 59,946	\$ -	\$ -	\$ 441,398	\$ 871,811	\$ 871,811
Due from Other Funds	-	45,607	44,492	228,908	-	656	105,980	-	425,643	425,643
Other Receivables	-	-	20,130	-	-	-	-	-	20,130	20,130
<b>TOTAL ASSETS</b>	<b>\$ 1,283</b>	<b>\$ 55,773</b>	<b>\$ 423,640</b>	<b>\$ 228,908</b>	<b>\$ 59,946</b>	<b>\$ 656</b>	<b>\$ 105,980</b>	<b>\$ 441,398</b>	<b>\$ 1,317,584</b>	<b>\$ 1,317,584</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts Payable	\$ -	\$ 1,887	\$ -	\$ 31,542	\$ 600	\$ 656	\$ 100,487	\$ 1,050	\$ 136,222	\$ 136,222
Due to Other Funds	-	-	-	197,366	4,559	-	-	-	201,925	201,925
Total Liabilities	-	1,887	-	228,908	5,159	656	100,487	1,050	338,147	338,147
Fund Balances:										
Restricted:										
Restricted for State Liquid Fuels Expenses	1,283	-	-	-	-	-	-	-	1,283	1,283
Restricted for Boyce Mayview Park Grant Expenses	-	-	-	-	-	-	5,493	-	5,493	5,493
Restricted for Library Expenses and Services	-	-	-	-	54,787	-	-	-	54,787	54,787
Committed	-	53,886	423,640	-	-	-	-	440,348	917,874	917,874
Total Fund Balances	1,283	53,886	423,640	-	54,787	-	5,493	440,348	979,437	979,437
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,283</b>	<b>\$ 55,773</b>	<b>\$ 423,640</b>	<b>\$ 228,908</b>	<b>\$ 59,946</b>	<b>\$ 656</b>	<b>\$ 105,980</b>	<b>\$ 441,398</b>	<b>\$ 1,317,584</b>	<b>\$ 1,317,584</b>

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OTHER GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue Funds									
	State Liquid Fuels Fund	Storm Sewer Improvement Fund	Field Improvement Fund	Wilshire Park Fund	Library Endowment Fund	Regional Asset District Library Fund	Regional Asset District Boyce Mayview Fund	MATUSC Special Revenue Fund	Total Special Revenue Funds	Total Other Governmental Funds
<b>REVENUES</b>										
Licenses and Permits	\$ -	\$ 24,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,400	\$ 24,400
Interest	57	-	112	-	7	-	-	103	279	279
State Grants	469,051	-	-	-	-	214,778	296,000	-	979,829	979,829
Other Revenue	-	-	-	-	9,986	-	-	-	9,986	9,986
Recreation Fees	-	-	20,130	-	-	-	-	-	20,130	20,130
<b>TOTAL REVENUES</b>	<b>469,108</b>	<b>24,400</b>	<b>20,242</b>	<b>-</b>	<b>9,993</b>	<b>214,778</b>	<b>296,000</b>	<b>103</b>	<b>1,034,624</b>	<b>1,034,624</b>
<b>EXPENDITURES</b>										
<b>Current:</b>										
General Government	-	-	-	-	-	-	-	1,050	1,050	1,050
Public Works	469,051	80,680	11,667	-	-	-	-	-	561,398	561,398
Recreation and Leisure Services	-	-	-	-	-	-	922,409	-	922,409	922,409
Library Services	-	-	-	-	4,154	214,778	-	-	218,932	218,932
Total Current Expenditures	469,051	80,680	11,667	-	4,154	214,778	922,409	1,050	1,703,789	1,703,789
<b>Capital Outlay:</b>										
Library Services	-	-	-	-	-	-	-	-	-	-
Total Capital Outlay Expenditures	-	-	-	-	-	-	-	-	-	-
<b>Debt Service:</b>										
Principal Retirement	-	-	-	-	-	-	-	-	-	575,097
Interest	-	-	-	-	-	-	-	-	-	566,998
Total Debt Service Expenditures	-	-	-	-	-	-	-	-	-	1,142,095
<b>TOTAL EXPENDITURES</b>	<b>469,051</b>	<b>80,680</b>	<b>11,667</b>	<b>-</b>	<b>4,154</b>	<b>214,778</b>	<b>922,409</b>	<b>1,050</b>	<b>1,703,789</b>	<b>2,845,884</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>57</b>	<b>(56,280)</b>	<b>8,575</b>	<b>-</b>	<b>5,839</b>	<b>-</b>	<b>(626,409)</b>	<b>(947)</b>	<b>(669,165)</b>	<b>(1,811,260)</b>
<b>OTHER FINANCING SOURCES</b>										
Interfund Transfer In	-	100,000	30,000	-	-	-	626,409	-	756,409	1,898,504
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>100,000</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>626,409</b>	<b>-</b>	<b>756,409</b>	<b>1,898,504</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>57</b>	<b>43,720</b>	<b>38,575</b>	<b>-</b>	<b>5,839</b>	<b>-</b>	<b>-</b>	<b>(947)</b>	<b>87,244</b>	<b>87,244</b>
FUND BALANCES - BEGINNING	1,226	10,166	385,065	-	48,948	-	5,493	441,295	892,193	892,193
FUND BALANCES - ENDING	\$ 1,283	\$ 53,886	\$ 423,640	\$ -	\$ 54,787	\$ -	\$ 5,493	\$ 440,348	\$ 979,437	\$ 979,437

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL**

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

**CAPITAL PROJECTS FUND - REGULAR**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**

**YEAR ENDED DECEMBER 31, 2014**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Interest	\$ 10,000	\$ 10,450	\$ 450
Other Revenue and Grants	8,500	9,351	851
<b>TOTAL REVENUES</b>	<b>18,500</b>	<b>19,801</b>	<b>1,301</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General Government	550,000	321,989	228,011
Community Development	63,500	75,455	(11,955)
Public Safety	43,500	122,038	(78,538)
Public Works	851,500	146,108	705,392
Recreation and Leisure Services	655,000	512,322	142,678
Library Services	-	600	(600)
Total Current Expenditures	2,163,500	1,178,512	984,988
<b>Capital Outlay:</b>			
General Government	465,000	86,460	378,540
Public Safety	206,400	208,331	(1,931)
Public Works	554,000	1,025,903	(471,903)
Library Services	26,000	17,136	8,864
Total Capital Outlay Expenditures	1,251,400	1,337,830	(86,430)
<b>TOTAL EXPENDITURES</b>	<b>3,414,900</b>	<b>2,516,342</b>	<b>898,558</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,396,400)</b>	<b>(2,496,541)</b>	<b>899,859</b>
<b>OTHER FINANCING SOURCES</b>			
Interfund Transfer In	1,933,570	3,363,618	1,430,048
Interfund Transfer Out	(30,000)	(130,000)	(100,000)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>1,903,570</b>	<b>3,233,618</b>	<b>1,330,048</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,492,830)</b>	<b>\$ 737,077</b>	<b>\$ 2,229,907</b>

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

**STATE LIQUID FUELS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**

**YEAR ENDED DECEMBER 31, 2014**

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	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Interest	\$ 100	\$ 57	\$ (43)
State Grants	423,391	469,051	45,660
<b>TOTAL REVENUES</b>	<b>423,491</b>	<b>469,108</b>	<b>45,617</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public Works	424,500	469,051	(44,551)
Total Current Expenditures	424,500	469,051	(44,551)
<b>TOTAL EXPENDITURES</b>	<b>424,500</b>	<b>469,051</b>	<b>(44,551)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,009)</b>	<b>57</b>	<b>1,066</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,009)</b>	<b>\$ 57</b>	<b>\$ 1,066</b>

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

STORM SEWER IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2014

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Licenses and Permits	\$ 1,600	\$ 24,400	\$ 22,800
Interest	-	-	-
<b>TOTAL REVENUES</b>	1,600	24,400	22,800
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public Works	102,000	80,680	21,320
Total Current Expenditures	102,000	80,680	21,320
<b>TOTAL EXPENDITURES</b>	102,000	80,680	21,320
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(100,400)	(56,280)	44,120
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfer In	100,000	100,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	100,000	100,000	-
<b>NET CHANGE IN FUND BALANCES</b>	\$ (400)	\$ 43,720	\$ 44,120

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

FIELD IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2014

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Interest	\$ 150	\$ 112	\$ (38)
Recreation Fees	20,000	20,130	130
<b>TOTAL REVENUES</b>	<b>20,150</b>	<b>20,242</b>	<b>92</b>
<b>EXPENDITURES</b>			
<b>Capital Outlay:</b>			
Public Works	80,000	11,667	68,333
Total Capital Outlay Expenditures	80,000	11,667	68,333
<b>TOTAL EXPENDITURES</b>	<b>80,000</b>	<b>11,667</b>	<b>68,333</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(59,850)</b>	<b>8,575</b>	<b>68,425</b>
<b>OTHER FINANCING SOURCES</b>			
Interfund Transfer In	30,000	30,000	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (29,850)</b>	<b>\$ 38,575</b>	<b>\$ 68,425</b>

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

REGIONAL ASSET DISTRICT LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2014

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
State Grants	\$ 216,884	\$ 214,778	\$ (2,106)
<b>TOTAL REVENUES</b>	<u>216,884</u>	<u>214,778</u>	<u>(2,106)</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Library Services	216,884	214,778	2,106
Total Current Expenditures	<u>216,884</u>	<u>214,778</u>	<u>2,106</u>
<b>Capital Outlay:</b>			
Library Services	-	-	-
Total Capital Outlay Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>216,884</u>	<u>214,778</u>	<u>2,106</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**REGIONAL ASSET DISTRICT BOYCE MAYVIEW FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2014**

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	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
State Grants	\$ 334,000	\$ 296,000	\$ (38,000)
Donations	300,000	-	(300,000)
<b>TOTAL REVENUES</b>	<b>634,000</b>	<b>296,000</b>	<b>(338,000)</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Recreation and Leisure Services	818,733	922,409	(103,676)
Total Current Expenditures	818,733	922,409	(103,676)
<b>Capital Outlay:</b>			
Recreation and Leisure Services	587,000	-	587,000
Total Capital Outlay Expenditures	587,000	-	587,000
<b>TOTAL EXPENDITURES</b>	<b>1,405,733</b>	<b>922,409</b>	<b>483,324</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(771,733)</b>	<b>(626,409)</b>	<b>145,324</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfer In	771,733	626,409	(145,324)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>771,733</b>	<b>626,409</b>	<b>(145,324)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

**DEBT SERVICE FUND**

**GENERAL OBLIGATION BONDS OF 2008**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2014**

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	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>EXPENDITURES</b>			
<b>Debt Service:</b>			
Principal Retirement	\$ 90,097	\$ 90,097	\$ -
Interest	168,361	163,747	4,614
Total Debt Service Expenditures	<u>258,458</u>	<u>253,844</u>	<u>4,614</u>
<b>TOTAL EXPENDITURES</b>	<u>258,458</u>	<u>253,844</u>	<u>4,614</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(258,458)</u>	<u>(253,844)</u>	<u>4,614</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfer In	<u>258,458</u>	<u>253,844</u>	<u>(4,614)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>258,458</u>	<u>253,844</u>	<u>(4,614)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

DEBT SERVICE FUND

GENERAL OBLIGATION BONDS OF 2009

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2014

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>EXPENDITURES</b>			
<b>Debt Service:</b>			
Principal Retirement	\$ 425,000	\$ 425,000	\$ -
Interest	90,330	90,364	(34)
Total Debt Service Expenditures	<u>515,330</u>	<u>515,364</u>	<u>(34)</u>
<b>TOTAL EXPENDITURES</b>	<u>515,330</u>	<u>515,364</u>	<u>(34)</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	 <u>(515,330)</u>	 <u>(515,364)</u>	 <u>(34)</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfer In	<u>515,330</u>	<u>515,364</u>	<u>34</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>515,330</u>	<u>515,364</u>	<u>34</u>
 <b>NET CHANGE IN FUND BALANCES</b>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

DEBT SERVICE FUND

GENERAL OBLIGATION BONDS OF 2011

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2014

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>EXPENDITURES</b>			
<b>Debt Service:</b>			
Principal Retirement	\$ 60,000	\$ 60,000	\$ -
Interest	153,419	153,595	(176)
Total Debt Service Expenditures	213,419	213,595	(176)
<b>TOTAL EXPENDITURES</b>	213,419	213,595	(176)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(213,419)	(213,595)	(176)
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfer In	213,419	213,595	176
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	213,419	213,595	176
<b>NET CHANGE IN FUND BALANCES</b>	\$ -	\$ -	\$ -

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

DEBT SERVICE FUND

GENERAL OBLIGATION BONDS OF 2012

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2014

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>EXPENDITURES</b>			
<b>Debt Service:</b>			
Principal Retirement	\$ -	\$ -	\$ -
Interest	159,291	159,292	(1)
Total Debt Service Expenditures	<u>159,291</u>	<u>159,292</u>	<u>(1)</u>
<b>TOTAL EXPENDITURES</b>	<u>159,291</u>	<u>159,292</u>	<u>(1)</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	 <u>(159,291)</u>	 <u>(159,292)</u>	 <u>(1)</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfer In	<u>159,291</u>	<u>159,292</u>	<u>1</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>159,291</u>	<u>159,292</u>	<u>1</u>
 <b>NET CHANGE IN FUND BALANCES</b>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
BUDGET AND ACTUAL**

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

SANITARY SEWER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2014

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 5,726,000	\$ 5,694,915	\$ (31,085)
Total Operating Revenues	5,726,000	5,694,915	(31,085)
<b>OPERATING EXPENSES</b>			
Sewage Treatment Charges	2,818,000	2,674,872	143,128
Personnel Services	279,603	243,650	35,953
Contractual Services	982,474	732,838	249,636
Materials and Supplies	45,500	15,378	30,122
Depreciation and Amortization	32,281	769,231	(736,950)
Total Operating Expenses	4,157,858	4,435,969	(278,111)
Operating Income (Loss)	1,568,142	1,258,946	(309,196)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	1,000	1,032	32
Interest Expense	(504,922)	(529,734)	(24,812)
Total Non-Operating Revenues (Expenses)	(503,922)	(528,702)	(24,780)
<b>CHANGE IN NET POSITION</b>	<b>\$ 1,064,220</b>	<b>\$ 730,244</b>	<b>\$ (333,976)</b>

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**BOYCE MAYVIEW COMMUNITY & RECREATION CENTER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2014**

---

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 3,663,000	\$ 3,895,680	\$ 232,680
Total Operating Revenues	3,663,000	3,895,680	232,680
<b>OPERATING EXPENSES</b>			
Personnel Services	1,841,506	1,868,338	(26,832)
Contractual Services	1,083,287	892,236	191,051
Materials and Supplies	247,000	214,635	32,365
Depreciation and Amortization	205,000	794,357	(589,357)
Total Operating Expenses	3,376,793	3,769,566	(392,773)
Operating Income (Loss)	286,207	126,114	(160,093)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	800	1,698	898
Interest Expense	(777,340)	(758,204)	19,136
Total Non-Operating Revenues (Expenses)	(776,540)	(756,506)	20,034
<b>TRANSFERS</b>			
Interfund Transfers In	1,638,519	1,594,978	(43,541)
Total Transfers	1,638,519	1,594,978	(43,541)
<b>CHANGE IN NET POSITION</b>	<b>\$ 1,148,186</b>	<b>\$ 964,586</b>	<b>\$ (183,600)</b>

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

**TOWNSHIP/SCHOOL DISTRICT MAGAZINE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL**

**YEAR ENDED DECEMBER 31, 2014**

---

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 185,175	\$ 178,140	\$ (7,035)
Total Operating Revenues	<u>185,175</u>	<u>178,140</u>	<u>(7,035)</u>
<b>OPERATING EXPENSES</b>			
Personnel Services	49,000	51,173	(2,173)
Contractual Services	130,100	111,552	18,548
Materials and Supplies	7,500	8,133	(633)
Depreciation and Amortization	293	418	(125)
Total Operating Expenses	<u>186,893</u>	<u>171,276</u>	<u>15,617</u>
Operating Income (Loss)	<u>(1,718)</u>	<u>6,864</u>	<u>8,582</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ (1,718)</u>	<u>\$ 6,864</u>	<u>\$ 8,582</u>

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

**SCHEDULE OF CAPITAL ASSETS – BY SOURCE**

**DECEMBER 31, 2014**

**GOVERNMENTAL FUNDS CAPITAL ASSETS:**

Land	\$	2,325,917
Infrastructure		34,321,950
Buildings		13,220,588
Improvements other than Buildings		1,680,487
Equipment		7,187,965
Library Assets		729,141

**TOTAL CAPITAL ASSETS**

**\$ 59,466,048**

**INVESTMENT IN CAPITAL ASSETS FROM:**

Acquisitions prior to January 1, 1982 (1)	\$	21,502,258
General Fund		4,767,130
Storm Sewer Fund		61,381
Field Improvement Fund		51,714
Regional Asset District Library Fund		40,681
Library Endowment Fund		512,357
Regional Asset District Boyce Mayview Fund		2,546,095
Capital Projects Funds		29,984,432

**TOTAL INVESTMENT IN CAPITAL ASSETS**

**\$ 59,466,048**

(1) Detail of Assets by source prior to January 1, 1982 is not available

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS – BY SOURCE**  
**DECEMBER 31, 2014**

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	<u>Total</u>	<u>Land</u>	<u>Infrastructure</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Equipment</u>	<u>Library Assets</u>
<b>CAPITAL ASSETS AT January 1, 2014</b>	<b><u>\$58,504,021</u></b>	<b><u>\$ 2,325,917</u></b>	<b><u>\$34,038,535</u></b>	<b><u>\$12,932,495</u></b>	<b><u>\$ 1,666,912</u></b>	<b><u>\$ 6,828,157</u></b>	<b><u>\$ 712,005</u></b>
<b>EXPENDITURES FROM:</b>							
General Fund	7,110	-	-	-	-	7,110	-
RAD Funds	-	-	-	-	-	-	-
Library Endowment Fund	-	-	-	-	-	-	-
Capital Projects Funds	1,330,720	-	283,415	288,093	13,575	728,501	17,136
Capital Asset Disposals and Transfers	<u>(375,803)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(375,803)</u>	<u>-</u>
<b>CAPITAL ASSETS AT December 31, 2014</b>	<b><u><u>\$59,466,048</u></u></b>	<b><u><u>\$ 2,325,917</u></u></b>	<b><u><u>\$34,321,950</u></u></b>	<b><u><u>\$13,220,588</u></u></b>	<b><u><u>\$ 1,680,487</u></u></b>	<b><u><u>\$ 7,187,965</u></u></b>	<b><u><u>\$ 729,141</u></u></b>

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**SCHEDULE OF CAPITAL ASSETS – BY FUNCTION AND ACTIVITY**  
**DECEMBER 31, 2014**

<b>Function &amp; Activity</b>	<b>Total</b>	<b>Land</b>	<b>Infrastructure</b>	<b>Buildings</b>	<b>Improvements Other than Buildings</b>	<b>Equipment Including Library Assets</b>
<b>General Government:</b>						
Administration	\$ 5,609,861	\$ 433,630	\$ -	\$ 4,861,410	\$ -	\$ 314,821
Finance/Tax	52,429	-	-	-	-	52,429
Information Technology	412,189	-	-	-	-	412,189
Cable Television	227,578	-	-	-	-	227,578
Total General Government	<u>6,302,057</u>	<u>433,630</u>	<u>-</u>	<u>4,861,410</u>	<u>-</u>	<u>1,007,017</u>
Community Development	<u>518,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>518,274</u>
<b>Public Safety:</b>						
Police	1,085,868	-	-	118,925	-	966,943
VFD	4,599,022	579,106	-	4,005,294	-	14,622
Total Public Safety	<u>5,684,890</u>	<u>579,106</u>	<u>-</u>	<u>4,124,219</u>	<u>-</u>	<u>981,565</u>
<b>Public Works:</b>						
Office	323,641	-	-	68,849	82,558	172,234
Highways and Streets	34,321,950	-	34,321,950	-	-	-
Garage	7,292,592	19,920	-	2,955,521	97,088	4,220,063
Total Public Works	<u>41,938,183</u>	<u>19,920</u>	<u>34,321,950</u>	<u>3,024,370</u>	<u>179,646</u>	<u>4,392,297</u>
Recreation and Leisure Services	<u>4,266,853</u>	<u>1,293,261</u>	<u>-</u>	<u>1,210,589</u>	<u>1,500,841</u>	<u>262,162</u>
Library	<u>755,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>755,791</u>
<b>TOTAL CAPITAL ASSETS</b>	<b><u>\$ 59,466,048</u></b>	<b><u>\$ 2,325,917</u></b>	<b><u>\$ 34,321,950</u></b>	<b><u>\$ 13,220,588</u></b>	<b><u>\$ 1,680,487</u></b>	<b><u>\$ 7,917,106</u></b>

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS – BY FUNCTION AND ACTIVITY**  
**DECEMBER 31, 2014**

<b>Function &amp; Activity</b>	<b>Capital Assets January 1, 2014</b>	<b>Increases</b>	<b>Decreases</b>	<b>Capital Assets December 31, 2014</b>
<b>General Government:</b>				
Administration	\$ 5,595,707	\$ 14,154	\$ -	\$ 5,609,861
Finance/Tax	54,200	856	(2,627)	52,429
Information Technology	340,738	71,451	-	412,189
Cable Television	227,578	-	-	227,578
Total General Government	<u>6,218,223</u>	<u>86,461</u>	<u>(2,627)</u>	<u>6,302,057</u>
Community Development	<u>523,678</u>	<u>-</u>	<u>(5,404)</u>	<u>518,274</u>
<b>Public Safety:</b>				
Police	991,098	206,798	(112,028)	1,085,868
VFD	4,597,490	1,532	-	4,599,022
Total Public Safety	<u>5,588,588</u>	<u>208,330</u>	<u>(112,028)</u>	<u>5,684,890</u>
<b>Public Works:</b>				
Office	300,263	23,378	-	323,641
Highways and Streets	34,038,535	283,415	-	34,321,950
Garage	6,829,226	719,110	(255,744)	7,292,592
Total Public Works	<u>41,168,024</u>	<u>1,025,903</u>	<u>(255,744)</u>	<u>41,938,183</u>
Recreation and Leisure Services	<u>4,266,853</u>	<u>-</u>	<u>-</u>	<u>4,266,853</u>
Library	<u>738,655</u>	<u>17,136</u>	<u>-</u>	<u>755,791</u>
<b>TOTAL CAPITAL ASSETS</b>	<b><u>\$ 58,504,021</u></b>	<b><u>\$ 1,337,830</u></b>	<b><u>\$ (375,803)</u></b>	<b><u>\$ 59,466,048</u></b>

## **STATISTICAL SECTION**

# Statistical Section

This section of the Township of Upper St. Clair (Township) Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health. In 2006, the Township adopted the disclosure requirements of GASB Statement No. 44, *"Economic Condition Reporting: The Statistical Section."*

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>120</b>
These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>127</b>
These schedules contain information to help the reader assess the Township's most significant local revenue sources, the property tax, and the earned income tax.	
<b>Debt Capacity</b>	<b>132</b>
These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>135</b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the Township's financial activities take place.	
<b>Operating Information</b>	<b>137</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the Township's financial report relates to the services the Township provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## NET POSITION BY COMPONENT LAST TEN YEARS ACCRUAL BASIS OF ACCOUNTING

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<i>Governmental Activities:</i>										
Net Investment in Capital Assets	\$ 8,011,677	\$ 8,034,786	\$ 8,411,732	\$ 9,191,787	\$ 9,565,271	\$ 12,206,904	\$ 11,742,657	\$ 18,182,053	\$ 2,642,610	\$ 2,904,677
Restricted	61,563	55,668	53,595	63,569	75,132	103,072	172,370	-	-	-
Unrestricted	<u>12,473,037</u>	<u>11,655,684</u>	<u>9,772,177</u>	<u>8,312,020</u>	<u>7,188,704</u>	<u>3,233,407</u>	<u>7,251,247</u>	<u>8,392,398</u>	<u>7,633,754</u>	<u>6,374,663</u>
<i>Total Governmental Activities Net Position</i>	<u>\$ 20,546,277</u>	<u>\$ 19,746,138</u>	<u>\$ 18,237,504</u>	<u>\$ 17,567,376</u>	<u>\$ 16,829,107</u>	<u>\$ 15,543,383</u>	<u>\$ 19,166,274</u>	<u>\$ 26,574,451</u>	<u>\$ 10,276,364</u>	<u>\$ 9,279,340</u>
<i>Business-Type Activities:</i>										
Net Investment in Capital Assets	\$ 4,665,935	\$ 3,381,614	\$ 4,268,647	\$ 5,073,371	\$ 5,421,613	\$ 3,074,988	\$ 4,160,016	\$ (2,724,318)	\$ (666,272)	\$ (611,219)
Restricted	-	-	-	-	239,946	1,730,385	-	-	-	-
Unrestricted	<u>3,584,109</u>	<u>3,166,730</u>	<u>1,619,532</u>	<u>1,347,301</u>	<u>1,921,179</u>	<u>2,212,468</u>	<u>690,568</u>	<u>1,630,289</u>	<u>1,276,663</u>	<u>1,141,780</u>
<i>Total Business-Type Activities Net Position</i>	<u>\$ 8,250,044</u>	<u>\$ 6,548,344</u>	<u>\$ 5,888,179</u>	<u>\$ 6,420,672</u>	<u>\$ 7,582,738</u>	<u>\$ 7,017,841</u>	<u>\$ 4,850,584</u>	<u>\$ (1,094,029)</u>	<u>\$ 610,391</u>	<u>\$ 530,561</u>
<i>Primary Government:</i>										
Net Investment in Capital Assets	\$ 12,677,612	\$ 11,416,400	\$ 12,680,379	\$ 14,265,158	\$ 14,986,884	\$ 15,281,892	\$ 15,902,673	\$ 15,457,735	\$ 1,976,338	\$ 2,293,458
Restricted	61,563	55,668	53,595	63,569	315,078	1,833,457	172,370	-	-	-
Unrestricted	<u>16,057,146</u>	<u>14,822,414</u>	<u>11,391,709</u>	<u>9,659,321</u>	<u>9,109,883</u>	<u>5,445,875</u>	<u>7,941,815</u>	<u>10,022,687</u>	<u>8,910,417</u>	<u>7,516,443</u>
<i>Total Primary Government Net Position</i>	<u>\$ 28,796,321</u>	<u>\$ 26,294,482</u>	<u>\$ 24,125,683</u>	<u>\$ 23,988,048</u>	<u>\$ 24,411,845</u>	<u>\$ 22,561,224</u>	<u>\$ 24,016,858</u>	<u>\$ 25,480,422</u>	<u>\$ 10,886,755</u>	<u>\$ 9,809,901</u>

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## CHANGES IN NET POSITION LAST TEN YEARS ACCRUAL BASIS OF ACCOUNTING

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 215,840	\$ 171,596	\$ 245,033	\$ 203,960	\$ 126,048	\$ 161,381	\$ 194,347	\$ 290,640	\$ 296,970	\$ 271,128
Public Safety	89,092	56,695	79,483	79,831	79,793	76,505	109,602	111,682	114,112	121,436
Public Works	258,638	213,629	192,795	212,738	314,249	205,498	165,740	156,261	202,279	149,747
Recreation and Leisure Services	397,398	397,596	380,192	360,514	367,361	341,999	458,502	392,835	379,872	410,671
Library Services	40,501	48,022	39,757	40,552	39,844	30,696	28,479	28,857	30,870	28,266
Operating Grants and Contributions	1,716,362	1,513,922	1,694,562	2,066,302	2,079,564	1,998,880	2,215,927	1,702,052	1,448,014	1,044,725
Capital Grants and Contributions	-	-	-	-	-	-	-	-	132,707	562,053
<b>Total Governmental Activities Program Revenues</b>	<b>2,717,831</b>	<b>2,401,460</b>	<b>2,631,822</b>	<b>2,963,897</b>	<b>3,006,859</b>	<b>2,814,959</b>	<b>3,172,597</b>	<b>2,682,327</b>	<b>2,604,824</b>	<b>2,588,026</b>
Business-Type Activities:										
Charges for Services:										
Sanitary Sewer	5,694,915	4,704,317	4,444,772	4,557,526	4,600,781	4,190,374	3,255,368	3,263,687	3,194,703	4,089,105
Community & Recreation Center	3,895,680	3,618,973	3,407,437	2,939,551	2,343,866	773,514	-	-	-	-
Magazine	178,140	169,618	194,956	196,990	181,257	189,328	192,629	181,890	202,054	214,725
<b>Total Business-Type Activities Program Revenues</b>	<b>9,768,735</b>	<b>8,492,908</b>	<b>8,047,165</b>	<b>7,694,067</b>	<b>7,125,904</b>	<b>5,153,216</b>	<b>3,447,997</b>	<b>3,445,577</b>	<b>3,396,757</b>	<b>4,303,830</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 12,486,566</b>	<b>\$ 10,894,368</b>	<b>\$ 10,678,987</b>	<b>\$ 10,657,964</b>	<b>\$ 10,132,763</b>	<b>\$ 7,968,175</b>	<b>\$ 6,620,594</b>	<b>\$ 6,127,904</b>	<b>\$ 6,001,581</b>	<b>\$ 6,891,856</b>

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## CHANGES IN NET POSITION LAST TEN YEARS ACCRUAL BASIS OF ACCOUNTING (CONTINUED)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
General Government	\$ 2,208,573	\$ 1,881,228	\$ 1,969,696	\$ 1,710,210	\$ 1,598,431	\$ 1,792,619	\$ 1,896,089	\$ 1,886,328	\$ 1,833,720	\$ 1,640,270
Public Safety	5,224,826	5,306,190	5,295,002	5,512,388	5,222,198	5,015,395	5,104,920	4,740,958	4,999,484	3,922,335
Public Works	7,522,628	7,437,013	6,933,331	7,031,591	6,348,680	6,642,722	6,697,107	6,447,776	5,665,332	6,151,707
Community Development	662,534	647,435	595,879	621,524	613,555	588,260	580,012	598,348	613,142	545,702
Recreation and Leisure Services	1,956,555	1,357,804	1,424,070	1,163,232	1,537,256	1,383,560	1,372,072	922,993	786,192	733,599
Library Services	1,028,723	1,029,614	990,268	970,768	993,302	976,118	990,068	982,761	897,351	948,335
Interest on Long-Term Debt	599,991	619,556	1,307,383	1,157,682	833,091	881,616	909,256	586,863	382,532	517,891
<b>Total Governmental Activities Expenses</b>	<b>19,203,830</b>	<b>18,278,840</b>	<b>18,515,629</b>	<b>18,167,395</b>	<b>17,146,513</b>	<b>17,280,290</b>	<b>17,549,524</b>	<b>16,166,027</b>	<b>15,177,753</b>	<b>14,459,839</b>
<b>Business-Type Activities:</b>										
Sanitary Sewer	4,965,703	4,863,183	5,593,228	5,938,028	4,066,040	4,061,501	4,282,366	5,420,245	3,199,555	3,312,632
Community & Recreation Center	4,527,770	4,402,999	4,411,897	4,232,528	4,005,602	3,141,178	424,485	-	-	-
Magazine	171,276	168,464	182,235	171,573	175,097	166,995	165,179	184,549	185,752	186,645
<b>Total Business-Type Activities Expenses</b>	<b>9,664,749</b>	<b>9,434,646</b>	<b>10,187,360</b>	<b>10,342,129</b>	<b>8,246,739</b>	<b>7,369,674</b>	<b>4,872,030</b>	<b>5,604,794</b>	<b>3,385,307</b>	<b>3,499,277</b>
<b>Total Primary Government Expenses</b>	<b>\$ 28,868,579</b>	<b>\$ 27,713,486</b>	<b>\$ 28,702,989</b>	<b>\$ 28,509,524</b>	<b>\$ 25,393,252</b>	<b>\$ 24,649,964</b>	<b>\$ 22,421,554</b>	<b>\$ 21,770,821</b>	<b>\$ 18,563,060</b>	<b>\$ 17,959,116</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (16,485,999)	\$ (15,877,380)	\$ (15,883,807)	\$ (15,203,498)	\$ (14,139,654)	\$ (14,465,331)	\$ (14,376,927)	\$ (13,483,700)	\$ (12,572,929)	\$ (11,871,813)
Business-Type Activities	103,986	(941,738)	(2,140,195)	(2,648,062)	(1,120,835)	(2,216,458)	(1,424,033)	(2,159,217)	11,450	804,553
<b>Total Primary Government Net (Expense) Revenue</b>	<b>\$ (16,382,013)</b>	<b>\$ (16,819,118)</b>	<b>\$ (18,024,002)</b>	<b>\$ (17,851,560)</b>	<b>\$ (15,260,489)</b>	<b>\$ (16,681,789)</b>	<b>\$ (15,800,960)</b>	<b>\$ (15,642,917)</b>	<b>\$ (12,561,479)</b>	<b>\$ (11,067,260)</b>

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## CHANGES IN NET POSITION LAST TEN YEARS ACCRUAL BASIS OF ACCOUNTING (CONTINUED)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for General Purposes	\$ 7,921,103	\$ 7,869,860	\$ 7,678,794	\$ 7,581,309	\$ 7,601,395	\$ 5,623,627	\$ 4,265,916	\$ 4,447,434	\$ 4,184,809	\$ 4,158,122
Earned Income Taxes, Levied for General Purposes	8,286,351	8,213,525	7,891,581	7,767,269	7,110,203	7,605,811	7,276,599	7,383,217	6,983,270	6,115,625
Local Services Tax	274,454	274,724	253,863	246,702	239,909	224,964	220,686	335,590	330,513	328,868
Other taxes	1,580,875	1,620,549	1,589,649	1,131,251	1,164,095	1,131,795	1,206,701	1,275,530	1,401,236	1,323,898
Franchise Fees	442,645	431,849	405,416	383,056	399,122	303,737	297,199	260,552	253,936	238,873
Unrestricted Investment Earnings	13,013	13,543	11,942	12,860	19,887	87,856	781,040	533,716	338,685	382,375
Miscellaneous	371,156	562,450	328,688	303,136	573,908	244,083	235,323	266,765	77,504	89,842
Transfers	(1,603,459)	(1,600,486)	(1,605,998)	(1,483,816)	(1,683,141)	(4,379,433)	(7,314,714)	(400,000)	-	1,701,357
<b>Total Governmental Activities General Revenues</b>	<b>17,286,138</b>	<b>17,386,014</b>	<b>16,553,935</b>	<b>15,941,767</b>	<b>15,425,378</b>	<b>10,842,440</b>	<b>6,968,750</b>	<b>14,102,804</b>	<b>13,569,953</b>	<b>14,338,960</b>
Business-Type activities:										
Unrestricted Investment Earnings	2,730	1,417	1,704	2,178	2,591	4,282	27,264	54,797	68,380	29,271
Transfers	1,594,978	1,600,486	1,605,998	1,483,816	1,683,141	4,379,433	7,314,714	400,000	-	(1,701,357)
<b>Total Business-Type Activities General Revenues</b>	<b>1,597,708</b>	<b>1,601,903</b>	<b>1,607,702</b>	<b>1,485,994</b>	<b>1,685,732</b>	<b>4,383,715</b>	<b>7,341,978</b>	<b>454,797</b>	<b>68,380</b>	<b>(1,672,086)</b>
<b>Total Primary Government General Revenues</b>	<b>\$ 18,883,846</b>	<b>\$ 18,987,917</b>	<b>\$ 18,161,637</b>	<b>\$ 17,427,761</b>	<b>\$ 17,111,110</b>	<b>\$ 15,226,155</b>	<b>\$ 14,310,728</b>	<b>\$ 14,557,601</b>	<b>\$ 13,638,333</b>	<b>\$ 12,666,874</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 800,139	\$ 1,508,634	\$ 670,128	\$ 738,269	\$ 1,285,724	\$ (3,622,891)	\$ (7,408,177)	\$ 619,104	\$ 997,024	\$ 2,467,147
Business-Type Activities	1,701,694	660,165	(532,493)	(1,162,068)	564,897	2,167,257	5,917,945	(1,704,420)	79,830	(867,533)
<b>Total Primary Government Change in Net Position</b>	<b>\$ 2,501,833</b>	<b>\$ 2,168,799</b>	<b>\$ 137,635</b>	<b>\$ (423,799)</b>	<b>\$ 1,850,621</b>	<b>\$ (1,455,634)</b>	<b>\$ (1,490,232)</b>	<b>\$ (1,085,316)</b>	<b>\$ 1,076,854</b>	<b>\$ 1,599,614</b>

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**

FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN YEARS  
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>General Fund:</b>										
NonSpendable	\$ 222,152	\$ 224,084	\$ 219,282	\$ 221,447	\$ 244,366	\$ 213,834	\$ 188,689	\$ 165,816	\$ 147,241	\$ 175,433
Unassigned	3,123,147	3,116,240	3,094,204	3,086,678	3,057,259	3,037,296	3,038,388	3,053,951	2,915,652	2,885,847
<i>Total General Fund</i>	<u>3,345,299</u>	<u>3,340,324</u>	<u>3,313,486</u>	<u>3,308,125</u>	<u>3,301,625</u>	<u>3,251,130</u>	<u>3,227,077</u>	<u>3,219,767</u>	<u>3,062,893</u>	<u>3,061,280</u>
<b>All Other Governmental Funds:</b>										
NonSpendable	-	-	-	-	-	-	179	-	-	70,917
Restricted	61,563	55,668	53,595	63,569	75,132	103,072	172,191	104,176	70,774	63,325
Committed	917,874	836,526	811,891	790,018	751,085	753,807	4,895,849	4,222,759	767,060	2,171,041
Assigned	7,343,619	6,606,542	5,176,357	3,446,084	2,663,086	986,459	1,761,805	2,628,308	2,627,520	2,826,776
<i>Total All Other Governmental Funds</i>	<u>8,323,056</u>	<u>7,498,736</u>	<u>6,041,843</u>	<u>4,299,671</u>	<u>3,489,303</u>	<u>1,843,338</u>	<u>6,830,024</u>	<u>6,955,243</u>	<u>3,465,354</u>	<u>5,132,059</u>
<i>Total Governmental Funds</i>	<u>\$ 11,668,355</u>	<u>\$ 10,839,060</u>	<u>\$ 9,355,329</u>	<u>\$ 7,607,796</u>	<u>\$ 6,790,928</u>	<u>\$ 5,094,468</u>	<u>\$ 10,057,101</u>	<u>\$ 10,175,010</u>	<u>\$ 6,528,247</u>	<u>\$ 8,193,339</u>

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## CHANGES IN FUND BALANCES

### GOVERNMENTAL FUNDS

#### LAST TEN YEARS

#### MODIFIED ACCRUAL BASIS OF ACCOUNTING

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues:</b>										
Real Estate Taxes	\$ 7,924,247	\$ 7,933,009	\$ 7,594,848	\$ 7,562,427	\$ 7,594,974	\$ 5,591,417	\$ 4,320,622	\$ 4,224,466	\$ 4,166,460	\$ 4,175,518
Earned Income Taxes	8,285,627	8,116,839	7,994,030	7,673,079	7,088,403	7,592,892	7,436,388	7,209,380	6,742,917	6,112,019
Other Taxes	1,855,329	1,895,274	1,843,512	1,377,954	1,404,005	1,356,759	1,427,387	1,611,120	1,731,749	1,652,766
Licenses and Permits	237,113	142,928	229,485	190,735	115,129	154,182	132,857	127,409	162,145	146,256
Fees and Fines	533,771	519,321	497,917	479,640	486,795	379,878	387,968	362,784	377,155	341,706
Rents	85,816	77,808	78,081	79,135	80,175	75,096	69,622	67,161	65,675	63,669
Interest	13,015	13,544	11,942	12,860	19,888	87,856	781,040	533,716	338,685	382,375
Service Agreements	240,384	229,332	209,039	218,928	310,875	208,924	168,750	256,998	272,172	240,779
Other Revenue and Grants	2,037,152	2,028,775	1,969,924	2,321,137	2,619,552	2,189,044	2,487,420	2,002,506	1,679,245	1,713,660
Recreation Fees	397,398	397,596	380,193	360,514	367,361	341,999	458,502	392,786	379,872	410,671
<i>Total Revenues</i>	<u>21,609,852</u>	<u>21,354,426</u>	<u>20,808,971</u>	<u>20,276,409</u>	<u>20,087,157</u>	<u>17,978,047</u>	<u>17,670,556</u>	<u>16,788,326</u>	<u>15,916,075</u>	<u>15,239,419</u>
<b>Expenditures:</b>										
Current:										
General Government	2,009,963	1,688,199	1,779,587	1,460,414	1,416,202	1,419,103	1,595,607	1,572,381	1,460,074	1,328,707
Community Development	652,398	633,636	581,379	606,157	601,632	590,803	538,405	552,230	534,397	519,909
Public Safety	4,876,933	4,924,588	4,907,575	5,184,892	4,852,329	4,613,928	4,542,883	4,484,316	4,216,300	4,344,531
Public Works	6,260,401	6,398,842	6,031,128	6,156,570	5,763,983	5,627,138	5,953,407	5,483,089	5,167,095	5,229,011
Recreation and Leisure Services	1,876,316	1,209,286	1,243,426	1,092,286	1,036,398	1,152,387	1,502,056	1,138,985	906,255	624,700
Library Services	1,021,138	1,026,043	981,289	958,240	973,510	942,506	978,409	955,070	930,939	920,100
Debt Service:										
Principal Retirement	575,097	562,882	649,189	966,974	439,020	434,189	335,000	345,000	1,153,000	1,106,000
Bond Issuance Costs	-	-	29,688	25,023	-	101,764	296,126	90,045	156,343	-
Interest	566,998	587,775	607,762	758,152	752,808	866,680	830,969	570,194	389,051	515,591
Capital Outlay	1,337,830	1,238,957	735,603	799,253	1,246,674	2,890,842	5,340,963	3,593,380	2,870,745	4,593,635
<i>Total Expenditures</i>	<u>19,177,074</u>	<u>18,270,208</u>	<u>17,546,626</u>	<u>18,007,961</u>	<u>17,082,556</u>	<u>18,639,340</u>	<u>21,913,825</u>	<u>18,784,690</u>	<u>17,784,199</u>	<u>19,182,184</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>2,432,778</u>	<u>3,084,218</u>	<u>3,262,345</u>	<u>2,268,448</u>	<u>3,004,601</u>	<u>(661,293)</u>	<u>(4,243,269)</u>	<u>(1,996,364)</u>	<u>(1,868,124)</u>	<u>(3,942,765)</u>
<b>Other Financing Sources (Uses):</b>										
Transfers In	5,262,122	5,007,569	10,831,256	9,519,937	4,467,895	7,978,980	2,080,274	2,491,060	3,056,250	4,652,328
Transfers Out	(6,865,580)	(6,608,054)	(12,437,254)	(11,003,753)	(6,151,036)	(12,358,413)	(2,580,274)	(2,891,060)	(3,056,250)	(2,950,971)
Debt Proceeds	-	-	5,910,000	5,435,000	375,000	4,770,577	4,770,710	9,995,000	5,315,000	393,900
Bond Issuance Discount	-	-	-	-	-	(102,484)	(145,350)	(151,873)	-	-
Gain (Loss) on Refunding of Bonds	-	-	76,186	(127,764)	-	-	-	-	-	-
Reclassification of Bonds as Enterprise Fund Liability	-	-	-	-	-	-	-	(3,800,000)	-	-
Payment to Refunded Bond Escrow Agent	-	-	(5,895,000)	(5,275,000)	-	(4,590,000)	-	-	(5,111,968)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(1,603,458)</u>	<u>(1,600,485)</u>	<u>(1,514,812)</u>	<u>(1,451,580)</u>	<u>(1,308,141)</u>	<u>(4,301,340)</u>	<u>4,125,360</u>	<u>5,643,127</u>	<u>203,032</u>	<u>2,095,257</u>
<b>Net Change in Fund Balance</b>	<u>\$ 829,320</u>	<u>\$ 1,483,733</u>	<u>\$ 1,747,533</u>	<u>\$ 816,868</u>	<u>\$ 1,696,460</u>	<u>\$ (4,962,633)</u>	<u>\$ (117,909)</u>	<u>\$ 3,646,763</u>	<u>\$ (1,665,092)</u>	<u>\$ (1,847,508)</u>
Debt Service as a Percentage of Non-Capital Expenditures	6.4%	6.8%	7.5%	10.0%	7.5%	8.3%	7.0%	6.0%	10.3%	11.1%
Debt Service as a Percentage of Total Expenditures	6.0%	6.3%	7.2%	9.6%	7.0%	7.0%	5.3%	4.9%	8.7%	8.5%

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**PROGRAM REVENUES BY FUNCTION/PROGRAM**  
**LAST TEN YEARS**  
**ACCRUAL BASIS OF ACCOUNTING**

<b>Function/Program:</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<i>Governmental Activities:</i>										
General Government	\$ 537,850	\$ 392,179	\$ 455,296	\$ 414,260	\$ 309,682	\$ 307,068	\$ 333,335	\$ 423,901	\$ 431,550	\$ 392,652
Public Safety	292,969	269,288	288,219	458,667	269,540	258,949	352,813	321,966	308,961	473,680
Public Works	861,629	787,666	872,303	1,057,360	846,497	745,842	795,333	680,683	816,863	990,732
Recreation and Leisure Services	693,398	619,215	703,584	726,745	1,246,443	1,130,521	1,313,824	895,328	660,362	410,671
Library Services	331,985	333,112	312,420	306,865	334,697	372,579	377,292	360,449	387,088	320,291
<b>Total Governmental Activities</b>	<b>2,717,831</b>	<b>2,401,460</b>	<b>2,631,822</b>	<b>2,963,897</b>	<b>3,006,859</b>	<b>2,814,959</b>	<b>3,172,597</b>	<b>2,682,327</b>	<b>2,604,824</b>	<b>2,588,026</b>
<i>Business-Type Activities:</i>										
Sanitary Sewer	5,694,915	4,704,317	4,444,772	4,557,526	4,600,781	4,190,374	3,255,368	3,263,687	3,194,703	4,089,105
Community & Recreation Center	3,895,680	3,618,973	3,407,437	2,939,551	2,343,866	773,514	-	-	-	-
Magazine	178,140	169,618	194,956	196,990	181,257	189,328	192,629	181,890	202,054	214,725
<b>Total Business-Type Activities</b>	<b>9,768,735</b>	<b>8,492,908</b>	<b>8,047,165</b>	<b>7,694,067</b>	<b>7,125,904</b>	<b>5,153,216</b>	<b>3,447,997</b>	<b>3,445,577</b>	<b>3,396,757</b>	<b>4,303,830</b>
<b>Total Primary Government</b>	<b>\$ 12,486,566</b>	<b>\$ 10,894,368</b>	<b>\$ 10,678,987</b>	<b>\$ 10,657,964</b>	<b>\$ 10,132,763</b>	<b>\$ 7,968,175</b>	<b>\$ 6,620,594</b>	<b>\$ 6,127,904</b>	<b>\$ 6,001,581</b>	<b>\$ 6,891,856</b>

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN YEARS

Tax Year	Direct Tax Rate			Overlapping Tax Rate*	Direct & Overlapping Rate Total
	Upper St. Clair Township	Upper St. Clair School District	Total Direct Tax Rate	Allegheny County	
2014	3.83	22.1957	26.0257	4.73	30.756
2013	3.83	21.413	25.243	4.73	29.973
2012	4.60	25.718	30.318	5.69	36.008
2011	4.60	24.1	28.70	4.69	33.39
2010	4.60	23.77	28.37	4.69	33.06
2009	3.40	23.37	26.77	4.69	31.46
2008	2.60	22.45	25.05	4.69	29.74
2007	2.60	22.45	25.05	4.69	29.74
2006	2.60	22.45	25.05	4.69	29.74
2005	2.60	22.45	25.05	4.69	29.74

\* The overlapping tax rate is that of county government that apply to property owners within Upper St. Clair Township.

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**ASSESSED VALUATION AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY**  
**LAST TEN YEARS**

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<b>Year</b>	<b>Real Property (1)</b>		<b>Total Assessed Values of Real Property (2)</b>	<b>Ratio of Total Assessed Value To Estimated Actual</b>	<b>Township Municipal Millage Rate</b>
	<b>Taxable Residential Property</b>	<b>Taxable Commercial Property</b>			
2014	\$1,814,416,259	\$258,064,782	\$2,072,481,041	100%	3.83
2013	1,817,314,850	212,734,932	2,030,049,782	100%	3.83
2012	1,450,090,524	236,649,646	1,686,740,170	100%	4.60
2011	1,449,211,137	236,506,133	1,685,717,270	100%	4.60
2010	1,441,218,707	235,201,797	1,676,420,504	100%	4.60
2009	1,433,660,670	235,541,550	1,669,202,220	100%	3.40
2008	1,425,536,270	234,582,050	1,660,118,320	100%	2.60
2007	1,427,393,688	232,945,602	1,660,339,290	100%	2.60
2006	1,424,494,005	232,472,385	1,656,966,390	100%	2.60
2005	1,401,841,490	228,713,100	1,630,554,590	100%	2.60

(1) Assessed property value is determined by the Allegheny County Assessment Office.

(2) Estimated actual value is computed based on assessed value and the assessment ratio as determined by the Allegheny County Assessment Office.

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## PRINCIPAL TAXPAYERS 12/31/2014 AND 12/31/2005

<u>Taxpayer</u>	<u>December 31, 2014</u>			<u>December 31, 2005</u>		
	<u>Estimated Actual Values of Real Property</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Estimated Actual Values of Real Property</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
South Hills Village Associates	\$ 89,715,450	1	4.33%	\$ 77,257,050	1	4.73%
Friendship Village of South Hills	38,225,900	2	1.84%	29,705,500	2	1.82%
Target	11,462,200	3	0.55%	-	-	0.00%
Upper St. Clair Senior Living	8,391,200	4	0.40%	3,677,600	8	0.22%
1800 Washington Road Associates LP	8,209,800	5	0.40%	-	-	0.00%
Forty-Two Company LLC	7,595,200	6	0.37%	-	-	0.00%
McMurray Road Family Limited PTR	7,424,900	7	0.36%	6,065,900	6	0.37%
St. Clair Country Club	6,066,000	8	0.29%	5,850,600	7	0.36%
Painters Plaza Associates	5,018,200	9	0.24%	2,841,000	10	0.17%
1614 Washington Road	4,172,300	10	0.20%	-	-	0.00%
Summerfield Commons Associates	-	-	0.00%	6,886,700	5	0.42%
May Center Associates Corp.	-	-	0.00%	13,900,000	3	0.85%
Consolidated Coal Company	-	-	0.00%	13,700,000	4	0.84%
Southwood Psychiatric Hospital	-	-	0.00%	2,900,000	9	0.18%
	<b>\$ 186,281,150</b>		<b>8.98%</b>	<b>\$ 162,784,350</b>		<b>9.96%</b>
Total Taxable Assessed Valuation	<b>\$ 2,072,481,041</b>			<b>\$ 1,634,938,240</b>		

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**

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<b>Year</b>	<b>Adjusted Total Tax Levy</b>	<b>Collected within Fiscal Year of Levy</b>		<b>Collections in Subsequent Years</b>	<b>Collections to Date</b>	
		<b>Amount</b>	<b>Percent of Total Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2014	\$ 7,964,027	\$ 7,840,190	98.45%	\$ -	\$ 7,840,190	98.45%
2013	7,902,624	7,752,196	98.10%	22,572	7,774,768	98.38%
2012	7,744,682	7,592,022	98.03%	138,632	7,730,654	99.82%
2011	7,605,691	7,406,208	97.38%	122,301	7,528,509	98.99%
2010	7,544,334	7,388,693	97.94%	123,826	7,512,519	99.58%
2009	5,550,845	5,431,400	97.85%	95,091	5,526,491	99.56%
2008	4,312,320	4,222,146	97.91%	89,157	4,311,303	99.98%
2007	4,303,582	4,199,948	97.59%	91,724	4,291,672	99.72%
2006	4,310,565	4,195,950	97.34%	87,202	4,283,152	99.36%
2005	4,267,221	4,091,073	95.87%	85,720	4,176,793	97.88%

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**MUNICIPAL EARNED INCOME TAX, REVENUE BASE AND COLLECTIONS**  
**LAST TEN YEARS**  
**MODIFIED ACCRUAL BASIS OF ACCOUNTING**

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<b>Fiscal Year</b>	<b>Tax Rate</b>	<b>Total Earned Income Tax Collected</b>	<b>Refunds</b>	<b>Net Earned Income Tax Collected</b>
2014	0.80%	\$8,458,337	(\$171,986)	\$8,286,351
2013	0.80%	8,327,496	(212,513)	8,114,983
2012	0.80%	8,311,311	(462,964)	7,848,347
2011	0.80%	7,898,936	(194,616)	7,704,320
2010	0.80%	7,330,549	(220,447)	7,110,102
2009	0.80%	7,822,046	(214,596)	7,607,450
2008	0.80%	7,729,883	(283,765)	7,446,118
2007	0.80%	7,390,217	(172,525)	7,217,692
2006	0.75%	6,872,366	(125,122)	6,747,244
2005	0.75%	6,251,034	(134,542)	6,116,492

Note: Earned income tax rate and collections amounts represent only municipal share.  
(Upper St. Clair School District levies an earned income tax of .5%)

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS

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<u>Year</u>	<u>General Obligation Bonds</u>		<u>General Obligation Notes</u>	<u>Total Primary Government</u>	<u>% of Assessed Valuation</u>	<u>% of Earned Income (1)</u>	<u>Debt per Capita (1)</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>				
2014	\$ 17,888,625	\$ 34,233,587	\$ -	52,122,212	2.51%	5.03%	\$ 2,696
2013	18,430,663	34,952,793	-	53,383,456	2.63%	5.26%	\$ 2,758
2012	18,960,486	35,649,215	240,560	54,850,261	3.25%	5.59%	\$ 2,841
2011	19,492,640	36,420,820	265,326	56,178,786	3.33%	5.86%	\$ 2,915
2010	19,846,503	36,969,687	664,071	57,480,261	3.43%	6.49%	\$ 2,989
2009	20,247,500	37,585,479	311,838	58,144,817	3.48%	6.13%	\$ 3,112
2008	20,616,102	38,199,034	333,675	59,148,811	3.56%	6.36%	\$ 3,165
2007	16,304,140	10,827,222	354,584	27,485,946	1.66%	3.05%	\$ 1,466
2006	10,589,257	7,175,000	374,661	18,138,918	1.09%	2.02%	\$ 962
2005	11,539,225	7,325,000	393,900	19,258,125	1.18%	2.36%	\$ 1,012

Note: Details regarding the Township's outstanding debt can be found in the notes to the financial statements

(1) See the Schedule of Demographic and Economic Statistics on page 135 for earned income and population data

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS

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<u>Year</u>	<u>Three-Year Average Revenue (borrowing base) (1)</u>	<u>Legal Debt Limit (2)</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Legal Debt Margin %</u>
2014	\$30,027,352	\$75,068,380	\$38,046,578	\$37,021,802	49.32%
2013	28,891,315	72,228,288	38,588,616	33,639,672	46.57%
2012	28,013,224	70,033,060	39,765,919	30,267,141	43.22%
2011	26,104,933	65,262,333	40,712,662	24,549,671	37.62%
2010	23,820,959	59,552,398	41,844,835	17,707,563	29.73%
2009	21,494,573	53,736,432	42,317,112	11,419,320	21.25%
2008	20,221,763	50,554,408	43,119,067	7,435,341	14.71%
2007	19,696,661	49,241,653	16,658,724	32,582,929	66.17%
2006	18,994,695	47,486,738	11,279,661	36,207,077	76.25%
2005	17,861,110	44,652,774	12,176,900	32,475,874	72.73%

(1) The local Governmental Unit Debt Act (Act 52 of 1978), reenacted and amending Act 185 of 1972 prescribes debt limits, net revenues and the calculation of the borrowing base for all local units in Pennsylvania. The "Debt Act" is administered by the Pennsylvania Department of Economic Development.

(2) 250% of borrowing base

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT

DECEMBER 31, 2014

<b>Jurisdiction</b>	<b>Net Debt Outstanding</b>	<b>Percentage Applicable to Township of Upper St. Clair</b>	<b>Amount Applicable to Township of Upper St. Clair</b>
<b>Direct</b>			
Township of Upper St. Clair (1)	\$ 17,888,625	100.00%	\$ 17,888,625
<i>Total Direct Debt</i>	17,888,625		17,888,625
<b>Overlapping</b>			
Upper St. Clair School District	126,136,988	100.00%	126,136,988
County of Allegheny (2)	896,284,927	2.81%	25,185,606
<i>Total Overlapping Debt</i>	1,022,421,915		151,322,594
<b>Total Debt</b>	\$ 1,040,310,540		\$ 169,211,219

(1) The local Governmental Unit Debt Act (Act 52 of 1978), reenacted and amending Act 185 of 1972 prescribes debt limits, net revenues, and the calculation of the borrowing base for all local units in Pennsylvania. The "Debt Act" is administered by the Pennsylvania Department of Economic Development. The calculation of direct net outstanding debt has excluded \$34,233,587 of debt related to business type activities of the Township.

(2) Proportion share of Allegheny County's existing debt as of December 31, 2014 based on the ratio of Upper St. Clair Township's assessed valuation to Allegheny County's 2014 assessed valuation. Source: 2014 Allegheny County CAFR

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN YEARS**

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<b>Year</b>	<b>Population (1)</b>	<b>Total Earned Income (2)</b>	<b>Per Capita Earned Income (3)</b>	<b>Unemployment Rate (4)</b>
2014	19,335 (b)	\$ 1,026,245,750	\$ 53,077 (b)	4.2%
2013	19,354 (b)	1,014,372,875	52,412 (b)	5.5%
2012	19,304 (b)	981,043,375	50,821 (b)	6.8%
2011	19,270 (b)	959,134,875	49,773 (b)	6.5%
2010	19,229 (a)	886,050,375	46,079 (a)	6.8%
2009	18,686 (b)	949,111,500	50,793 (b)	6.8%
2008	18,690 (b)	929,548,500	49,735 (b)	5.4%
2007	18,752 (b)	901,172,500	48,057 (b)	4.1%
2006	18,865 (b)	899,055,600	47,657 (b)	3.8%
2005	19,036 (b)	814,935,867	42,810 (b)	4.3%

(1) Source: U. S. Census Bureau

(a) 2010 U.S. Census (b) Population estimates 2005-2014

(2) Source: Upper St. Clair Township Tax Office

(3) Computation of total earned income divided by population

(4) Source: U.S. Bureau of Labor Statistics for Allegheny County

# TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

## PRINCIPAL EMPLOYERS CURRENT YEAR AND TEN YEARS AGO

<u>Employer:</u>	<u>2014</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
USC School District	562	1	10.62 %	642	1	9.83 %
Friendship Village	210	2	3.97	247	6	3.78
Target Corporation	189	3	3.57	-	-	-
USC Township	167	4	3.16	153	7	2.34
OS Restaurant Services Inc.	137	5	2.59	169	9	2.59
Southwood Psychiatric Hospital	130	6	2.46	155	8	2.37
Dicks Sporting Goods	127	7	2.40	-	-	-
Port Authority of Allegheny County	119	8	2.25	-	-	-
St. Clair Country Club	113	9	2.13	148	10	2.27
Sears Roebuck & Co.	119	10	2.25	288	4	4.41
Consol Energy Inc.	-	-	-	331	2	5.07
Kaufmann's	-	-	-	291	3	4.45
National City	-	-	-	283	5	4.33
Total	<u>1,873</u>		<u>35.40 %</u>	<u>2,707</u>		<u>41.44 %</u>
Total Full-Time Employees	<u><b>5,293</b></u>			<u><b>6,534</b></u>		

Source: Upper St. Clair Local Services Tax record

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**FULL-TIME EQUIVALENT MUNICIPAL EMPLOYEES BY FUNCTION/PROGRAM**  
**2014-2006**

<b>Function/Program:</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>General Government:</b>									
Administration	7	7	7	7.5	7.5	7	7	6	6
Finance	3.5	3.5	3.5	3	3	3	3	4	4
Information Technology	6	5	5	4	4	4	4	4	4
<b>Community Development:</b>									
Administration	2.5	2.5	3.5	3	3	4.5	4.5	4.5	4.5
Inspection	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<b>Public Safety:</b>									
Uniformed Police Officers	28	27	28	28	28	28	28	28	28
Other Department Personnel	7	7	7	6	6	7	7	7	7
<b>Public Works:</b>									
Administration	4	4	4	4	4	5	5	5	5
Inspection	5	5	5	5	4	4	4	4	4
Laborers	24	24	24	24	24	24	24	24	24
<b>Recreation and Leisure Services:</b>									
Administration	3.5	3.5	3.5	3	3	3	3	3	3
Recreation Center Personnel	13	13	13	13	12	11	2	0	0
<b>Library:</b>									
Administration	2	2	2	2	2	2	2	2	2
Librarians	7	7	7	7	7	6	6	6	6
<b>Total</b>	<b>115</b>	<b>113</b>	<b>115</b>	<b>112</b>	<b>110</b>	<b>111</b>	<b>102</b>	<b>100</b>	<b>100</b>

Note: Because the Township had not previously reported this schedule, it elected to report this information prospectively beginning in 2006 (GASB Statement No. 44 implementation year).

Source: Township payroll and personnel records

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**2014-2006**

<b>Function/Program:</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b><u>Community Development:</u></b>									
Building Permits Issued	288	278	261	260	272	267	281	209	284
Occupancy Permits Issued	51	28	22	34	31	65	54	45	76
Electrical Permits Issued	232	214	206	205	241	216	238	265	257
Sewer Permits Issued	44	19	25	6	6	12	14	10	4
<b><u>Public Works:</u></b>									
Roads Resurfaced (linear miles)	4.00	4.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Sanitary Sewers Rehabilitated (linear miles)	0.16	0.39	0.39	2.00	2.00	6.00	5.00	4.00	2.00
Snow Storm Call-outs	41	41	36	31	38	32	31	32	37
Storm Sewer Inlets and Manholes Rebuilt	85	73	87	64	62	52	113	97	60
Miles of Roadway Swept Annually	1,502	1,486	1,337	1,800	1,786	500	N/A	N/A	N/A
Sidewalks Built (square feet)	4,500	4,500	7,240	7,500	3,273	2,800	N/A	N/A	N/A
Requests for Service	4,649	5,514	3,033	5,070	4,991	5,104	5,572	4,596	4,004
<b><u>Recreation:</u></b>									
Seasonal Programs Offered	13	13	13	14	14	14	14	14	14
Seasonal Program Attendees	N/A	3,335	3,193	3,101	3,028	3,928	4,260	4,275	4,275
Community & Recreation Center Memberships	3,400	3,267	3,108	2,908	2,768	1,951	N/A	N/A	N/A
Community & Recreation Center Individual Members	10,975	10,810	10,306	9,624	8,887	6,371	N/A	N/A	N/A
<b><u>Police:</u></b>									
Calls for Service	10,398	11,162	10,868	11,341	11,117	11,617	11,469	12,216	13,785
Total Arrests	61	102	78	65	150	157	146	74	65
Part I Offenses Reported (major offenses)	122	109	102	137	106	119	134	96	120
Part I Offenses Cleared Percentage	41%	41%	24%	22%	42%	29%	25%	32%	28%
Part II Offenses Reported (other crimes)	156	249	179	172	191	165	182	223	208
Part II Offenses Cleared Percentage	63%	54%	56%	74%	73%	66%	73%	73%	65%
DUI Arrests	16	22	14	17	20	16	23	24	23
Average Response Time (minutes)	2.2	2.8	2.9	2.9	2.8	2.8	2.9	2.9	2.8
<b><u>Fire:</u></b>									
Total Number of Emergency Calls	292	235	250	238	258	266	257	275	271
Total Property Damage	\$64,500	\$322,500	\$168,000	\$634,250	\$101,700	\$373,000	\$147,000	\$92,300	\$122,100
Average Response Time (minutes)	5.5	6.2	5.6	5.4	4.1	5.4	6.1	2.8	2.8
<b><u>Library:</u></b>									
Circulation	357,184	375,233	372,868	387,204	394,641	373,669	342,891	332,695	191,057
Circulation per capita	18.58	19.51	19.39	20.14	20.52	18.63	17.10	16.59	9.53
Visits	161,286	144,000	162,853	154,144	155,808	171,752	N/A	N/A	N/A
Visits per capita	8.39	7.49	8.47	8.02	8.10	8.56	N/A	N/A	N/A

Sources: Upper St. Clair Township

Note: Because the Township had not previously reported this schedule, it elected to report this information prospectively

**TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**2014-2006**

<b>Function/program:</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b><u>General Government:</u></b>									
Square Footage Occupied*	11,000	11,000	11,000	11,000	11,000	5,000	5,000	5,000	5,000
Staff Vehicles	3	3	3	3	3	2	2	2	2
<b><u>Community Development:</u></b>									
Square Footage Occupied*	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Inspection Vehicles	2	2	2	2	2	3	3	3	3
<b><u>Public Works:</u></b>									
Municipal Streets (street miles)	84	84	84	84	84	84	84	84	84
Number of Traffic Lighted Intersections	11	11	11	11	11	11	11	11	11
Sanitary Sewers (miles)	157	157	157	157	157	157	157	157	157
Storm Sewers (miles)	50	50	50	50	50	50	50	50	50
Staff Vehicles	4	4	4	3	3	4	4	4	4
Inspection Vehicles	2	2	2	3	3	3	3	3	3
Utility Trucks	18	26	26	26	26	25	25	25	25
Dump Trucks	8								
Public Works Buildings Square Footage	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500
<b><u>Recreation:</u></b>									
Staff Vehicles	1	1	1	1	1	1	1	1	1
Number of Parks	11	11	11	11	11	11	11	11	11
Acreage of Park Land & Open Space	733	733	733	733	733	733	733	733	613
Recreation Centers	2	2	2	2	2	2	1	1	1
Recreation Center Square Footage	96,500	96,500	96,500	96,500	96,500	96,500	6,500	6,500	6,500
Basketball Courts	12	12	12	12	12	12	10	10	10
Tennis Courts	10	10	10	10	10	10	10	10	10
Ball Fields	12	12	12	12	12	12	12	8	8
<b><u>Public Safety:</u></b>									
Square Footage Occupied*	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Police Vehicles	17	17	17	17	17	17	17	17	17
<b><u>Library:</u></b>									
Square Footage Occupied*	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000

\*Square Footage Occupied within the Township Municipal Building

Sources: Upper St. Clair Township

Note: Because the Township had not previously reported this schedule, it elected to report this information