Township of Upper St. Clair, Pennsylvania

Comprehensive Annual Financial Report

Year Ended December 31, 2015

Township of
USC
FOUNDED 1788
Upper St. Clair

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2015

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Matthew R. Serakowski, Township Manager

Mark S. Mansfield, Assistant Township Manager

PREPARED BY THE FINANCE DEPARTMENT

Mark P. Romito, Director

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2015

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Township of
USC
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Upper St. Clair

Office of the Manager
Matthew R. Serakowski

June 23, 2016

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, 2015, 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 is 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.

Maher Duessel, CPAs, a firm of licensed certified public accountants, has audited the Township's financial statements. Their independent audit provides reasonable assurance that the Township's financial statements for the year ended December 31, 2015 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, 2015 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 19,644 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 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 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 to 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 35 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 103-118.

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 2015, Allegheny County's unemployment rate once again dropped back down to 3.8%. 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 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 (14.8 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 governmental funds 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 Consent Order & Agreement that is currently in place with the Allegheny County Health Department, the Pennsylvania Department of Environmental Protection, and the United States Environmental Protection Agency related to the Township's sanitary sewer system. This issue is impacting the entire region, and is not unique to the Township.

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 2015. 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. The installation of field lighting at Boyce Mayview Park was among the project highlights of 2015. The lighting is the result of many years of planning between the Township and community groups, and allows for greater access to the park's playing fields.

Also in 2015, the Township held the grand opening of "The Clubhouse" playground at the Miracle League Field in Boyce Mayview Park. The playground, which is designed to address accessibility, age, and developmental appropriateness, was wildly popular in its first year and received national attention, including being featured on a Major League Baseball telecast where it was called "America's best playground."

Township residents also saw a change in their refuse collection in 2015 with the introduction of automated recycling. The automated recycling program began with the distribution of large containers to further enable sustainable habits from the Township's residents.

The Township continued funding a dedicated Storm Sewer Fund in 2015 to provide for projects dedicated to improve storm water management systems throughout the Township. The Township began an informational campaign to educate residents on stormwater management issues in 2015, and will continue to consider potential funding mechanisms for stormwater management projects in the future.

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, 2014. This was the twenty-seventh (27th) consecutive year that the Township has received this prestigious award. In order to be awarded a Certificate of Achievement, the Township 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, 2015

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

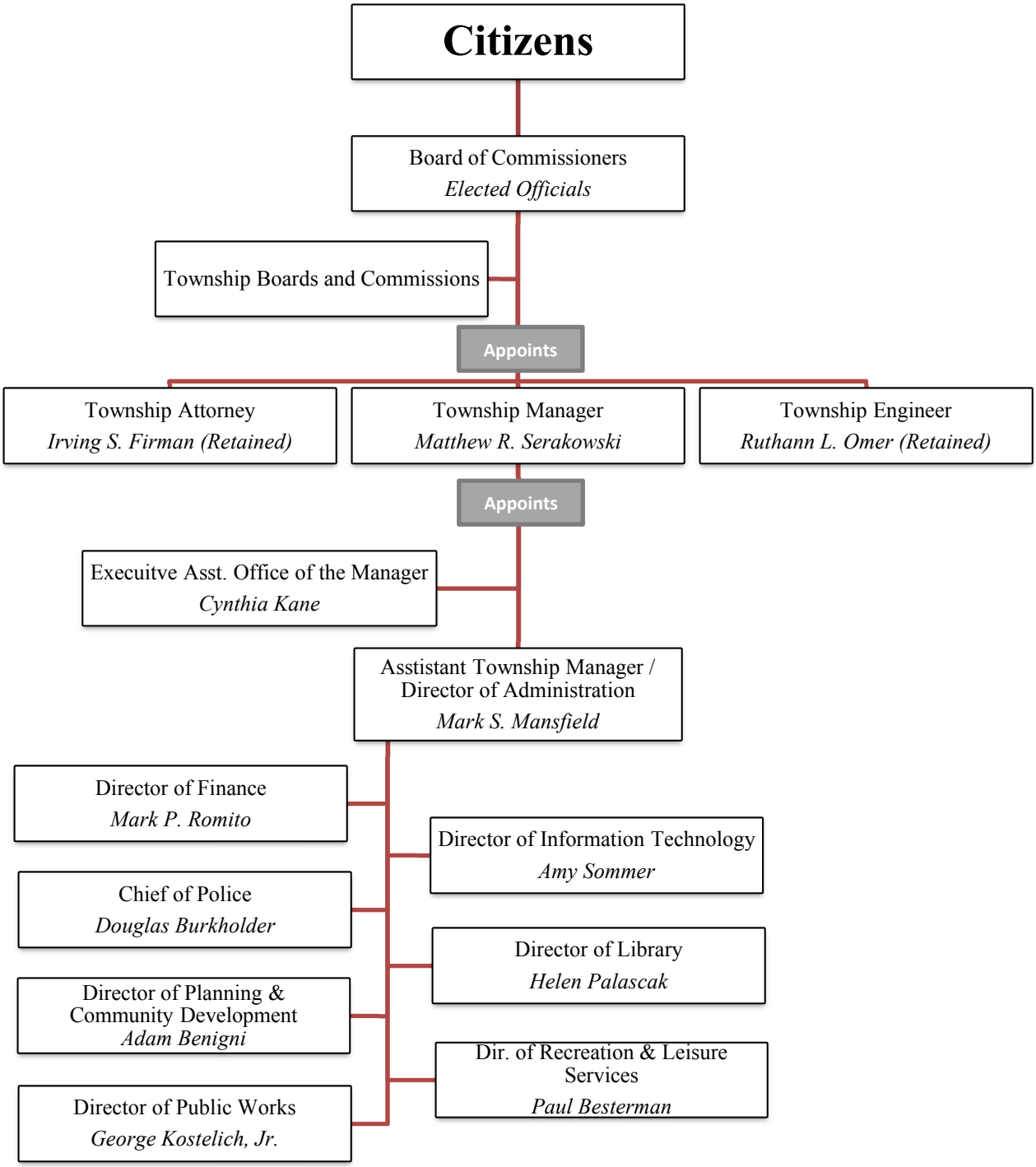
December 31, 2014

Executive Director/CEO

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

ORGANIZATIONAL CHART

YEAR ENDED DECEMBER 31, 2015



FINANCIAL SECTION

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Certified Public Accountants

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Independent Auditor's Report

Board of Commissioners
Township of Upper St. Clair, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township pf Upper St. Clair, Pennsylvania (Township) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2015, and the

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respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, the Township adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *"Accounting and Financial Reporting for Pensions,"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date,"* which requires the Township to record its net pension asset and liability and related items on the government-wide financial statements. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information on pages 16 through 28, 89 through 93, and 94 through 96 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 the Township's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget and actual schedules, capital asset schedules, 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 fund financial statements, budget and actual schedules, and capital asset schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 them.

Maher Duessel

Pittsburgh, Pennsylvania
June 23, 2016

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2015

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, 2015. 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, 2015, the Township's net position was $32,533,456, an increase of $3,481,378 or 12.0% from 2014. The increase was due to numerous positive factors in 2015, including the receipt of several large one-time grants, and a 23.6% increase in Real Estate Transfer Tax revenues.

- The unrestricted net position was $18,480,042 at December 31, 2015, a net increase of $1,382,993 or 8.1% from the prior fiscal year. The governmental activities portion decreased by $141,207 primarily due to the planned use of fund balance in the Field Improvement Fund to support a capital project during the year. The business-type activities portion increased by $1,524,200 due mostly to operating income of $1.1 million in the Sanitary Sewer Fund and $250,000 in the Boyce Mayview Community & Recreation Center Fund.

- At December 31, 2015, the Township had $51,199,204 of general obligation debt outstanding. This represents a net decrease of $1,360,180 or 2.6% from the previous year. The Township made net principal payments on its outstanding bonds and notes in 2015 totaling $1,365,001. The debt outstanding represents a manageable burden of $2,647 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 2015.

- The total fund balance of the Township's General Fund at December 31, 2015 was $3,359,350, an increase of $14,051 from the preceding year. The unassigned fund balance in the General Fund was $3,131,837 at December 31, 2015, which represents 21.9% of the General Fund's current expenditures for fiscal year 2015.

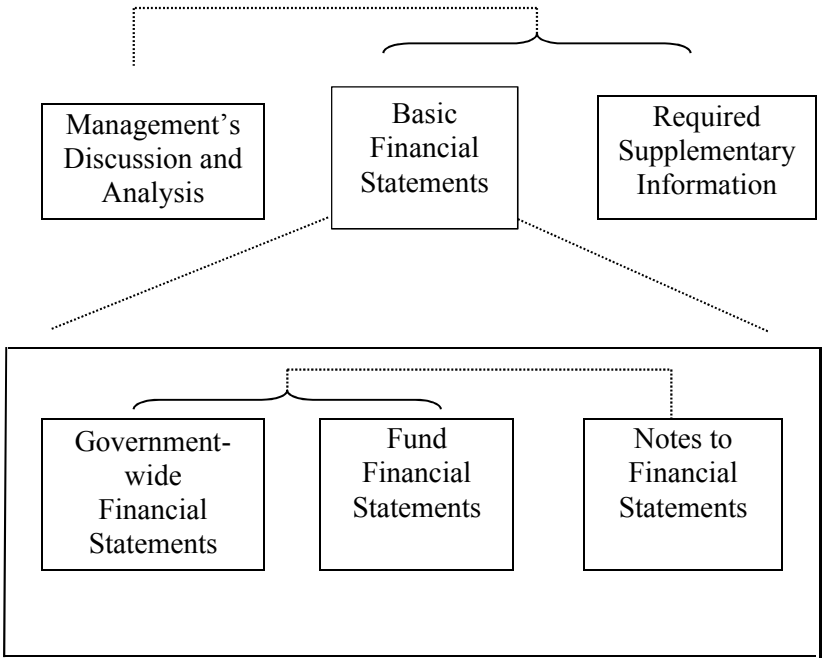
- The Township adopted GASB Statement No. 68 during 2015. As a result of this implementation, the government-wide net position was restated, with an increase of $255,757 to record the Township's net pension asset.

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 the 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:

Figure A
Required Components of the Township of Upper St. Clair's Financial Report



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 2015?" 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.

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 34.

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 36 through 38 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 39 through 40 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 financial statements can be found on pages 41 through 87 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 89 through 96 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 101 through 102.

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 $32,533,456 and $29,052,078 at December 31, 2015 and 2014, respectively. The largest portion of the Township's net position (57%) 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
December 31
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current and other assets	$ 15,612,028	$ 16,078,260	$ 8,321,230	$ 6,761,274	$ 23,933,258	$ 22,839,534
Capital assets	27,979,978	26,951,346	36,250,043	36,818,577	64,230,021	63,769,923
TOTAL ASSETS	43,592,006	43,029,606	44,571,273	43,579,851	88,163,279	86,609,457
DEFERRED OUTFLOWS OF RESOURCES	1,661,931	333,554	1,809,100	1,924,765	3,471,031	2,258,319
LIABILITIES						
Current and other liabilities	1,355,855	2,627,041	1,121,974	1,086,218	2,477,829	3,713,259
Long-term liabilities:						
Due within one year	639,005	1,629,834	820,995	786,211	1,460,000	2,416,045
Due in more than one year	19,774,825	18,482,211	34,473,049	33,457,378	54,247,874	51,939,589
TOTAL LIABILITIES	21,769,685	22,739,086	36,416,018	35,329,807	58,185,703	58,068,893
DEFERRED INFLOWS OF RESOURCES	915,151	333,554	-	1,924,765	915,151	2,258,319
NET POSITION						
Net investment in capital assets	10,553,342	9,062,721	2,765,099	2,574,988	13,318,441	11,637,709
Restricted	734,973	61,563	-	-	734,973	61,563
Unrestricted	11,280,786	11,677,750	7,199,256	5,675,056	18,480,042	17,352,806
TOTAL NET POSITION	$ 22,569,101	$ 20,802,034	$ 9,964,355	$ 8,250,044	$ 32,533,456	$ 29,052,078

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 ($18,480,042) may be used to meet the Township's debt related to capital assets or other ongoing obligations to citizens and creditors.*

After excluding transfers from governmental funds to business-type funds of $1,618,536 and $1,603,459 for 2015 and 2014, respectively, governmental revenues for 2015 totaled $23,350,837, while governmental revenues for 2014 amounted to $21,607,428. This 8.1% increase in governmental revenue from 2014 amounted to $1,743,409, and provided the funds to cover the total governmental expenses of $19,965,234. For 2015, governmental revenues exceeded governmental expenses by $3,385,603 or 17.0% due to increases in real estate transfer tax and general government program revenues as well as cost savings from within general government, public works, and recreation. The business-type funds reported

that revenues exceeded expenses by $95,775 for 2015 due to increased sanitary sewer usage collections. 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, 2015

	2015	2014
Earned income taxes, levied for general purposes	$ 8,210,827	$ 8,286,351
Property taxes, levied for general purposes	7,960,376	7,921,103
Real estate transfer tax	1,322,037	1,069,623
Local services taxes	267,060	274,454

The 2015 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 2014.

Table 3
Years Ended December
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 1,058,072	$ 1,001,469	$ 10,035,867	$ 9,768,735	$ 11,093,939	$ 10,770,204
Operating grants and contributions	2,850,551	2,227,614	-	-	2,850,551	2,227,614
Capital grants and contributions	787,878	-	-	-	787,878	-
General revenues:						
Property taxes	7,960,376	7,921,103	-	-	7,960,376	7,921,103
Earned income taxes	8,210,827	8,286,351	-	-	8,210,827	8,286,351
Local services taxes	267,060	274,454	-	-	267,060	274,454
Real estate transfer taxes	1,322,037	1,069,623	-	-	1,322,037	1,069,623
Franchise fees	465,655	442,645	-	-	465,655	442,645
Investment earnings	13,476	13,013	1,515	2,730	14,991	15,743
Miscellaneous	414,905	371,156	-	-	414,905	371,156
Total revenues	23,350,837	21,607,428	10,037,382	9,771,465	33,388,219	31,378,893
Expenses:						
General government	2,065,730	2,208,573	-	-	2,065,730	2,208,573
Public safety	5,496,330	5,224,826	-	-	5,496,330	5,224,826
Public works	8,825,279	7,522,629	-	-	8,825,279	7,522,629
Community development	600,344	662,534	-	-	600,344	662,534
Recreation and leisure services	1,282,956	1,956,555	-	-	1,282,956	1,956,555
Library services	1,084,582	1,028,723	-	-	1,084,582	1,028,723
Interest on long-term debt	610,013	599,991	-	-	610,013	599,991
Sanitary sewer	-	-	5,181,155	4,965,703	5,181,155	4,965,703
Community and recreation center	-	-	4,597,784	4,527,770	4,597,784	4,527,770
Magazine	-	-	162,668	171,276	162,668	171,276
Total expenses	19,965,234	19,203,831	9,941,607	9,664,749	29,906,841	28,868,580
Change in Net Position Before Transfers	3,385,603	2,403,597	95,775	106,716	3,481,378	2,510,313
Transfers	(1,618,536)	(1,603,459)	1,618,536	1,594,978	-	(8,481)
Change in Net Position	1,767,067	800,138	1,714,311	1,701,694	3,481,378	2,501,832
Net position - beginning, as restated	20,802,034	20,001,896	8,250,044	6,548,350	29,052,078	26,550,246
Net position - ending	$ 22,569,101	$ 20,802,034	$ 9,964,355	$ 8,250,044	$ 32,533,456	$ 29,052,078

By far, the largest change in tax revenue from 2014 to 2015 was real estate transfer tax, which increased by $252,414, or 23.6%. This was due to a combination of increased volume and increased value in real estate transactions during the year. Property tax revenue rose slightly from 2014, increasing $39,273, or 0.5%. Earned income tax and local services tax saw slight decreases of $75,524 (0.9%) and $7,394 (2.7%), respectively.

Within governmental activities, total program revenues increased by $1,467,418 due to several operating and one-time project-specific grants received. General revenues rose $275,990 due mostly to the aforementioned increase in real estate transfer tax. Within business-type activities, charges for services saw an increase of $267,132 resulting from larger sewer user fee revenues. The $1,302,650 increase in public works expenditures is due to related capital projects completed during the year. The sanitary sewer expenditure increase of $215,452 in 2015 is due to increased treatment costs paid to ALCOSAN.

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 – and shows each program's net cost (total cost less revenues generated by the activities). The net cost reflects the remaining financial need supported by local taxes and miscellaneous revenues.

Table 4
Years Ended December 31, 2015
Governmental Activities

	Total Cost of Services	Net Cost of Services
Functions/Programs:		
General government	$ 2,065,730	$ 760,678
Public safety	5,496,330	5,044,379
Public works	8,825,279	7,365,605
Community development	600,344	600,344
Recreation and leisure services	1,282,956	132,449
Library services	1,084,582	755,265
Interest on long-term debt	610,013	610,013
Total expenses	$ 19,965,234	$ 15,268,733
Total required from local taxes and other insurance		$ 15,268,733

The dependence upon local tax revenues for governmental activities is apparent. The Township had expenses for governmental activities of $19.97 million, of which only $4.70 million was supported by program-specific charges, grants, and contributions. As a result, an additional $15.27 million of support had to be covered by local taxes and miscellaneous revenues. In other words, approximately 76 percent of all government activities were supported through taxes and miscellaneous revenues in 2015. The community, as a whole, is the primary support for the Township's services for its citizens.

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 $5.80 million and $.17 million, respectively, and expenses of $5.18 million and $.16 million, respectively, for 2015. The Community & Recreation Center had revenues of $4.11 million and expenses of $4.60 million. The Community & Recreation Center Fund realized operating income in 2015 of $256,976. The membership fees pay for all of the operating costs of the Center, while general tax revenues 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 Balance - Governmental Funds on page 33 is summarized in Table 5.

Table 5
Year Ended December 31, 2015
Summary of Governmental Changes in Fund Balance

	General Fund	Capital Projects Fund Regular	Other Governmental Funds	Total Governmental Funds
Beginning Fund Balance	$ 3,345,299	$ 7,343,619	$ 979,437	$ 11,668,355
Net Change in Fund Balance	14,051	941,197	(286,827)	668,421
Ending Fund Balance	$ 3,359,350	$ 8,284,816	$ 692,610	$ 12,336,776

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 (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 2015 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 $1,066,649. This amount is the net result of increases in real estate taxes, other taxes, licenses and permits, fees and fines, service agreements, and other revenue and grants, while there were decreases experienced in earned income taxes, rents, interest, and recreation. Expenditures were under appropriations by $552,264 due to decreases in costs of all Township departments. With this combination of positive results, the Township Manager authorized an additional transfer from the General Fund to the Capital Projects Fund to finance future capital needs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (See Note 5)

At December 31, 2015, the Township's Governmental Activities had $27,979,978 invested in a broad range of capital assets, including land, infrastructure, site improvements, buildings, equipment, and vehicles. This amount represents a net increase (including additions, deletions and depreciation) of $1,028,632 or 3.8% from last year. The primary reason for the increase in capital assets is the addition of the Boyce Mayview field lighting that was installed in 2015.

The Township's Business-type Activities had $36,250,043 in capital assets, covering construction in progress, infrastructure, buildings, and equipment as of December 31, 2015. The amount includes depreciation totaling $21,273,584, of which $4,213,414 is for the Community & Recreation Center Building. Detail of capital asset activity for 2015 can be found in Note 5 on pages 68 through 70 and in the section entitled, *"Capital Assets Used in the Operation of Governmental Funds,"* found on pages 119 through 123.

Table 6
Governmental and Business-Type Activities
Years Ended December 31
Capital Assets, Net of Depreciation (when applicable)

	Governmental Activities		Business-Type Activities	
	2015	2014	2015	2014
Land	$ 2,325,917	$ 2,325,917	$ -	$ -
Construction in progress	-	-	642,647	-
Infrastructure	14,755,328	15,252,235	13,263,887	13,875,522
Buildings	6,326,696	6,028,115	21,715,290	22,363,506
Improvements other than buildings	1,851,592	605,796	-	-
Equipment	2,686,992	2,699,177	628,219	577,870
Library assets	33,453	40,106	-	-
	$ 27,979,978	$ 26,951,346	$ 36,250,043	$ 36,816,898

Debt Administration

The Township had total outstanding bond and note principal of $51.20 million and $52.12 million as of December 31, 2015 and 2014, respectively. The Township made principal payments on its outstanding bonds and notes in 2015, including refunding the Series of 2009 bonds, totaling $2,966,062 for governmental activity debt and $1,944,118 for business-type activity debt. The debt incurred to refund the Series of 2009 bonds in 2015 was $2,390,000 for governmental activity and $1,160,000 for business-type activity. More detailed information about our long-term liabilities is included in Notes 6 and 7 to the financial statements on pages 71 through 77.

Table 7
Years Ended December 31
General Obligation Bonds and Notes

	Governmental Activities		Business-Type Activities	
	2015	2014	2015	2014
Series of 2008 - Bonds	$ 4,169,569	$ 4,151,924	$ 24,060,428	$ 24,601,639
Series of 2009 - Bonds	-	2,720,321	-	1,360,164
Series of 2011 - Bonds	5,210,000	5,158,206	4,705,000	4,516,055
Series of 2012 - Bonds	5,910,000	5,858,174	4,005,000	3,755,729
G.O. Note - 2015	2,390,000	-	1,160,000	-
	$ 17,679,569	$ 17,888,625	$ 33,930,428	$ 34,233,587

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The revenue budget for 2016 is $4.63 million higher than the final budget for 2015. This represents a 13.2% increase in budgeted revenues. This increase in revenues is mainly due to continued increases tax revenues, sewer user fees, and the planned use of fund reserves for various capital projects. The budgeted expenditures increase is mainly attributable to increases in the capital costs associated with building improvements, parks enhancements, and equipment replacement. The Township Commissioners adopted a General Fund budget that had a minimal 0.7 % increase in operating expenditures from the prior year. Personal and contractual service expenditures in the 2016 General Fund are budgeted to increase 1.1%, while commodities and other items are budgeted to decrease by 2.5%. The comparison of budgeted revenue and expenditure categories is listed in Table 8.

Table 8
Years Ended December 31
Budgeted Revenues and Expenditures (Original and Final Budget)

	2016	2015
Revenues:		
Local	$ 32,064,354	$ 30,519,688
State	1,149,066	1,120,241
Fund reserve	6,396,301	3,340,715
Total	$ 39,609,721	$ 34,980,644
Expenses:		
General government	$ 3,363,028	$ 3,421,711
Public safety	6,050,770	5,150,915
Public works	16,204,148	14,796,873
Community development	643,217	675,162
Recreation and leisure services	9,315,510	6,914,525
Library services	1,198,043	1,151,297
Debt service/fund transfers/reserve	2,835,005	2,870,161
Total	$ 39,609,721	$ 34,980,644

The Township continues to commit itself to excellence in the delivery of essential governmental services and quality financial reporting for its taxpayers and residents.

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.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

STATEMENT OF NET POSITION

DECEMBER 31, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 11,256,885	$ 7,585,095	$ 18,841,980
Tax receivables, net	2,985,695	-	2,985,695
Other receivables, net	329,788	680,754	1,010,542
Internal balances	(55,381)	55,381	-
Due from other governmental agencies	200,475	-	200,475
Prepaid assets	227,513	-	227,513
Net pension asset	667,053	-	667,053
Capital assets, not being depreciated	2,325,917	642,647	2,968,564
Capital assets, net of accumulated depreciation	10,898,733	22,343,509	33,242,242
Infrastructure assets, net of accumulated depreciation	14,755,328	13,263,887	28,019,215
Total Assets	43,592,006	44,571,273	88,163,279
Deferred Outflows of Resources			
Accumulated decrease in fair value of hedging derivatives	259,546	1,497,705	1,757,251
Deferred charges on bond refundings	-	311,395	311,395
Pension related	1,402,385	-	1,402,385
Total Deferred Outflows of Resources	1,661,931	1,809,100	3,471,031
Liabilities			
Accounts payable	517,055	852,040	1,369,095
Accrued interest	38,773	39,110	77,883
Accrued wages payable	127,158	-	127,158
Unearned revenue	-	230,824	230,824
Refundable deposits	672,869	-	672,869
Noncurrent liabilities:			
Bonds payable due in one year	639,005	820,995	1,460,000
Net other postemployment benefits due in more than one year	1,882,639	-	1,882,639
Net pension liability	868,780	-	868,780
Fair value of hedging derivatives	259,546	1,497,705	1,757,251
Bonds payable due in more than one year	16,763,860	32,975,344	49,739,204
Total noncurrent liabilities	20,413,830	35,294,044	55,707,874
Total Liabilities	21,769,685	36,416,018	58,185,703
Deferred Inflows of Resources			
Deferred gain on bond refundings	23,771	-	23,771
Pension related	891,380	-	891,380
Total Deferred Inflows of Resources	915,151	-	915,151
Net Position			
Net investment in capital assets	10,553,342	2,765,099	13,318,441
Restricted	734,973	-	734,973
Unrestricted	11,280,786	7,199,256	18,480,042
Total Net Position	$ 22,569,101	$ 9,964,355	$ 32,533,456

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

		Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 2,065,730	$ 320,275	$ 771,770	$ 213,007	$ (760,678)	$ -	$ (760,678)
Public safety	5,496,330	55,795	396,156	-	(5,044,379)	-	(5,044,379)
Public works	8,825,279	244,567	640,236	574,871	(7,365,605)	-	(7,365,605)
Community development	600,344	-	-	-	(600,344)	-	(600,344)
Recreation and leisure services	1,282,956	397,507	753,000	-	(132,449)	-	(132,449)
Library services	1,084,582	39,928	289,389	-	(755,265)	-	(755,265)
Interest on long-term debt	610,013	-	-	-	(610,013)	-	(610,013)
Total governmental activities	19,965,234	1,058,072	2,850,551	787,878	(15,268,733)	-	(15,268,733)
Business-type activities:							
Sanitary sewer	5,181,155	5,758,183	-	-	-	577,028	577,028
Community & recreation center	4,597,784	4,108,877	-	-	-	(488,907)	(488,907)
Magazine	162,668	168,807	-	-	-	6,139	6,139
Total business-type activities	9,941,607	10,035,867	-	-	-	94,260	94,260
Total primary government	$ 29,906,841	$ 11,093,939	$ 2,850,551	$ 787,878	(15,268,733)	94,260	(15,174,473)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					7,960,376	-	7,960,376
Earned income taxes, levied for general purposes					8,210,827	-	8,210,827
Local services tax					267,060	-	267,060
Real estate transfer taxes					1,322,037	-	1,322,037
Franchise fees (5% of gross cable receipts)					465,655	-	465,655
Unrestricted investment earnings					13,476	1,515	14,991
Miscellaneous					414,905	-	414,905
Transfers					(1,618,536)	1,618,536	-
Total general revenues and transfers					17,035,800	1,620,051	18,655,851
Change in Net Position					1,767,067	1,714,311	3,481,378
Net position - beginning, as restated					20,802,034	8,250,044	29,052,078
Net position - ending					$ 22,569,101	$ 9,964,355	$ 32,533,456

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2015

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 4,122,124	$ 6,301,382	$ 833,379	$ 11,256,885
Real estate taxes receivable	457,271	-	-	457,271
Earned income taxes receivable	2,528,424	-	-	2,528,424
Due from other funds	457,344	2,082,889	8,062	2,548,295
Due from other governmental agencies	200,475	-	-	200,475
Other receivables	298,483	-	31,305	329,788
Prepaid assets	227,513	-	-	227,513
Total Assets	$ 8,291,634	$ 8,384,271	$ 872,746	$ 17,548,651
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	$ 346,836	$ 93,455	$ 76,764	$ 517,055
Due to other funds	2,500,304	-	103,372	2,603,676
Accrued wages payable	127,158	-	-	127,158
Refundable deposits	666,869	6,000	-	672,869
Total Liabilities	3,641,167	99,455	180,136	3,920,758
Deferred Inflows of Resources:				
Unavailable revenue - taxes	1,291,117	-	-	1,291,117
Fund Balance:				
Nonspendable	227,513	-	-	227,513
Restricted:				
Restricted for state liquid fuels expenses	-	-	1,332	1,332
Restricted for Boyce Mayview Park grant expenses	-	-	5,493	5,493
Restricted for library expenses and services	-	-	61,095	61,095
Committed	-	-	624,690	624,690
Assigned	-	8,284,816	-	8,284,816
Unassigned	3,131,837	-	-	3,131,837
Total Fund Balance	3,359,350	8,284,816	692,610	12,336,776
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 8,291,634	$ 8,384,271	$ 872,746	$ 17,548,651

The notes to 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, 2015

Total Fund Balance - Governmental Funds		$ 12,336,776
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.		27,979,978
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 unavailable in the funds.		1,291,117
The net pension asset is not a current financial resource and, therefore, is not reported in the fund financial statements.		667,053
Deferred outflows/inflows of resources for pension are recorded and amortized in the statement of net position. Additionally, deferred outflows/inflows of resources for pension are not recorded on the fund financial statements.		511,005
Long-term liabilities, including bonds payable, are not due and payable in the current period 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	$ (17,402,865)	
Net other postemployment benefit obligation	(1,882,639)	
Net pension liability	(868,780)	
Deferred gain on bond refundings	(23,771)	
Accrued interest payable	(38,773)	(20,216,828)
Total Net Position - Governmental Activities		$ 22,569,101

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2015

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Real estate taxes	$ 7,993,594	$ -	$ -	$ 7,993,594
Earned income taxes	8,382,576	-	-	8,382,576
Other taxes	1,589,097	-	-	1,589,097
Licenses and permits	238,681	-	1,200	239,881
Fees and fines	536,177	-	-	536,177
Rents	63,024	-	-	63,024
Interest	894	12,357	225	13,476
Service agreements	256,624	-	-	256,624
Other revenue and grants	1,798,937	801,161	1,494,475	4,094,573
Recreation fees	355,477	-	31,305	386,782
Total revenues	21,215,081	813,518	1,527,205	23,555,804
Expenditures:				
Current:				
General government	1,777,316	185,905	1,100	1,964,321
Community development	570,272	25,340	-	595,612
Public safety	4,870,783	46,189	-	4,916,972
Public works	5,772,154	1,129,502	1,169,735	8,071,391
Recreation and leisure services	476,366	133,713	1,771,720	2,381,799
Library services	848,249	7,725	220,190	1,076,164
Total current	14,315,140	1,528,374	3,162,745	19,006,259
Capital outlay:				
General government	-	591,604	-	591,604
Public safety	-	128,504	-	128,504
Public works	-	391,963	-	391,963
Recreation and leisure services	-	66,239	-	66,239
Total capital outlay	-	1,178,310	-	1,178,310
Debt service:				
Principal retirement	-	-	578,790	578,790
Interest	-	-	505,488	505,488
Total debt service	-	-	1,084,278	1,084,278
Total expenditures	14,315,140	2,706,684	4,247,023	21,268,847
Excess (Deficiency) of Revenues over Expenditures	6,899,941	(1,893,166)	(2,719,818)	2,286,957
Other Financing Sources (Uses):				
Interfund transfers in	-	3,164,363	2,432,991	5,597,354
Interfund transfers out	(6,885,890)	(330,000)	-	(7,215,890)
Proceeds from issuance of refunding note	-	-	2,390,000	2,390,000
Payments to refunded bonds escrow agent	-	-	(2,390,000)	(2,390,000)
Total other financing sources (uses)	(6,885,890)	2,834,363	2,432,991	(1,618,536)
Net Change in Fund Balance	14,051	941,197	(286,827)	668,421
Fund balance - beginning	3,345,299	7,343,619	979,437	11,668,355
Fund balance - ending	$ 3,359,350	$ 8,284,816	$ 692,610	$ 12,336,776

The notes to 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 BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

Net Change in Fund Balance - Governmental Funds		$ 668,421
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	$ 2,353,629	
Less: depreciation expense	(1,324,997)	1,028,632
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. Unavailable revenues decreased by this amount during the year.		(204,967)
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.		(252,805)
Changes in the net pension asset (liability) and related deferred inflows and outflows of resources do not affect current financial resources and, therefore, are not reflected on the fund statements.		53,521
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.		578,790
The governmental fund financial statements report the effect of bond premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.		(116,801)
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.		12,276
Change in Net Position - Governmental Activities		$ 1,767,067

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED DECEMBER 31, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
Revenues:				
Real estate taxes	$ 7,805,500	$ 7,805,500	$ 7,993,594	$ 188,094
Earned income taxes	8,414,000	8,414,000	8,382,576	(31,424)
Other taxes	1,155,000	1,155,000	1,589,097	434,097
Licenses and permits	158,025	158,025	238,681	80,656
Fees and fines	525,450	525,450	536,177	10,727
Rents	82,400	82,400	63,024	(19,376)
Interest	3,500	3,500	894	(2,606)
Service agreements	216,100	216,100	256,624	40,524
Other revenue and grants	1,415,457	1,415,457	1,798,937	383,480
Recreation fees	373,000	373,000	355,477	(17,523)
Total revenues	20,148,432	20,148,432	21,215,081	1,066,649
Expenditures:				
General government	1,927,967	1,927,967	1,777,316	150,651
Community development	606,662	606,662	570,272	36,390
Public safety	4,957,715	4,957,715	4,870,783	86,932
Public works	5,881,099	5,881,099	5,772,154	108,945
Recreation and leisure services	589,402	589,402	476,366	113,036
Library services	904,559	904,559	848,249	56,310
Total expenditures	14,867,404	14,867,404	14,315,140	552,264
Excess (Deficiency) of Revenues over Expenditures	5,281,028	5,281,028	6,899,941	1,618,913
Other Financing Sources (Uses):				
Interfund transfers out	(5,281,028)	(5,281,028)	(6,885,890)	(1,604,862)
Net Change in Fund Balance	$ -	$ -	$ 14,051	$ 14,051

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

DECEMBER 31, 2015

	Business-type Activities - Enterprise Funds			
	Sanitary Sewer Fund	Boyce/Mayview Community Recreation Center Fund	Other Business-type Activities: Township/School District Magazine Fund	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 2,800,269	$ 4,784,826	$ -	$ 7,585,095
Accounts receivable	421,894	243,037	15,823	680,754
Due from other funds	-	250,167	159,186	409,353
Total current assets	3,222,163	5,278,030	175,009	8,675,202
Capital assets:				
Construction in progress	642,647	-	-	642,647
Sewer lines, net of accumulated depreciation	13,263,887	-	-	13,263,887
Buildings and improvements, net of accumulated depreciation	-	21,715,290	-	21,715,290
Machinery and equipment, net of accumulated depreciation	73,353	551,388	3,478	628,219
Total capital assets	13,979,887	22,266,678	3,478	36,250,043
Total Assets	17,202,050	27,544,708	178,487	44,925,245
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	295,921	1,201,784	-	1,497,705
Deferred charge on bond refundings	311,395	-	-	311,395
Total Deferred Outflows of Resources	607,316	1,201,784	-	1,809,100
Liabilities				
Current liabilities:				
Accounts payable	832,882	19,002	156	852,040
Unearned revenues	-	230,824	-	230,824
Accrued interest	39,110	-	-	39,110
Due to other funds	17,699	336,273	-	353,972
Current portion - bonds payable	376,460	444,535	-	820,995
Total current liabilities	1,266,151	1,030,634	156	2,296,941
Noncurrent liabilities:				
Fair value of hedging derivatives	295,921	1,201,784	-	1,497,705
Bonds payable	14,113,382	18,861,962	-	32,975,344
Total noncurrent liabilities	14,113,382	18,861,962	-	32,975,344
Total Liabilities	15,675,454	21,094,380	156	36,769,990
Net Position				
Net investment in capital assets	(198,560)	2,960,181	3,478	2,765,099
Unrestricted	2,332,472	4,691,931	174,853	7,199,256
Total Net Position	$ 2,133,912	$ 7,652,112	$ 178,331	$ 9,964,355

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2015

	Business-type Activities - Enterprise Funds			
	Sanitary Sewer Fund	Boyce/Mayview Community Recreation Center Fund	Other Business-type Activities: Township/School District Magazine Fund	Total Enterprise Funds
Operating Revenues:				
Charges for services	$ 5,758,183	$ 4,108,877	$ 168,807	$ 10,035,867
Operating Expenses:				
Sewage treatment charges	2,942,687	-	-	2,942,687
Personnel services	264,707	1,931,429	53,138	2,249,274
Contractual services	801,969	963,777	106,826	1,872,572
Materials and supplies	32,072	213,805	1,789	247,666
Depreciation	623,939	742,890	915	1,367,744
Total operating expenses	4,665,374	3,851,901	162,668	8,679,943
Operating Income (Loss)	1,092,809	256,976	6,139	1,355,924
Nonoperating Revenues (Expenses):				
Interest income	628	887	-	1,515
Interest expense	(515,781)	(745,883)	-	(1,261,664)
Total nonoperating revenues (expenses)	(515,153)	(744,996)	-	(1,260,149)
Change in Net Position Before Interfund Transfers	577,656	(488,020)	6,139	95,775
Transfers:				
Interfund transfers in	-	1,618,536	-	1,618,536
Change in Net Position	577,656	1,130,516	6,139	1,714,311
Net position - beginning	1,556,256	6,521,596	172,192	8,250,044
Net position - ending	$ 2,133,912	$ 7,652,112	$ 178,331	$ 9,964,355

The notes to 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, 2015

	Business-type Activities - Enterprise Funds			
	Sanitary Sewer Fund	Boyce/Mayview Community Recreation Center Fund	Other Business-type Activities: Township/School District Magazine Fund	Total Enterprise Funds
Cash Flows From Operating Activities:				
Receipts from customers and users	$ 6,002,698	$ 4,088,953	$ 169,086	$ 10,260,737
Payment for treatment charges	(2,862,206)	-	-	(2,862,206)
Payments to employees	(264,707)	(1,931,429)	(53,138)	(2,249,274)
Payments for services	(801,969)	(999,314)	(107,670)	(1,908,953)
Payments to suppliers	(32,072)	(213,805)	(1,789)	(247,666)
Net cash provided by (used in) operating activities	2,041,744	944,405	6,489	2,992,638
Cash Flows From Noncapital Financing Activities:				
Interfund receipts (payments)	(2,180,891)	175,808	(6,489)	(2,011,572)
Cash Flows From Capital and Related Financing Activities:				
Purchases of capital assets	(642,647)	(156,563)	-	(799,210)
Principal paid on capital debt	(361,934)	(434,277)	-	(796,211)
Proceeds from issuance of debt	1,160,000	-	-	1,160,000
Payments to bond escrow	(1,160,000)	-	-	(1,160,000)
Interest paid on capital debt, including capitalized interest	(478,473)	(745,883)	-	(1,224,356)
Net cash provided by (used in) capital and related financing activities	(1,483,054)	(1,336,723)	-	(2,819,777)
Cash Flows From Investing Activities:				
Investment income	628	887	-	1,515
Net Increase (Decrease) in Cash and Cash Equivalents	(1,621,573)	(215,623)	-	(1,837,196)
Cash and Cash Equivalents:				
Beginning of year	4,421,842	5,000,449	-	9,422,291
End of Year	$ 2,800,269	$ 4,784,826	$ -	$ 7,585,095
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	$ 1,092,809	$ 256,976	$ 6,139	$ 1,355,924
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	623,939	742,890	915	1,367,744
Changes in assets and liabilities				
Accounts receivable	244,515	(10,838)	279	233,956
Prepaid items	-	-	(1,000)	(1,000)
Accounts payable	80,481	(35,537)	156	45,100
Unearned revenues	-	(9,086)	-	(9,086)
Total adjustments	948,935	687,429	350	1,636,714
Net cash provided by (used in) operating activities	$ 2,041,744	$ 944,405	$ 6,489	$ 2,992,638

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

COMBINED STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

DECEMBER 31, 2015

Assets	
Cash and cash equivalents	$ 1,751,026
Investments (at fair value):	
Exchange traded funds	4,988,051
Mutual funds	14,283,169
Stocks	6,516,523
Accrued income receivable	18,779
Total Assets	27,557,548
Liabilities	
Accounts payable	675
Net Position	
Net position restricted for pension benefits	$ 27,556,873

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2015

Additions:		
Contributions:		
Member contributions/rollovers	$	131,864
Township contributions		259,553
State aid		587,591
Total contributions		979,008
Investment income (loss):		
Net depreciation in fair value of investments		(9,173)
Less: investment expenses		(138,568)
Net investment income (loss)		(147,741)
Total additions		831,267
Deductions:		
Benefits		800,251
Withdrawal credits		63,800
Administrative expenses		19,215
Total deductions		883,266
Increase (Decrease) in Plan Net Position		(51,999)
Net Position:		
Beginning of year		27,608,872
End of year	$	27,556,873

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Upper St. Clair, Pennsylvania (Township) was founded in 1788 and operates as a Home Rule Township under a Charter adopted January 5, 1976. The Township, which operates under a Manager and a seven-member governing Board of Commissioners (Board), is a suburb of Pittsburgh with approximately 19,000 residents and an area of ten square miles.

The financial statements of the Township have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these principles are as follows:

A. Reporting Entity

The accompanying financial statements present the Township (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended Component Unit

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 facilities to the Township and the Township pays lease rentals to MATUSC for repayment of the Authority's debt, if any. As of December 31, 2015, there is no active lease arrangement between MATUSC and 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 any MATUSC debt. MATUSC operations are included with non-major Special Revenue Fund types. MATUSC 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, 2015. Complete financial statements for TCS can be obtained from the Administrative Offices of TCS at 5490 Progress Boulevard, Bethel Park, PA 15102.

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 primary government. For the most part, the effect of inter-fund activity has been removed from these statements. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers 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, pension and other post-employment benefits, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The fund financial statements provide information about the Township's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

The *General Fund* is the primary 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* 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 enterprise 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.

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.

D. Budgets and Budgetary Accounting

An operating budget is legally adopted each year for the General Fund, Capital Projects Fund, State Liquid Fuels Fund, Storm Sewer Improvement Fund, Field Improvement Fund, Regional Asset District Library Fund, Regional Asset District Boyce Mayview Fund, Debt Service Funds for the General Obligation Bonds/Notes of 2008, 2009, 2011, 2012 and 2015, the Sanitary Sewer Fund, the Boyce Mayview Community & Recreation Center Fund, and the Township/School District Magazine Fund on a basis consistent with GAAP. No budgets were legally adopted for the Pension Trust Funds, the Library Endowment Fund, or MATUSC.

Adoption of the budget by the Board 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. 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, the Library Endowment Fund, and MATUSC are limited to the level of available revenues.

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

E. Interfund Receivables, Payables and Transfers

During the course of operations, the Township has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Interfund receivables, payables, and transfers for the year ended December 31, 2015 are summarized below:

Fund	Due From	Due To	Transfers In	Transfers Out
Major Funds:				
General Fund	$ 457,344	$ 2,500,304	$ -	$ 6,885,890
Capital Projects Fund	2,082,889	-	3,164,363	330,000
Sanitary Sewer Fund	-	17,699	-	-
Boyce Mayview C&RC Fund	250,167	336,273	1,618,536	-
Other Enterprise Funds	159,186	-	-	-
Other Governmental Funds	8,062	103,372	2,432,991	-
Total	$ 2,957,648	$ 2,957,648	$ 7,215,890	$ 7,215,890

Outstanding interfund balances at year-end include a $2,082,889 interfund balance between the General Fund and the Capital Projects Fund, primarily representing funds assigned to the Capital Projects Fund via a 2015 transfer from the General Fund.

Transfers are made from the General Fund 1) to the Capital Projects Fund to fund various capital projects, 2) to the Boyce Mayview C&RC Fund for debt service as well as common area operations, 3) to the Other Governmental Funds for current principal and interest payments and operating and maintenance expenses associated with Boyce Mayview Park.

F. Deposits and Investments

Governmental and Proprietary Funds

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, 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.

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) or the Pennsylvania School

District Liquid Asset Fund (PSDLAF). 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.

Deposits

The following is a description of the Township's deposit risks:

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, 2015, $13,620,403 of the Township's bank balance of $14,355,500 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 $14,111,831 as of December 31, 2015.

Investments

As of December 31, 2015, the Township's investments consisted of the following:

	Bank Balance	Book Balance
Investments:		
PLGIT	$ 4,551,972	$ 4,549,822
PSDLAF	77,914	77,914
Money market	102,413	102,413
Total investments	$ 4,732,299	$ 4,730,149

At December 31, 2015, the total of PLGIT, PSDLAF, and money markets are considered to be a cash equivalent for presentation on the statement of net position and governmental funds balance sheet.

The Township's cash equivalent investments in PLGIT, PSDLAF, and money market funds are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. PLGIT and PSDLAF were established as common law trusts organized under laws of the Commonwealth of Pennsylvania. Shares

of the funds are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools, and municipalities. The purpose of these funds is to enable such governmental units to pool available funds for investment. All investment in an external investment pool that is not SEC-registered is subject to oversight by the Commonwealth of Pennsylvania.

The following is a description of the Township'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, PSDLAF, 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, 2015, the Township's investments in PLGIT, PSDLAF, and money markets were rated AAA by Standard & Poor's.

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. In addition to the investments authorized for governmental funds, pension trust fund investments may also be made in corporate stocks and bonds, real estate and other investments consistent with sound business practice. Assets in the pension trust funds are stated at fair value.

As of December 31, 2015, the Township had the following cash and investments in its pension trust funds:

Investment Type	Fair Value
Money market funds	$ 1,751,026
Exchange traded funds:	
Fixed income	2,279,318
Equities	2,708,733
Mutual funds:	
Fixed income	5,663,937
Balanced/asset allocation	1,842,121
Equities	6,777,111
Stocks	6,516,523
Total Pension Trust Fund investments	$ 27,538,769

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 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 their exposure to fair value losses arising from increasing interest rates, other than a 45 percent limit on fixed income securities.

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 investment choices based on credit ratings by nationally recognized statistical rating organizations. At December 31, 2015, none of the Pension Trust Fund investments were rated by Nationally Recognized Statistical Rating Organizations.

Concentration of Credit Risk. The risk of loss attributed to the magnitude of an investment in a single issuer. The Pension Trust Funds place a 10% limit on the amount that may be invested in any one issuer. At December 31, 2015, the Pension Trust Funds did not have any investments that represented 5% or more of total investments (excluding investments in the U.S. Government and U.S. Government guaranteed obligations, mutual funds, or other pooled investments).

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 changes could materially affect the amount reported on the statement of fiduciary net position.

G. Allowance for Uncollectible Accounts

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

H. Prepaid Items

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. 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.

J. 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 value at the date of donation.

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:

Assets	Years
Buildings and improvements	40
Public domain infrastructure	40-50
Vehicles	3-15
Equipment	5-10
Sewer Lines	40-50
Library assets	5

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has the following items that qualify for reporting in this category:

The accumulated decrease in fair value of hedging derivatives related to 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 10 entitled “Derivative Financial Instruments - Interest Rate Swap.”

In conjunction with pension accounting requirements, the net difference between projected and actual earnings on pension plan investments is recorded as a deferred outflow of resources related to pensions on the government-wide

financial statements. This amount is determined based on actuarial valuations performed for the plans. Note 3 presents additional information about the pension plans.

In addition to liabilities, the statement of net position and the governmental funds balance sheet 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 the following items that qualify for reporting in this category:

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.

In conjunction with pension accounting requirements, the difference between expected and actual experience is recorded as a deferred inflow of resources related to pensions on the government-wide financial statements. This amount is determined based on the actuarial valuations performed for the pension plans.

Additionally, in accordance with applicable guidance, the excess or shortage of the reacquisition price over the net carrying amount of refunded debt is recorded as a deferred outflow or inflow of resources, respectively, on the statement of net position and amortized as a component of interest expense over the shorter of the term of the refunding issue or refunded bonds.

L. 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 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.

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.

M. 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.

N. 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.

O. 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 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 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, 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.

P. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in categories based on level of constraint placed on the funds. The levels are as follows:

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, 2015.

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 reports fund balance restricted for State Liquid Fuels expenses, Boyce Mayview Park grant expenses, and library expenses and services as of December 31, 2015.

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. The Township has committed fund balances in its Storm Sewer Improvement Fund ($32,638), the Field Improvement Fund ($152,742) and the MATUSC Special Revenue Fund ($439,310) as of December 31, 2015.

Assigned – consists of amounts that are constrained by the Township's intent to be used for specific purposes. The Township has assigned the Capital Projects Fund Balance of $8,284,816 as of December 31, 2015.

Unassigned – represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Q. 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 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, reduced by liabilities related to those assets. The Township's restricted net position at December 31, 2015 consists of $1,332 restricted for State Liquid Fuels expenses, $5,493 restricted for Boyce Mayview Park grant expenses, $61,095 restricted for library expenses and services, and $667,053 restricted for pension benefits.

- *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, 2015, the C&RC Fund had an unrestricted net position of $4,691,931. 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, 2015:

Year Ended December 31,	Operating Revenue and Transfers In	Operating Expenses	Add Back: Building Depreciation	Net Equipment Purchases	Net Position for Capital Budgeting
2007	$ 400,000	$ -	$ -	$ -	$ 400,000
2008	500,000	(65,623)	-	-	834,377
2009	134,752	(2,184,346)	324,109	(16,807)	(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
2015	5,727,413	(3,851,901)	648,218	(61,891)	6,602,263

Net equipment purchases: Equipment depreciation less current year equipment purchases

R. 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.

S. Adoption of Accounting Pronouncements

The requirements of the following GASB Statements were adopted for the Township's 2015 financial statements:

GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions,"* and Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date*." These Statements establish new financial reporting requirements for most governments that provide their employees with pension benefits (see Note 3). As a result of this implementation, the government-wide net position as of January 1, 2015 was restated with an increase of $255,757 to record the Township's net pension asset.

GASB Statement No. 69, *"Government Combinations and Disposals of Government Operations."* This Statement provides new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. The Township has no mergers, acquisitions or operations that have been transferred or sold to report.

T. Pending Pronouncements

GASB has issued the following Statements, which 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. 72, *"Fair Value Measurement and Application,"* effective for fiscal years beginning after June 15, 2015 (the Township's financial statements for the year ending December 31, 2016). This Statement addresses accounting and financial reporting issues related to fair value measurements.

GASB Statement No. 73, *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,"* effective for fiscal years beginning after June 15, 2015 (the Township's financial statements for the year ending December 31, 2016) – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for financial statements for fiscal years beginning after June 15, 2016 (the Township's financial statements for the year ending December 31, 2017). This Statement establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (those not covered by Statements No. 67 and 68).

GASB Statement No. 74, *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,"* effective for fiscal years beginning after June 15, 2016 (the Township's financial statements for the year ending December 31, 2017). This Statement addresses reporting by OPEB plans that administer benefits on behalf of governments. This Statement replaces Statement No. 43.

GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,"* effective for fiscal years beginning after June 15, 2017 (the Township's financial statements for the year ending December 31, 2018). This Statement addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This Statement replaces the requirements of Statement No. 45.

GASB Statement No. 76, *"Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,"* effective for fiscal years beginning after June 15, 2015 (the Township's financial statements for the year ending December 31, 2016). This Statement identifies the hierarchy of generally accepted accounting principles (GAAP), reduces this hierarchy to two categories of authoritative GAAP, and

addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55.

GASB Statement No. 77, *"Tax Abatement Disclosures,"* effective for fiscal years beginning after December 15, 2015 (the Township's financial statements for the year ending December 31, 2016). This Statement requires state and local governments for the first time to disclose information about tax abatement agreements, and is designed to provide financial statement users with essential information about these agreements and the impact that they have on a government's finances.

GASB Statement No. 78, *"Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans,"* effective for fiscal years beginning after December 31, 2015 (the Township's financial statements for the year ending December 31, 2016). This Statement addresses a practice issue regarding the scope and applicability of Statement No. 68, *"Accounting and Financial Reporting for Pensions."* The issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local government employers whose employees are provided with such pensions.

GASB Statement No. 79, *"Certain External Investment Pools and Pool Participants,"* effective for fiscal years beginning after June 15, 2015 (the Township's financial statements for the year ending December 31, 2016). This Statement addresses accounting and reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for the election to measure all of its investments at amortized cost for financial reporting purposes.

GASB Statement No. 80, *"Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14,"* effective for fiscal years beginning after June 15, 2016 (the Township's financial statements for the year ending December 31, 2017). The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units.

GASB Statement No. 81, *"Irrevocable Split-Interest Agreement,"* effective for fiscal years beginning after December 31, 2016 (the Township's financial statements for the year ending December 31, 2017). The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82, *"Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73,"* effective for fiscal years beginning after June 15, 2016 (the Township's financial statements for the year ending December 31, 2017). The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *"Financial Reporting for Pension Plans,"* No. 68, *"Accounting and Financial Reporting for Pensions,"* and No. 73, *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68."*

2. PROPERTY TAXES

The Township bills and collects its own property taxes based on assessed valuations provided by the County of Allegheny. Property tax revenues are recognized when levied to the extent that they result in current receivables. The schedule for property taxes levied for 2015 at 3.83 mills ($.383 per $100 assessed valuation) is as follows:

May 1	Tax date
May 1 - June 30	2% discount period
July 1 - August 31	Face amount period
September 1 – December 31	10% penalty period
January 1, 2016	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 1C and 1F.

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. The pension plan was last amended and restated effective January 1, 2014. The plan covers all full-time police officers. The plan is governed by the Township's Board, which has delegated the authority to manage certain plan assets to PNC Institutional Asset Management. 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, 2015.

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. The pension plan was last amended and restated effective January 1, 2014. The plan covers all full-time public works employees. The plan is governed by the Township's Board, which has delegated the authority to manage certain plan assets to Voya Financial Advisors, Inc. 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, 2015.

The activity of the Plans is reported as the Pension Trust Funds in the accompanying financial statements. The Plans do not issue stand-alone financial reports. Individual plan financial statements are included in Note 13 of this report.

At December 31, 2015, participants in the Plans were as follows:

	Police Pension Plan	Public Works Employees' Pension Plan
Inactive plan members or beneficiaries currently receiving benefits	13	19
Inactive plan members entitled to but not yet receiving benefits	5	4
Active plan members	22	27
	40	50

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 monthly 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 DROP termination, the participant receives the lump sum value of the DROP account. At December 31, 2015, there were four employees participating in the DROP.

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, plus $72.50 multiplied by years of service from January 1, 2015 to December 31, 2015, plus $74.00 multiplied by years of service from January 1, 2016 and later. The total years of service shall not exceed 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 incurs 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 Act 205 of 1984 (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, 2015, participating employees in the Police Plan and Public Works Plan were required to contribute 5.0% and 1.0%, respectively, of their compensation. During the year, employee contributions to the Police Plan and Public Works Plan totaled $116,999 and $14,865, respectively.

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, 2015, the State Pension Aid contributed to the Police Plan totaled $240,290, and the State Pension Aid contributed to the Public Works Plan totaled $116,462. 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, 2015, the Township contributed $0 to the Police Plan and $245,543 to the Public Works Plan.

F. Net Pension Liability (Asset)

The components of the net pension liability (asset) of the Plans at December 31, 2015 were as follows:

	Police Pension Plan	Public Works Employees' Pension Plan	Total
Total pension liability	$ 19,065,683	$ 5,356,894	$ 24,422,577
Plan fiduciary net position	(19,732,736)	(4,488,114)	(24,220,850)
Net pension liability (asset)	$ (667,053)	$ 868,780	$ 201,727
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.50%	83.78%	

G. Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the Township for the year ended December 31, 2015 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2014	$ 24,140,843	$ 24,396,600	$ (255,757)
Changes for the year:			
Service cost	287,510	-	287,510
Interest	1,732,416	-	1,732,416
Change of benefit terms	157,142	-	157,142
Differences between expected and actual experience	(1,095,083)	-	(1,095,083)
Contributions - employer	-	602,295	(602,295)
Contributions - employee	-	131,864	(131,864)
Net investment income	-	(91,882)	91,882
Benefit payments, including refunds	(800,251)	(800,251)	-
Administrative expense	-	(17,776)	17,776
Net changes	281,734	(175,750)	457,484
Balances at December 31, 2015	$ 24,422,577	$ 24,220,850	$ 201,727

Reconciliation to the Statement of Net Position:	
Net pension asset	$ (667,053)
Net pension liability	868,780
	$ 201,727
Plan fiduciary net position as a percentage of the total pension liability	99.17%

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation performed on January 1, 2015, and rolled forward to December 31, 2015, using the following actuarial assumptions, applied to all periods in the measurement:

	Police Pension Plan	Public Works Employees' Pension Plan
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	4.5%, including inflation	n/a
Underlying inflation rate	3.0%	3.0%
Cost-of-living adjustments	100% change in CPI-W	n/a

Actuarial assumptions based on actuarial experience study for the period January 1, 2013 to December 31, 2014.

RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with rates set forward 5 years for disabled lives (Police only). Rates are projected to improve with 75% of scale AA.

Changes in Actuarial Assumptions – There were no changes in actuarial assumptions for the actuarial valuations performed as of January 1, 2015.

Investment Policy – The Plans' policies in regard to the allocation of invested assets is established and may be amended by the Board 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.

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, 2015:

	Target Allocation		Long-Term Expected Real Estate of Return	
Asset Class	Police	Public Works Employees'	Police	Public Works Employees'
Equities	40-75%	40-75%	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, 2015, the annual money-weighted rate of return on the Police Plan and Public Works Plan investments, net of investment expense, was 1.15% and (3.00%), respectively.

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 (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of each Plan calculated using the discount rates described above, as well as what each Plan's net pension liabilities (assets) 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:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Police	$ 1,216,011	$ (667,053)	$ (2,268,419)
Public Works Employees'	$ 1,375,798	$ 868,780	$ 434,481

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

For the year ended December 31, 2015, the Township recognized pension expense of approximately $548,774. At December 31, 2015, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police	Public Works Employees'
Deferred Outflows of Resources:		
Net difference between projected and actual earnings on pension plan investments	$ 1,024,099	$ 378,286
Deferred Inflows of Resources:		
Differences between expected and actual experience	$ 640,576	$ 250,804

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

Year ending December 31,	
2016	$ 146,894
2017	146,894
2018	146,894
2019	146,891
2020	(76,568)
	$ 511,005

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 (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. 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, 2015 was $244,849 or 7.7% of the approximately $3.2 million in wages paid to participants. The Township Manager and the Township Board 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 13 of this report. For additional information related to the basis of accounting used and the categorization of reported investment values, see Notes 1C and 1F, 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, 2015.

5. CAPITAL ASSETS

A summary of changes in capital assets during 2015 is as follows:

	January 1, 2015	Increases	Decreases	December 31, 2015
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 2,325,917	$ -	$ -	$ 2,325,917
Capital assets being depreciated:				
Infrastructure	34,321,950	-	-	34,321,950
Buildings	13,220,588	513,162	-	13,733,750
Improvements	1,680,487	1,295,523	-	2,976,010
Equipment	7,187,965	543,072	(84,490)	7,646,547
Library assets	729,141	1,872	-	731,013
	59,466,048	2,353,629	(84,490)	61,735,187
Less: accumulated depreciation for:				
Infrastructure	(19,069,715)	(496,907)	-	(19,566,622)
Buildings	(7,192,473)	(214,581)	-	(7,407,054)
Improvements	(1,074,691)	(49,727)	-	(1,124,418)
Equipment	(4,488,788)	(555,257)	84,490	(4,959,555)
Library assets	(689,035)	(8,525)	-	(697,560)
	(32,514,702)	(1,324,997)	84,490	(33,755,209)
Governmental activities capital assets, net	$ 26,951,346	$ 1,028,632	$ -	$ 27,979,978
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	$ -	$ 642,647	$ -	$ 642,647
Capital assets being depreciated:				
C&RC building	25,928,704	-	-	25,928,704
Sewer lines and improvements	29,100,791	-	-	29,100,791
Equipment	1,694,922	156,563	-	1,851,485
	56,724,417	799,210	-	57,523,627
Less: accumulated depreciation for:				
C&RC building	(3,565,197)	(648,217)	-	(4,213,414)
Sewer lines and improvements	(15,225,270)	(611,634)	-	(15,836,904)
Equipment	(1,115,373)	(107,893)	-	(1,223,266)
	(19,905,840)	(1,367,744)	-	(21,273,584)
Business-type activities capital assets, net	$ 36,818,577	$ (568,534)	$ -	$ 36,250,043

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

Governmental activities:		
General government	$	101,408
Public safety		231,120
Public works		894,424
Community development		4,732
Recreation and leisure		83,023
Library		10,290
Total depreciation expense - governmental activities	$	1,324,997
Business-type activities:		
Sanitary Sewer	$	623,939
Community & Recreation Center		742,890
Magazine		915
Total depreciation expense - business-type activities	$	1,367,744

6. CHANGES IN LONG-TERM DEBT

	Amounts Payable as of January 1, 2015	New Debt	Amortization/ Repayment	Amounts Payable as of December 31, 2015	Due Within One Year
Governmental Activities:					
Bonds/notes payable	$ 18,258,359	$ 2,390,000	$ (2,968,790)	$ 17,679,569	$ 639,005
Less deferred amounts:					
Bond premium	10,308	-	(10,308)	-	-
Issuance discounts	(289,740)	-	13,036	(276,704)	-
Governmental activities long-term liabilities	$ 17,978,927	$ 2,390,000	$ (2,966,062)	$ 17,402,865	$ 639,005
Business-type Activities:					
Bonds/notes payable	$ 34,716,639	$ 1,160,000	$ (1,946,211)	$ 33,930,428	$ 820,995
Less deferred amounts:					
Bond premium	4,951	-	(4,951)	-	-
Issuance discounts	(141,133)	-	7,044	(134,089)	-
Business-type activities long-term liabilities	$ 34,580,457	$ 1,160,000	$ (1,944,118)	$ 33,796,339	$ 820,995

7. 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, 2015: $28,229,997
Interest Rate: Variable rate, payable monthly. An interest rate swap was also entered into in connection with the bonds (Note 10). 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 10.
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, 2015, none of the 2008 bonds outstanding were held by the Bank. During 2015, the Township incurred $142,935 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
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	110,775	121,598	639,225	701,681
2021-2025	618,125	549,652	3,566,876	3,171,753
2026-2030	731,854	439,196	4,223,147	2,534,371
2031-2035	1,502,109	269,236	8,667,891	1,553,624
2036-2038	799,791	43,201	4,615,201	249,293
Total	$ 4,169,569	$ 1,943,854	$ 24,060,428	$ 11,216,981

Issue: General Obligation Bonds of 2009
Date: November 23, 2009
Original Proceeds: $7,010,000
Principal amount at December 31, 2015: $0
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 General Obligation Bonds of 2009 were advance refunded during 2015.

Issue: General Obligation Bonds of 2011
Date: November 15, 2011
Original Proceeds: $10,205,000
Principal Amount at December 31, 2015: $9,915,000
Interest Rate: 2.79%
Debt Service Source: General Fund transfers to Debt Service Fund, and Sanitary Sewer 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 has been removed from the statement of net position.

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
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	151,958
2019	60,000	149,310	25,000	151,482
2020	65,000	147,979	25,000	150,951
2021-2025	2,955,000	543,846	1,620,000	649,110
2026-2030	1,965,000	99,958	1,830,000	372,465
2031-2033	-	-	1,130,000	65,360
Total	$ 5,210,000	$ 1,394,879	$ 4,705,000	$ 1,846,410

Issue: General Obligation Bonds of 2012
Date: February 6, 2012
Original Proceeds: $9,925,000
Principal Amount at December 31, 2015: $9,915,000
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, and Sanitary Sewer 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 has been removed from the statement of net position.

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
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	180,000	147,276	100,000	115,121
2021-2025	1,115,000	673,699	575,000	543,398
2026-2030	2,775,000	480,159	700,000	461,488
2031-2035	1,275,000	26,832	1,695,000	314,249
2036	-	-	655,000	11,790
Total	$ 5,910,000	$ 1,946,235	$ 4,005,000	$ 1,921,177

Issue: General Obligation Note of 2015
Date: May 15, 2015
Original Proceeds: $3,550,000
Principal Amount at December 31, 2015: $3,550,000
Interest Rate: 1.40%
Debt Service Source: General Fund transfers to Debt Service Fund and Sanitary Sewer Fund
Purpose: The proceeds were used to current refund $3,550,000 of the Township's General Obligation Bonds of 2009. In connection with this refunding, the net proceeds of $3,550,000 were used to redeem the 2009 General Obligation Bonds. As a result, the liability for those bonds has been removed from the statement of net position.

The aggregate difference in the debt service payments between the 2009 general obligation bonds and the refunding debt, 2015 general obligation note, is a decrease of $188,931. The refunding of the 2009 general obligation bonds by the General Obligation Note of 2015 resulted in an economic gain of $115,823.

The annual debt service requirements to maturity for the General Obligation Note of 2015 are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	$ 478,000	$ 33,686	$ 232,000	$ 16,843
2017	478,000	26,875	232,000	13,437
2018	478,000	20,156	232,000	10,078
2019	478,000	13,437	232,000	6,719
2020	478,000	6,737	232,000	3,369
Total	$ 2,390,000	$ 100,891	$ 1,160,000	$ 50,446

8. 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, 2015. Vacation days may be carried forward only upon approval of the Township Manager. At December 31, 2015, there was no General Fund liability for unused vacation days. Sick days are earned continuously at the rate of seven to ten 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.

9. 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. 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 officers who retire with normal retirement (age 54 and 25 years of service), early retirement, or total and permanent service-related disability retirement benefits if no alternative no-cost health insurance coverage is available. If hired prior to January 1, 2014, the Township will pay 100% of the amount of medical insurance premium in effect at the time of retirement, until the retiree's Medicare eligibility. The retiree is responsible for any increase over the premium in effect at the time of retirement. Upon the retiree's attainment of Medicare eligibility, the Township will provide a fully employer-paid Medicare Supplement Plan. If the spouse is not yet eligible for Medicare at that time, the Township will provide benefits or reimbursement up to the same cost as the employee's supplement plan. If hired on or after January 1, 2014, this coverage is not provided.

Employees retiring on or after January 1, 2014 with at least 15 years of service are also provided a term life insurance policy for life with a death benefit of $15,000.

As of January 1, 2014, the date of the most recent actuarial valuation report, there were 26 active plan participants and nine retired participants receiving benefits.

Non-Uniformed

For administrative employees, upon retirement at age 59 1/2, a $15,000 life insurance policy is provided by the Township. For Teamsters employees, upon retirement at age 60 with 10 years of service, a $10,000 life insurance policy is provided by the Township.

As of January 1, 2014, the date of the most recent actuarial valuation report, there were 82 active plan participants and 20 retired participants receiving benefits.

B. Funding Policy

Life insurance benefits are expensed when incurred and are financed on a pay-as-you-go basis. If hired before January 1, 2014, 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 2015, the Township incurred $137,802 for post-employment health benefits ($101,536 related to net premiums paid for current retirees and $36,266 in contributions to VEBA accounts) and $557 for post-employment life insurance benefits. No amounts were required to be reimbursed by retirees receiving benefits. At December 31, 2015, the total of the VEBA account balances was $655,471.

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:

	Police	Non-Uniformed	Total
Annual required contribution	$ 292,469	$ 25,352	$ 317,821
Interest on net OPEB obligation	68,585	4,758	73,343
Annual OPEB cost	361,054	30,110	391,164
Contributions made	(138,104)	(255)	(138,359)
Increase in net OPEB obligation	222,950	29,855	252,805
Net OPEB obligation - beginning of year	1,524,111	105,723	1,629,834
Net OPEB obligation - end of year	$ 1,747,061	$ 135,578	$ 1,882,639

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

Police

Fiscal Year Ending	Annual OPEB Cost	% of AOC Contributed	Net OPEB Obligation (Asset)
December 31, 2013	$ 343,379	31%	$ 1,274,324
December 31, 2014	349,814	29%	1,524,111
December 31, 2015	361,054	38%	1,747,061

Non-Uniformed

Fiscal Year Ending	Annual OPEB Cost	% of AOC Contributed	Net OPEB Obligation (Asset)
December 31, 2013	$ 15,833	3%	$ 77,535
December 31, 2014	28,841	2%	105,723
December 31, 2015	30,110	1%	135,578

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:

Valuation date	January 1, 2014
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%

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)-PUC (b)	Unfunded Actuarial Accrued Liability (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b)-(a)]/(c)
Police Employees:						
January 1, 2008	$ 329,593	$ 3,007,568	$ 2,677,975	11.0%	$ 2,565,652	104.4%
January 1, 2011	374,001	4,198,942	3,824,941	8.9%	2,480,361	154.2%
January 1, 2014	591,280	4,230,085	3,638,805	14.0%	2,510,689	144.9%
Non-Uniformed Employees:						
January 1, 2008	$ -	$ 106,226	$ 106,226	0.0%	$ 3,484,257	3.0%
January 1, 2011	-	134,730	134,730	0.0%	3,991,979	3.4%
January 1, 2014	-	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.

10. 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, 2015 was $28,230,000.

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, 2015, the Township paid $934,622 fixed and received $9,539 variable with respect to the swap.

Fair Values

As of December 31, 2015, the interest rate swap had negative fair value of $1,757,251. The fair value was provided by the Counterparty at mid-market, based on financial principles and assumptions of the Counterparty. The interest rate swap had a change in fair value of $501,068 during the year ended December 31, 2015.

Valuation Date	Trade Type	Initial Notional Amount	Current Notional Amount	Start Date	Maturity Date	Net Present Value
12/31/2015	Swap	$ 32,300,000	$ 28,230,000	3/6/2008	6/1/2018	$ (1,757,251)

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 2015 was 3.30%. The swap was designed to achieve a synthetic interest rate of 3.28%. Since the average interest rate for 2015 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 within the governmental activities for $259,546 and business-type activities for $1,497,705.

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 2015	$ 394,488	$ (5,053)	$ 389,435	$ 5,378	$ 394,813	$ 28,865,000	3.28%
June - Dec 2015	540,134	(4,486)	535,648	11,204	546,852	28,230,000	3.32%
Total	$ 934,622	$ (9,539)	$ 925,083	$ 16,582	$ 941,665		3.30%

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.

Credit risk is the risk that the Counterparty will not fulfill its obligations. On December 31, 2015, the Counterparty was rated A by Standard & Poor's and A1 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.

Rollover risk is the risk that a derivative associated with the Township's debt does not extend to maturity of that debt. When the derivative terminates, the associated debt will no longer have the benefit of the derivative. The Township is exposed to rollover risk as the swap agreement terminates prior to the last payment on the respective bonds.

11. COMMITMENTS AND CONTINGENCIES

The Township previously entered into an Administrative Consent Order (ACO) with the Allegheny County Health Department, the Pennsylvania Department of Environmental Protection, and the United States Environmental Protection Agency related to storm water inflow in the Township's sanitary sewer system. The ACO expired in March 2015, and the parties have since entered into an Interim Consent Order and Agreement (COA) that extends until December 2017. Under the COA, the Township is required to complete a source reduction study and a demonstration project. After completion of the COA requirements, a second COA is expected to be negotiated that could come with significant capital costs for compliance. In previous years, the Township estimated such costs to be in excess of $30 million.

12. RISK MANAGEMENT

The Township 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.

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.

13. 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.

Pension Trust Fund Financial Information as of December 31, 2015

Plan Net Position

	Police	Public Works Employees'	Administrative & Management	Total
Assets				
Cash and cash equivalents	$ 1,182,423	$ 93,348	$ 475,255	$ 1,751,026
Investments (at fair value):				
Exchange traded funds	4,166,245	821,806	-	4,988,051
Mutual funds	7,852,698	3,569,703	2,860,768	14,283,169
Stocks	6,516,523	-	-	6,516,523
Accrued income receivable	15,522	3,257	-	18,779
Total Assets	19,733,411	4,488,114	3,336,023	27,557,548
Liabilities				
Accounts payable	675	-	-	675
Net Position Restricted for Pensions	$ 19,732,736	$ 4,488,114	$ 3,336,023	$ 27,556,873

Changes in Plan Net Position

	Police	Public Works Employees'	Administrative & Management	Total
Additions:				
Contributions:				
Member contributions	$ 116,999	$ 14,865	$ -	$ 131,864
Township contributions	-	245,543	14,010	259,553
State aid	240,290	116,462	230,839	587,591
Total contributions	357,289	376,870	244,849	979,008
Investment income (loss):				
Net appreciation (depreciation) in fair value of investments	176,355	(129,669)	(55,859)	(9,173)
Less investment expense	(114,593)	(23,975)	-	(138,568)
Net investment income (loss)	61,762	(153,644)	(55,859)	(147,741)
Total additions	419,051	223,226	188,990	831,267
Deductions:				
Benefits	566,815	233,436	-	800,251
Withdrawal credits	-	-	63,800	63,800
Administrative expenses	6,081	11,695	1,439	19,215
Total deductions	572,896	245,131	65,239	883,266
Increase (Decrease) in Plan Net Position	(153,845)	(21,905)	123,751	(51,999)
Net Position Restricted for Pensions:				
Beginning of year	19,886,581	4,510,019	3,212,272	27,608,872
End of year	$ 19,732,736	$ 4,488,114	$ 3,336,023	$ 27,556,873

Required Supplementary Information

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE TOWNSHIPS'S NET
PENSION LIABILITY (ASSET) AND RELATED RATIOS

POLICE PENSION PLAN

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2015	2014
Total Pension Liability:		
Service cost	$ 229,488	$ 207,137
Interest	1,350,359	1,321,807
Changes of benefit terms	131,540	-
Differences between expected and actual experience	(793,094)	-
Benefit payments, including refunds of member contributions	(566,815)	(455,173)
Net Changes in Total Pension Liability	351,478	1,073,771
Total Pension Liability - Beginning	18,714,205	17,640,434
Total Pension Liability - Ending (a)	$ 19,065,683	$ 18,714,205
Plan Fiduciary Net Position:		
Contributions - employer	$ 240,290	$ 232,406
Contributions - member	116,999	126,505
Net investment income	61,762	1,105,772
Benefit payments, including refunds of member contributions	(566,815)	(455,173)
Administrative expense	(6,081)	(31,233)
Net Change in Plan Fiduciary Net Position	(153,845)	978,277
Plan Fiduciary Net Position - Beginning	19,886,581	18,908,304
Plan Fiduciary Net Position - Ending (b)	$ 19,732,736	$ 19,886,581
Net Pension Liability (Asset) - Ending (a-b)	$ (667,053)	$ (1,172,376)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.50%	106.26%
Covered Employee Payroll	$ 2,188,396	$ 2,251,012
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	-30.48%	-52.08%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary schedules - pension trust funds.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE TOWNSHIPS'S NET
PENSION LIABILITY (ASSET) AND RELATED RATIOS

PUBLIC WORKS EMPLOYEES' PENSION PLAN

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2015	2014
Total Pension Liability:		
Service cost	$ 58,022	$ 55,462
Interest	382,057	386,581
Changes of benefit terms	25,602	-
Differences between expected and actual experience	(301,989)	-
Benefit payments, including refunds of member contributions	(233,436)	(224,651)
Net Changes in Total Pension Liability	(69,744)	217,392
Total Pension Liability - Beginning	5,426,638	5,209,246
Total Pension Liability - Ending (a)	$ 5,356,894	$ 5,426,638
Plan Fiduciary Net Position:		
Contributions - employer	$ 362,005	$ 357,195
Contributions - member	14,865	-
Net investment income	(153,644)	179,396
Benefit payments, including refunds of member contributions	(233,436)	(224,651)
Administrative expense	(11,695)	(8,095)
Net Change in Plan Fiduciary Net Position	(21,905)	303,845
Plan Fiduciary Net Position - Beginning	4,510,019	4,206,174
Plan Fiduciary Net Position - Ending (b)	$ 4,488,114	$ 4,510,019
Net Pension Liability (Asset) - Ending (a-b)	$ 868,780	$ 916,619
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.78%	83.11%
Covered Employee Payroll	$ 1,657,089	$ 1,615,471
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	52.43%	56.74%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary schedules - pension trust funds.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULES OF TOWNSHIP'S CONTRIBUTIONS
AND INVESTMENT RETURNS

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2015	2014
POLICE PENSION PLAN:		
Schedule of Township's Contributions		
Actuarially determined contribution	$ 240,290	$ 232,406
Contributions in relation to the actuarially determined contribution	240,290	232,406
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 2,188,396	$ 2,251,012
Contributions as a percentage of covered employee payroll	10.98%	10.32%
Investment Returns		
Annual money-weighted rate of return, net of investment expense	1.15%	6.26%
PUBLIC WORKS EMPLOYEES' PENSION PLAN:		
Schedule of Township's Contributions		
Actuarially determined contribution	$ 362,005	$ 357,195
Contributions in relation to the actuarially determined contribution	362,005	357,195
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 1,657,089	$ 1,615,471
Contributions as a percentage of covered employee payroll	21.85%	22.11%
Investment Returns		
Annual money-weighted rate of return, net of investment expense	-3.00%	4.73%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary schedules - pension trust funds.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES
PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2015

Actuarial Methods and Assumptions

The following actuarial methods and assumptions were used in the calculation of actuarially determined contributions reported in the supplementary schedules:

	Police	Public Works Employees'
Actuarial valuation date	1/1/2013	1/1/2013
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
Remaining amortization perioc	5 years (aggregate)	9 years (aggregate)
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases	4.25%, including inflation	N/A
Inflation rate	3.0%	3.0%
Cost-of-living adjustments	CPW-W*	N/A
Mortality table	RP-2000 Combined Healthy with Blue Collar Adjustment.	RP-2000 Combined Healthy with Blue Collar Adjustment.

N/A - Not Applicable

* 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.

Benefit Changes

Police Pension Plan

Effective January 1, 2015, a Deferred Retirement Option Plan (DROP) provision was added with eligibility of age 55 and 25 years of service, and a 30-month maximum DROP period. Assumed rates of retirement were adjusted as a result.

Public Works Employees' Pension Plan

Effective January 1, 2015, there was an increase in the benefit multiplier for 2015 and future years.

Changes in Actuarial Assumptions

Police Plan

Effective January 1, 2013, the interest rate was reduced from 8.0% to 7.5% and the salary scale was reduced from 5.5% to 4.5%. Mortality assumption was updated to RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment; rates projected to improve with 75% of scale AA. Assumed rates of retirement were introduced of 40% at ages 54 to 56, 50% at age 57, and 100% at age 58 and over.

Public Works Employees' Pension Plan

Effective January 1, 2013, the rate of return was reduced from 8.0% to 7.5%. Mortality assumption was updated to RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment; rates projected to improve with 75% of scale AA.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF FUNDING PROGRESS

OTHER POSTEMPLOYMENT BENEFITS TRUST FUND

Police Employees:

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)
01/01/08	$ 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	3,958,781	3,367,501	14.9%	2,510,689	134.1%

Non-Uniformed Employees:

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)
01/01/08	$ -	$ 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 Statement No. 45.

See accompanying notes to required supplementary information.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS

OTHER POSTEMPLOYMENT BENEFITS TRUST FUND

	Police OPEB Plan		Non-Uniformed OPEB Plan	
Year Ended December 31,	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2010	$ 225,156	30%	$ 10,950	3%
2011	296,637	24%	13,035	4%
2012	296,637	25%	13,035	4%
2013	296,637	36%	13,035	4%
2014	292,469	34%	25,352	3%
2015	292,469	47%	25,352	1%

See accompanying notes to required supplementary information.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FACTORS AND TRENDS USED IN ACTUARIAL VALUATION

YEAR ENDED DECEMBER 31, 2015

Other Postemployment Benefits

Actuarial Data:	
Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Demographic Assumptions:	
Mortality	RP-2000 Combined Mortality Table with Blue Collar Adjustment, with rates set forward 5 years for disabled lives
Mortality Improvement	75% of scale AA
Withdraw	Table T-1, *Actuary's Pension Handbook*
Disablement	**Police**: 60 % of the rates of disablement from *Advance Pension Tables* **Non-Uniformed**: None Assumed
Valuation Retirement Age	**Police:** Age 55 with 25 years of service **Non-Uniformed:** Admin., Age 60; Teamsters, Age 60 with 10 years of service
DROP Participation (Police Only)	75% of eligible participants are assumed to participate, with 100% remaining in the DROP for 2 years
Percent Electing Husband/ Wife Health Coverage	80% of future retirees
Spouse Age	Female spouses assumed to be 3 years younger than male spouse
Participant Percentage	**Police:** 90% of future retirees for health insurance **Police and Non-uniformed:** 100% of future retirees for life insurance

Economic Assumptions:	
Interest Rate	4.50%
Annual Trend Rates for OPEB Costs:	5.00%

Supplementary Information

Combining and Individual Fund Financial Statements and Schedules

MAJOR GOVERNMENTAL FUNDS

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

Capital Projects Fund 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 the 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 MATUSC's governing board and general expenditures needed for its operation.

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 MATUSC as of December 31, 2015.

Debt Service Fund is used to channel funds from the General Fund, the Sanitary Sewer Fund, and the C&RC 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, the Sanitary Sewer Fund, and the C&RC 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: 2023
- General Obligation Bonds of 2012 – Maturity Year: 2036
- General Obligation Notes of 2015 – Maturity Year: 2020

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2015

	Special Revenue Funds									
	State Liquid Fuels Fund	Storm Sewer Improvement Fund	Field Improvement Fund	Library Endowment Fund	Regional Asset District Library Fund	Regional Asset District Boyce/Mayview Fund	MATUSC Special Revenue Fund	Total Special Revenue Funds	Debt Service Fund	Total Other Governmental Funds
Assets										
Cash and cash equivalents	$ 1,332	$ 84,464	$ 122,455	$ 58,661	$ -	$ 125,007	$ 441,460	$ 833,379	$ -	$ 833,379
Due from other funds	-	-	-	3,000	5,062	-	-	8,062	-	8,062
Other receivables	-	-	31,305	-	-	-	-	31,305	-	31,305
Total Assets	$ 1,332	$ 84,464	$ 153,760	$ 61,661	$ 5,062	$ 125,007	$ 441,460	$ 872,746	$ -	$ 872,746
Liabilities and Fund Balance										
Liabilities:										
Accounts payable	$ -	$ 51,826	$ 1,018	$ 566	$ 5,062	$ 16,142	$ 2,150	$ 76,764	$ -	$ 76,764
Due to other funds	-	-	-	-	-	103,372	-	103,372	-	103,372
Total Liabilities	-	51,826	1,018	566	5,062	119,514	2,150	180,136	-	180,136
Fund Balance:										
Restricted:										
Restricted for State Liquid Fuels expenses	1,332	-	-	-	-	-	-	1,332	-	1,332
Restricted for Boyce Mayview Park grant expenses	-	-	-	-	-	5,493	-	5,493	-	5,493
Restricted for Library expenses and services	-	-	-	61,095	-	-	-	61,095	-	61,095
Committed	-	32,638	152,742	-	-	-	439,310	624,690	-	624,690
Total Fund Balance	1,332	32,638	152,742	61,095	-	5,493	439,310	692,610	-	692,610
Total Liabilities and Fund Balance	$ 1,332	$ 84,464	$ 153,760	$ 61,661	$ 5,062	$ 125,007	$ 441,460	$ 872,746	$ -	$ 872,746

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2015

	Special Revenue Funds									
	State Liquid Fuels Fund	Storm Sewer Improvement Fund	Field Improvement Fund	Library Endowment Fund	Regional Asset District Library Fund	Regional Asset District Boyce/Mayview Fund	MATUSC Special Revenue Fund	Total Special Revenue Funds	Debt Service Fund	Total Other Governmental Funds
Revenues:										
Licenses and permits	$ -	$ 1,200	$ -	$ -	$ -	$ -	$ -	$ 1,200	$ -	$ 1,200
Interest	49	-	93	14	-	7	62	225	-	225
State grants	514,991	-	-	-	215,059	753,000	-	1,483,050	-	1,483,050
Other revenue	-	-	-	11,425	-	-	-	11,425	-	11,425
Recreation fees	-	-	31,305	-	-	-	-	31,305	-	31,305
Total revenues	515,040	1,200	31,398	11,439	215,059	753,007	62	1,527,205	-	1,527,205
Expenditures:										
Current:										
General government	-	-	-	-	-	-	1,100	1,100	-	1,100
Public works	514,991	322,448	332,296	-	-	-	-	1,169,735	-	1,169,735
Recreation and leisure services	-	-	-	-	-	1,771,720	-	1,771,720	-	1,771,720
Library services	-	-	-	5,131	215,059	-	-	220,190	-	220,190
Total current	514,991	322,448	332,296	5,131	215,059	1,771,720	1,100	3,162,745	-	3,162,745
Debt service:										
Principal retirement	-	-	-	-	-	-	-	-	578,790	578,790
Interest	-	-	-	-	-	-	-	-	505,488	505,488
Total debt service	-	-	-	-	-	-	-	-	1,084,278	1,084,278
Total expenditures	514,991	322,448	332,296	5,131	215,059	1,771,720	1,100	3,162,745	1,084,278	4,247,023
Excess (Deficiency) of Revenues Over Expenditures	49	(321,248)	(300,898)	6,308	-	(1,018,713)	(1,038)	(1,635,540)	(1,084,278)	(2,719,818)
Other Financing Sources (Uses):										
Interfund transfers in	-	300,000	30,000	-	-	1,018,713	-	1,348,713	1,084,278	2,432,991
Proceeds from issuance of refunding note	-	-	-	-	-	-	-	-	2,390,000	2,390,000
Payments to refunded bonds escrow agent	-	-	-	-	-	-	-	-	(2,390,000)	(2,390,000)
Total financing sources (uses)	-	300,000	30,000	-	-	1,018,713	-	1,348,713	1,084,278	2,432,991
Net Change in Fund Balance	49	(21,248)	(270,898)	6,308	-	-	(1,038)	(286,827)	-	(286,827)
Fund Balance:										
Beginning of year	1,283	53,886	423,640	54,787	-	5,493	440,348	979,437	-	979,437
End of year	$ 1,332	$ 32,638	$ 152,742	$ 61,095	$ -	$ 5,493	$ 439,310	$ 692,610	$ -	$ 692,610

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN IN FUND BALANCE - BUDGET AND ACTUAL CAPITAL PROJECTS FUND

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
Interest	$ 10,000	$ 12,357	$ 2,357
Other revenue and grants	9,000	801,161	792,161
Total revenues	19,000	813,518	794,518
Expenditures:			
Current:			
General government	310,000	185,905	124,095
Community development	68,500	25,340	43,160
Public safety	47,500	46,189	1,311
Public works	1,115,500	1,129,502	(14,002)
Recreation and leisure services	189,000	133,713	55,287
Library services	25,000	7,725	17,275
Total current	1,755,500	1,528,374	227,126
Capital outlay:			
General government	1,000,000	591,604	408,396
Public safety	145,700	128,504	17,196
Public works	657,000	391,963	265,037
Recreation and leisure services	30,000	66,239	(36,239)
Total capital outlay	1,832,700	1,178,310	654,390
Total expenditures	3,588,200	2,706,684	881,516
Excess (Deficiency) of Revenues over Expenditures	(3,569,200)	(1,893,166)	1,676,034
Other Financing Sources (Uses):			
Interfund transfers in	1,114,363	3,164,363	2,050,000
Interfund transfers out	(330,000)	(330,000)	-
Total other financing sources (uses)	784,363	2,834,363	2,050,000
Net Change in Fund Balance	$ (2,784,837)	$ 941,197	$ 3,726,034

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - STATE LIQUID FUELS FUND

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
Interest	$ 100	$ 49	$ (51)
State grants	449,684	514,991	65,307
Total revenues	449,784	515,040	65,256
Expenditures:			
Current:			
Public works	450,000	514,991	(64,991)
Excess (Deficiency) of Revenues Over Expenditures	(216)	49	265
Net Change in Fund Balance	$ (216)	$ 49	$ 265

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - STORM SEWER IMPROVEMENT FUND

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
Licenses and permits	$ 2,400	$ 1,200	$ (1,200)
Expenditures:			
Current:			
Public works	300,000	322,448	(22,448)
Excess (Deficiency) of Revenues Over Expenditures	(297,600)	(321,248)	(23,648)
Other Financing Sources (Uses):			
Interfund transfers in	300,000	300,000	-
Net Change in Fund Balance	$ 2,400	$ (21,248)	$ (23,648)

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - FIELD IMPROVEMENT FUND

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
Interest	$ 150	$ 93	$ (57)
Recreation fees	20,000	31,305	11,305
Total revenues	20,150	31,398	11,248
Expenditures:			
Current:			
Public works	385,000	332,296	52,704
Excess (Deficiency) of Revenues Over Expenditures	(364,850)	(300,898)	63,952
Other Financing Sources (Uses):			
Interfund transfers in	30,000	30,000	-
Net Change in Fund Balance	$ (334,850)	$ (270,898)	$ 63,952

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - REGIONAL ASSET DISTRICT LIBRARY FUND

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
State grants	$ 221,738	$ 215,059	$ (6,679)
Expenditures:			
Current:			
Library services	221,738	215,059	6,679
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Net Change in Fund Balance	$ -	$ -	$ -

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - REGIONAL ASSET DISTRICT BOYCE MAYVIEW FUND

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
Interest	$ -	$ 7	$ 7
State grants	530,000	753,000	223,000
Total revenues	530,000	753,007	223,007
Expenditures:			
Current:			
Recreation and leisure services	1,835,997	1,771,720	64,277
Excess (Deficiency) of Revenues Over Expenditures	(1,305,997)	(1,018,713)	287,284
Other Financing Sources (Uses):			
Interfund transfers in	1,305,997	1,018,713	(287,284)
Net Change in Fund Balance	$ -	$ -	$ -

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - DEBT SERVICE FUND - GENERAL OBLIGATION BONDS OF 2008

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Expenditures:			
Debt service:			
Principal retirement	$ 93,790	$ 93,790	$ -
Interest	163,779	151,224	12,555
Total debt service	257,569	245,014	12,555
Excess (Deficiency) of Revenues Over Expenditures	(257,569)	(245,014)	12,555
Other Financing Sources (Uses):			
Interfund transfers in	257,569	245,014	(12,555)
Net Change in Fund Balance	$ -	$ -	$ -

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - DEBT SERVICE FUND - GENERAL OBLIGATION BONDS OF 2009

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Expenditures:			
Debt service:			
Principal retirement	$ 435,000	$ 435,000	$ -
Interest	78,492	42,310	36,182
Total debt service	513,492	477,310	36,182
Excess (Deficiency) of Revenues Over Expenditures	(513,492)	(477,310)	36,182
Other Financing Sources (Uses):			
Interfund transfers in	513,492	477,310	(36,182)
Net Change in Fund Balance	$ -	$ -	$ -

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - DEBT SERVICE FUND - GENERAL OBLIGATION BONDS OF 2011

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Expenditures:			
Debt service:			
Principal retirement	$ 50,000	$ 50,000	$ -
Interest	152,662	152,662	-
Total debt service	202,662	202,662	-
Excess (Deficiency) of Revenues Over Expenditures	(202,662)	(202,662)	-
Other Financing Sources (Uses):			
Interfund transfers in	202,662	202,662	-
Net Change in Fund Balance	$ -	$ -	$ -

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - DEBT SERVICE FUND - GENERAL OBLIGATION BONDS OF 2012

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Expenditures:			
Debt service:			
Interest	$ 159,292	$ 159,292	$ -
Excess (Deficiency) of Revenues Over Expenditures	(159,292)	(159,292)	-
Other Financing Sources (Uses):			
Interfund transfers in	159,292	159,292	-
Net Change in Fund Balance	$ -	$ -	$ -

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - DEBT SERVICE FUND - GENERAL OBLIGATION NOTES OF 2015

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Other Financing Sources (Uses):			
Proceeds from issuance of refunding note	$ -	$ 2,390,000	$ 2,390,000
Payments to refunded bonds escrow agent	-	(2,390,000)	(2,390,000)
Total other financing sources (uses)	-	-	-
Net Change in Fund Balance	$ -	$ -	$ -

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BUDGET AND ACTUAL - SANITARY SEWER FUND

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Operating Revenues:			
Charges for services	$ 5,984,000	$ 5,758,183	$ (225,817)
Operating Expenses:			
Sewage treatment charges	3,513,000	2,942,687	570,313
Personnel services	280,010	264,707	15,303
Contractual services	1,844,264	801,969	1,042,295
Materials and supplies	41,000	32,072	8,928
Deprecation and amortization	30,000	623,939	(593,939)
Total operating expenses	5,708,274	4,665,374	1,042,900
Non-operating Revenues (Expenses):			
Interest income	1,000	628	(372)
Interest expense	(497,538)	(515,781)	(18,243)
Total non-operating revenues (expenses)	(496,538)	(515,153)	(18,615)
Change in Net Position	$ (220,812)	$ 577,656	$ 798,468

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BUDGET AND ACTUAL - BOYCE MAYVIEW COMMUNITY & RECREATION CENTER FUND

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Operating Revenues:			
Charges for services	$ 3,871,750	$ 4,108,877	$ 237,127
Operating Expenses:			
Personnel services	1,990,761	1,931,429	59,332
Contractual services	1,141,765	963,777	177,988
Materials and supplies	248,700	213,805	34,895
Deprecation and amortization	205,000	742,890	(537,890)
Total operating expenses	3,586,226	3,851,901	(265,675)
Non-operating Revenues (Expenses):			
Interest income	1,500	887	(613)
Interest expense	(755,442)	(745,883)	9,559
Total non-operating revenues (expenses)	(753,942)	(744,996)	8,946
Transfers:			
Interfund transfers in	1,727,653	1,618,536	(109,117)
Change in Net Position	$ 1,259,235	$ 1,130,516	$ (128,719)

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BUDGET AND ACTUAL - TOWNSHIP/SCHOOL DISTRICT MAGAZINE FUND

YEAR ENDED DECEMBER 31, 2015

	Original and Final Budgeted Amounts	Actual	Variance
Operating Revenues:			
Charges for services	$ 185,175	$ 168,807	$ (16,368)
Operating Expenses:			
Personnel services	50,000	53,138	(3,138)
Contractual services	127,500	106,826	20,674
Materials and supplies	6,000	1,789	4,211
Deprecation and amortization	244	915	(671)
Total operating expenses	183,744	162,668	21,076
Change in Net Position	$ 1,431	$ 6,139	$ 4,708

Capital Assets Used in the Operation of Governmental Funds

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CAPITAL ASSETS - BY SOURCE

DECEMBER 31, 2015

Governmental Funds Capital Assets:		
Land	$	2,325,917
Infrastructure		34,321,950
Buildings		13,733,750
Improvements other than buildings		2,976,010
Equipment		7,646,547
Library assets		731,013
Total capital assets	$	61,735,187
Investment in Capital Assets From:		
Acquisitions prior to January 1, 1982 (1)	$	21,502,258
General Fund		4,775,548
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		3,466,495
Capital Projects Funds		31,324,753
Total investment in capital assets	$	61,735,187

(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, 2015

	Total	Land	Infrastructure	Buildings	Improvements Other than Buildings	Equipment	Library Assets
Capital Assets, January 1, 2015	$ 59,466,048	$ 2,325,917	$ 34,321,950	$ 13,220,588	$ 1,680,487	$ 7,187,965	$ 729,141
Expenditures from:							
General Fund	8,418	-	-	-	-	8,418	-
RAD Funds	920,400	-	-	-	920,400	-	-
Capital Projects Funds	1,424,811	-	-	513,162	375,123	534,654	1,872
Capital assets disposals and transfers	(84,490)	-	-	-	-	(84,490)	-
Capital Assets, December 31, 2015	$ 61,735,187	$ 2,325,917	$ 34,321,950	$ 13,733,750	$ 2,976,010	$ 7,646,547	$ 731,013

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

DECEMBER 31, 2015

Function and Activity	Total	Land	Infrastructure	Buildings	Improvements Other than Buildings	Equipment	Library Assets
General Government:							
Administration	$ 6,132,552	$ 433,630	$ -	$ 5,374,572	$ 6,389	$ 317,961	$ -
Finance and tax	52,429	-	-	-	-	52,429	-
Information technology	481,102	-	-	-	-	481,102	-
Cable television	227,578	-	-	-	-	227,578	-
Total general government	6,893,661	433,630	-	5,374,572	6,389	1,079,070	-
Community Development	518,274	-	-	-	-	518,274	-
Public Safety:	1,202,631	-	-	118,925	-	1,083,706	-
Police	4,602,510	579,106	-	4,005,294	-	18,110	-
VFD							
Total public safety	5,805,141	579,106	-	4,124,219	-	1,101,816	-
Public Works:							
Office	328,571	-	-	68,849	82,558	177,164	-
Highway and streets	34,321,950	-	34,321,950	-	-	-	-
Garage	7,594,970	19,920	-	2,955,521	97,088	4,522,441	-
Total public works	42,245,491	19,920	34,321,950	3,024,370	179,646	4,699,605	-
Recreation and Leisure Services	5,541,607	1,293,261	-	1,210,589	2,789,975	247,782	-
Library	731,013	-	-	-	-	-	731,013
Total Capital Assets	$ 61,735,187	$ 2,325,917	$ 34,321,950	$ 13,733,750	$ 2,976,010	$ 7,646,547	$ 731,013

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

DECEMBER 31, 2015

Function and Activity	Capital Assets January 1, 2015	Increases	Decreases	Capital Assets December 31, 2015
General Government:				
Administration	$ 5,609,861	$ 522,691	$ -	$ 6,132,552
Finance and tax	52,429	-	-	52,429
Information technology	412,189	68,913	-	481,102
Cable television	227,578	-	-	227,578
Total general government	6,302,057	591,604	-	6,893,661
Community Development	518,274	-	-	518,274
Public Safety:	1,085,868	121,528	(4,765)	1,202,631
Police	4,599,022	3,488	-	4,602,510
VFD				
Total public safety	5,684,890	125,016	(4,765)	5,805,141
Public Works:				
Office	323,641	4,930	-	328,571
Highway and streets	34,321,950	-	-	34,321,950
Garage	7,292,592	382,103	(79,725)	7,594,970
Total public works	41,938,183	387,033	(79,725)	42,245,491
Recreation and Leisure Services	4,293,503	1,248,104	-	5,541,607
Library	729,141	1,872	-	731,013
Total Capital Assets	$ 59,466,048	$ 2,353,629	$ (84,490)	$ 61,735,187

Statistical Section

STATISTICAL SECTION

This part of the Township of Upper St. Clair's (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.

FINANCIAL TRENDS 126

These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.

REVENUE CAPACITY 132

These schedules contain information to help the reader assess the factors affecting the Township's ability to generate its property and earned income taxes.

DEBT CAPACITY 137

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.

DEMOGRAPHIC AND ECONOMIC INFORMATION 140

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place and to help make comparisons over time and with other governments.

OPERATING INFORMATION 142

These schedules contain information about the Township's operations and resources to help the reader understand how the Township's financial information relates to the services the Township provides and the activities it performs.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
NET POSITION BY COMPONENT
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
Net investment in capital assets	$ 10,553,342	$ 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
Restricted	734,973	61,563	55,668	53,595	63,569	75,132	103,072	172,370	-	-
Unrestricted	11,280,786	12,728,794	11,655,684	9,772,177	8,312,020	7,188,704	3,233,407	7,251,247	8,392,398	7,633,754
Total governmental activities net position	$ 22,569,101	$ 20,802,034	$ 19,746,138	$ 18,237,504	$ 17,567,376	$ 16,829,107	$ 15,543,383	$ 19,166,274	$ 26,574,451	$ 10,276,364
Business-type activities:										
Net investment in capital assets	$ 2,765,099	$ 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)
Restricted	-	-	-	-	-	239,946	1,730,385	-	-	-
Unrestricted	7,199,256	3,584,109	3,166,730	1,619,532	1,347,301	1,921,179	2,212,468	690,568	1,630,289	1,276,663
Total business-type activities net position	$ 9,964,355	$ 8,250,044	$ 6,548,344	$ 5,888,179	$ 6,420,672	$ 7,582,738	$ 7,017,841	$ 4,850,584	$ (1,094,029)	$ 610,391
Primary government:										
Net investment in capital assets	$ 13,318,441	$ 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
Restricted	734,973	61,563	55,668	53,595	63,569	315,078	1,833,457	172,370	-	-
Unrestricted	18,480,042	16,312,903	14,822,414	11,391,709	9,659,321	9,109,883	5,445,875	7,941,815	10,022,687	8,910,417
Total primary government net position	$ 32,533,456	$ 29,052,078	$ 26,294,482	$ 24,125,683	$ 23,988,048	$ 24,411,845	$ 22,561,224	$ 24,016,858	$ 25,480,422	$ 10,886,755

Note: The 12/31/2014 governmental activities unrestricted net position has been restated to reflect an increase of $255,757 due to implementation of GASB Statement No. 68 in 2015. Years prior to 2014 were not restated.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
CHANGES IN NET POSITION
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	$ 320,275	$ 215,840	$ 171,596	$ 245,033	$ 203,960	$ 126,048	$ 161,381	$ 194,347	$ 290,640	$ 296,970
Public safety	55,795	89,092	56,695	79,483	79,831	79,793	76,505	109,602	111,682	114,112
Public works	244,567	258,638	213,629	192,795	212,738	314,249	205,498	165,740	156,261	202,279
Recreation and leisure services	397,507	397,398	397,596	380,192	360,514	367,361	341,999	458,502	392,835	379,872
Library services	39,928	40,501	48,022	39,757	40,552	39,844	30,696	28,479	28,857	30,870
Operating grants and contributions	2,850,551	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
Capital grants and contributions	787,878	-	-	-	-	-	-	-	-	132,707
Total Governmental Activities Program Revenues	4,696,501	2,717,831	2,401,460	2,631,822	2,963,897	3,006,859	2,814,959	3,172,597	2,682,327	2,604,824
Business-Type Activities:										
Charges for services:										
Sanitary sewer	5,758,183	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
Community & Recreation Center	4,108,877	3,895,680	3,618,973	3,407,437	2,939,551	2,343,866	773,514	-	-	-
Magazine	168,807	178,140	169,618	194,956	196,990	181,257	189,328	192,629	181,890	202,054
Total Business-type Activities Program Revenues	10,035,867	9,768,735	8,492,908	8,047,165	7,694,067	7,125,904	5,153,216	3,447,997	3,445,577	3,396,757
Total Primary Government Program Revenues	$ 14,732,368	$ 12,486,566	$ 10,894,368	$ 10,678,987	$ 10,657,964	$ 10,132,763	$ 7,968,175	$ 6,620,594	$ 6,127,904	$ 6,001,581
Expenses:										
Governmental Activities:										
General government	$ 2,065,730	$ 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
Public safety	5,496,330	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
Public works	8,825,279	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
Community development	600,344	662,534	647,435	595,879	621,524	613,555	588,260	580,012	598,348	613,142
Recreation and leisure services	1,282,956	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
Library services	1,084,582	1,028,723	1,029,614	990,268	970,768	993,302	976,118	990,068	982,761	897,351
Interest on long-term debt	610,013	599,991	619,556	1,307,383	1,157,682	833,091	881,616	909,256	586,863	382,532
Total Governmental Activities Expenses	19,965,234	19,203,830	18,278,840	18,515,629	18,167,395	17,146,513	17,280,290	17,549,524	16,166,027	15,177,753
Business-Type Activities:										
Sanitary sewer	5,181,155	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
Community & Recreation Center	4,597,784	4,527,770	4,402,999	4,411,897	4,232,528	4,005,602	3,141,178	424,485	-	-
Magazine	162,668	171,276	168,464	182,235	171,573	175,097	166,995	165,179	184,549	185,752
Total Business-Type Activities Expenses	9,941,607	9,664,749	9,434,646	10,187,360	10,342,129	8,246,739	7,369,674	4,872,030	5,604,794	3,385,307
Total Primary Government Expenses	$ 29,906,841	$ 28,868,579	$ 27,713,486	$ 28,702,989	$ 28,509,524	$ 25,393,252	$ 24,649,964	$ 22,421,554	$ 21,770,821	$ 18,563,060
Net (Expense)/Revenue:										
Governmental Activities	$ (15,268,733)	$ (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)
Business-Type Activities	94,260	103,986	(941,738)	(2,140,195)	(2,648,062)	(1,120,835)	(2,216,458)	(1,424,033)	(2,159,217)	11,450
Total Primary Government Net (Expense)/Revenue	$ (15,174,473)	$ (16,382,013)	$ (16,819,118)	$ (18,024,002)	$ (17,851,560)	$ (15,260,489)	$ (16,681,789)	$ (15,800,960)	$ (15,642,917)	$ (12,561,479)

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
CHANGES IN NET POSITION
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes, levied for general purposes	$ 7,960,376	$ 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
Earned income taxes, levied for general purposes	8,210,827	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
Local services tax	267,060	274,454	274,724	253,863	246,702	239,909	224,964	220,686	335,590	330,513
Real estate transfer taxes	1,322,037	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
Franchise fees	465,655	442,645	431,849	405,416	383,056	399,122	303,737	297,199	260,552	253,936
Unrestricted investment earnings	13,476	13,013	13,543	11,942	12,860	19,887	87,856	781,040	533,716	338,685
Miscellaneous income	414,905	371,156	562,450	328,688	303,136	573,908	244,083	235,323	266,765	77,504
Transfers	(1,618,536)	(1,603,459)	(1,600,486)	(1,605,998)	(1,483,816)	(1,683,141)	(4,379,433)	(7,314,714)	(400,000)	-
Total Governmental Activities General Revenues	17,035,800	17,286,138	17,386,014	16,553,935	15,941,767	15,425,378	10,842,440	6,968,750	14,102,804	13,569,953
Business-Type Activities:										
Unrestricted investment earnings	1,515	2,730	1,417	1,704	2,178	2,591	4,282	27,264	54,797	68,380
Transfers	1,618,536	1,594,978	1,600,486	1,605,998	1,483,816	1,683,141	4,379,433	7,314,714	400,000	-
Total Business-Type Activities General Revenues	1,620,051	1,597,708	1,601,903	1,607,702	1,485,994	1,685,732	4,383,715	7,341,978	454,797	68,380
Total Primary Government General Revenues	$ 18,655,851	$ 18,883,846	$ 18,987,917	$ 18,161,637	$ 17,427,761	$ 17,111,110	$ 15,226,155	$ 14,310,728	$ 14,557,601	$ 13,638,333
Change in Net Position:										
Governmental Activities	$ 1,767,067	$ 800,139	$ 1,508,634	$ 670,128	$ 738,269	$ 1,285,724	$ (3,622,891)	$ (7,408,177)	$ 619,104	$ 997,024
Business-Type Activities	1,714,311	1,701,694	660,165	(532,493)	(1,162,068)	564,897	2,167,257	5,917,945	(1,704,420)	79,830
Total Primary Government Change in Net Position	$ 3,481,378	$ 2,501,833	$ 2,168,799	$ 137,635	$ (423,799)	$ 1,850,621	$ (1,455,634)	$ (1,490,232)	$ (1,085,316)	$ 1,076,854

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Nonspendable	$ 227,513	$ 222,152	$ 224,084	$ 219,282	$ 221,447	$ 244,366	$ 213,834	$ 188,689	$ 165,816	$ 147,241
Unassigned	3,131,837	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
Total General Fund	3,359,350	3,345,299	3,340,324	3,313,486	3,308,125	3,301,625	3,251,130	3,227,077	3,219,767	3,062,893
All Other Governmental Funds:										
Nonspendable	-	-	-	-	-	-	-	179	-	-
Restricted	67,920	61,563	55,668	53,595	63,569	75,132	103,072	172,191	104,176	70,774
Committed	624,690	917,874	836,526	811,891	790,018	751,085	753,807	4,895,849	4,222,759	767,060
Assigned	8,284,816	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
Total all other governmental funds	8,977,426	8,323,056	7,498,736	6,041,843	4,299,671	3,489,303	1,843,338	6,830,024	6,955,243	3,465,354
Total governmental funds	$ 12,336,776	$ 11,668,355	$ 10,839,060	$ 9,355,329	$ 7,607,796	$ 6,790,928	$ 5,094,468	$ 10,057,101	$ 10,175,010	$ 6,528,247

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Real estate taxes	$ 7,993,594	$ 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
Earned income taxes	8,382,576	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
Other taxes	1,589,097	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
Licenses and permits	239,881	237,113	142,928	229,485	190,735	115,129	154,182	132,857	127,409	162,145
Fees and fines	536,177	533,771	519,321	497,917	479,640	486,795	379,878	387,968	362,784	377,155
Rents	63,024	85,816	77,808	78,081	79,135	80,175	75,096	69,622	67,161	65,675
Interest	13,476	13,015	13,544	11,942	12,860	19,888	87,856	781,040	533,716	338,685
Service agreements	256,624	240,384	229,332	209,039	218,928	310,875	208,924	168,750	256,998	272,172
Other revenue and grants	4,094,573	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
Recreation fees	386,782	397,398	397,596	380,193	360,514	367,361	341,999	458,502	392,786	379,872
Total revenues	23,555,804	21,609,852	21,354,426	20,808,971	20,276,409	20,087,157	17,978,047	17,670,556	16,788,326	15,916,075
Expenditures:										
Current:										
General government	1,964,321	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
Community development	595,612	652,398	633,636	581,379	606,157	601,632	590,803	538,405	552,230	534,397
Public safety	4,916,972	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
Public works	8,071,391	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
Recreation and leisure services	2,381,799	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
Library services	1,076,164	1,021,138	1,026,043	981,289	958,240	973,510	942,506	978,409	955,070	930,939
Debt service:										
Principal retirement	578,790	575,097	562,882	649,189	966,974	439,020	434,189	335,000	345,000	1,153,000
Bond issuance costs	-	-	-	29,688	25,023	-	101,764	296,126	90,045	156,343
Interest	505,488	566,998	587,775	607,762	758,152	752,808	866,680	830,969	570,194	389,051
Capital outlay	1,178,310	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
Total expenditures	21,268,847	19,177,074	18,270,208	17,546,626	18,007,961	17,082,556	18,639,340	21,913,825	18,784,690	17,784,199
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,286,957	2,432,778	3,084,218	3,262,345	2,268,448	3,004,601	(661,293)	(4,243,269)	(1,996,364)	(1,868,124)
Other Financing Sources (Uses):										
Transfers in	5,597,354	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
Transfers out	(7,215,890)	(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)
Debt proceeds	2,390,000	-	-	5,910,000	5,435,000	375,000	4,770,577	4,770,710	9,995,000	5,315,000
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	(2,390,000)	-	-	(5,895,000)	(5,275,000)	-	(4,590,000)	-	-	(5,111,968)
Total other financing sources (uses)	(1,618,536)	(1,603,458)	(1,600,485)	(1,514,812)	(1,451,580)	(1,308,141)	(4,301,340)	4,125,360	5,643,127	203,032
Net Change in Fund Balance	$ 668,421	$ 829,320	$ 1,483,733	$ 1,747,533	$ 816,868	$ 1,696,460	$ (4,962,633)	$ (117,909)	$ 3,646,763	$ (1,665,092)
Debt service as a percentage of non-capital expenditures	5.40%	6.40%	6.80%	7.50%	10.00%	7.50%	8.30%	7.00%	6.00%	10.30%
Debt service as a percentage of total expenditures	5.10%	6.00%	6.30%	7.20%	9.60%	7.00%	7.00%	5.30%	4.90%	8.70%

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

Function/Program:	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
General government	$ 1,305,052	$ 537,850	$ 392,179	$ 455,296	$ 414,260	$ 309,682	$ 307,068	$ 333,335	$ 423,901	$ 431,550
Public safety	451,951	292,969	269,288	288,219	458,667	269,540	258,949	352,813	321,966	308,961
Public works	1,459,674	861,629	787,666	872,303	1,057,360	846,497	745,842	795,333	680,683	816,863
Recreation and leisure services	1,150,507	693,398	619,215	703,584	726,745	1,246,443	1,130,521	1,313,824	895,328	660,362
Library services	329,317	331,985	333,112	312,420	306,865	334,697	372,579	377,292	360,449	387,088
Total governmental activities	4,696,501	2,717,831	2,401,460	2,631,822	2,963,897	3,006,859	2,814,959	3,172,597	2,682,327	2,604,824
Business-type activities:										
Sanitary sewer	5,758,183	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
Community & Recreation Center	4,108,877	3,895,680	3,618,973	3,407,437	2,939,551	2,343,866	773,514	-	-	-
Magazine	168,807	178,140	169,618	194,956	196,990	181,257	189,328	192,629	181,890	202,054
Total business-type activities	10,035,867	9,768,735	8,492,908	8,047,165	7,694,067	7,125,904	5,153,216	3,447,997	3,445,577	3,396,757
Total primary government	$ 14,732,368	$ 12,486,566	$ 10,894,368	$ 10,678,987	$ 10,657,964	$ 10,132,763	$ 7,968,175	$ 6,620,594	$ 6,127,904	$ 6,001,581

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS

	Direct Tax Rate			Overlapping Tax Rate*	
Tax Year	Township of Upper St. Clair	Upper St. Clair School District	Total Direct Tax Rate	Allegheny County	Direct & Overlapping Rate Total
2015	3.8300	23.0355	26.8655	4.7300	31.5955
2014	3.8300	22.1957	26.0257	4.7300	30.7557
2013	3.8300	21.4130	25.2430	4.7300	29.9730
2012	4.6000	25.7180	30.3180	5.6900	36.0080
2011	4.6000	24.1000	28.7000	4.6900	33.3900
2010	4.6000	23.7700	28.3700	4.6900	33.0600
2009	3.4000	23.3700	26.7700	4.6900	31.4600
2008	2.6000	22.4500	25.0500	4.6900	29.7400
2007	2.6000	22.4500	25.0500	4.6900	29.7400
2006	2.6000	22.4500	25.0500	4.6900	29.7400

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
LAST TEN YEARS

	Real Property (1)				
Year	Taxable Residential Property	Taxable Commercial Property	Total Assessed Values of Real Property (2)	Ratio of Total Assessed to Estimated Actual Value	Township Municipal Millage Rate
2015	$ 1,837,866,159	$ 256,965,782	$ 2,094,831,941	100%	3.83
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

Source: Allegheny County Office of Property Assessments

(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 REAL ESTATE TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	December 31, 2015			December 31, 2006		
Taxpayer	**Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Valuation**	**Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Valuation**
South Hills Village Associates	$ 89,715,450	1	4.28%	$ 74,304,200	1	4.48%
Friendship Village of South Hills	38,225,900	2	1.82%	29,705,500	2	1.79%
Target	11,462,200	3	0.55%	-	-	0.00%
1800 Washington Road Associates LP	10,100,000	4	0.48%	-	-	0.00%
Forty-Two Company LLC	9,100,000	5	0.43%	-	-	0.00%
Upper St. Clair Senior Living	8,391,200	6	0.40%	3,677,600	8	0.22%
McMurray Road Family Limited PTR	7,424,900	7	0.35%	6,065,900	6	0.37%
St. Clair Country Club	6,066,000	8	0.29%	5,850,600	7	0.35%
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 Village Associates	-	-	0.00%	6,886,700	5	0.42%
May Center Associates Corporation	-	-	0.00%	14,800,000	3	0.89%
Corvus Pittsburgh Interests	-	-	0.00%	13,700,000	4	0.83%
Southwood Psychiatric Hospital	-	-	0.00%	2,900,000	9	0.18%
	$ 189,676,150		**9.04%**	**$ 160,731,500**		**9.70%**
Total Taxable Assessed Valuation	**$ 2,094,831,941**			**$ 1,656,966,390**		

Sources: Allegheny County Office of Property Assessments
Jordan Tax Service

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

		Collected within Fiscal Year of Levy			Collections to Date	
Year	Adjusted Total Tax Levy	Amount	Percent of Levy	Collections in Subsequent Years	Amount	Percent of Levy
2015	$ 8,074,337	$ 7,942,520	98.37%	$ -	$ 7,942,520	98.37%
2014	7,964,027	7,840,190	98.45%	22,895	7,863,085	98.73%
2013	7,902,624	7,752,196	98.10%	35,024	7,787,220	98.54%
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%
2009	4,310,565	4,195,950	97.34%	87,202	4,283,152	99.36%

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MUNICIPAL EARNED INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	Tax Rate	Total Earned Income Tax Collected	Refunds	Net Earned Income Tax Collected
2015	0.80%	$ 8,613,182	$ (230,606)	$ 8,382,576
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

Note: Earned income tax rate and collection amounts represent only the municipal share.
Upper St. Clair School District levies an earned income tax at a rate of 0.50%.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN YEARS

	General Obligations Bonds		General Obligation Notes					
Year	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Total Primary Government	% of Taxable Assessed Valuation	% of Earned Income (1)	Debt per Capita (1)
2015	$ 15,012,865	$ 32,636,339	$ 2,390,000	$ 1,160,000	$ 51,199,204	2.44%	4.89%	$ 2,647
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

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

(1) See the Schedule of Demographic and Economic Statistics on page 140 for earned income and population data.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

Year	Three year average revenue (borrowing base)[1]	Legal debt limit [2]	Debt applicable to limit	Legal debt margin	Legal debt margin %
2015	$ 31,605,864	$ 79,014,660	$ 36,709,363	$ 42,305,297	53.54%
2014	30,027,352	75,068,380	37,629,399	37,438,981	49.87%
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%

(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 Community & Economic Development.

(2) 250% of borrowing base

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

DECEMBER 31, 2015

.

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Township of Upper St. Clair	Amount Applicable to Township of Upper St. Clair
Direct			
Township of Upper St. Clair (1)	$ 17,402,865	100.00%	$ 17,402,865
Total Direct Debt	17,402,865		17,402,865
Overlapping			
Upper St. Clair School District	115,480,000	100.00%	115,480,000
County of Allegheny (2)	862,490,954	2.79%	24,063,498
Total Overlapping Debt	977,970,954		139,543,498
Total Debt	$ 995,373,819		$ 156,946,363

(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 excludes $33,796,339 of debt related to business type activities of the Township.

(2) Proportionate share of Allegheny County's existing debt as of December 31, 2015 based on the ratio of the Township of Upper St. Clair's assessed valuation to Allegheny County's 2015 assessed valuation. Source: 2015 Allegheny County CAFR.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

Year	Population (1)	Total Earned Income (2)	Per Capita Earned Income (3)	Unemployment Rate (4)
2015	19,644 (b)	$ 1,047,822,000	$ 53,341 (b)	3.8%
2014	19,335 (b)	1,035,793,875	53,571 (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%

(1) Source: U. S. Census Bureau
(a) 2010 U.S. Census; (b) U.S. Census Bureau population estimates 2006-2015
(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 NINE YEARS AGO

	2015			2006		
Employer:	**Employees**	**Rank**	**Percentage of Total Municipal Employment**	**Employees**	**Rank**	**Percentage of Total Municipal Employment**
Upper St. Clair School District	581	1	11.02%	641	1	10.09%
Friendship Village	216	2	4.10%	255	5	4.02%
Target Corporation	214	3	4.06%	-	-	-
Township of Upper St. Clair	169	4	3.21%	155	8	2.44%
St. Clair County Club	144	5	2.73%	149	9	2.35%
OS Restaurant Services, Inc.	139	6	2.64%	177	7	2.79%
Southwood Psychiatric Hospital	129	7	2.45%	124	11	1.95%
Dick's Sporting Goods	126	8	2.39%	-	-	-
Port Authority of Allegheny County	119	9	2.26%	-	-	-
Sears Roebuck & Co.	93	10	1.76%	135	10	2.13%
National City	-	-	-	443	2	6.98%
Consol Energy, Inc.	-	-	-	322	3	5.07%
YMCA of Pittsburgh	-	-	-	260	4	4.09%
Boscov's	-	-	-	255	5	4.02%
Total	1,930		36.62%	2,916		45.93%
Total Employees	**5,271**			**6,350**		

Source: Upper St. Clair Local Occupational Tax records (2006) and Local Services Tax records (2015)

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

FULL-TIME EQUIVALENT MUNICIPAL EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN YEARS

Function/Program:	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government:										
Administration	7.00	7.00	7.00	7.00	7.50	7.50	7.00	7.00	6.00	6.00
Finance	3.50	3.50	3.50	3.50	3.00	3.00	3.00	3.00	4.00	4.00
Information technology	6.00	6.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Community development:										
Administration	2.50	2.50	2.50	3.50	3.00	3.00	4.50	4.50	4.50	4.50
Inspection	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Public safety:										
Uniformed Police Officers	28.00	28.00	27.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00
Other department personnel	7.00	7.00	7.00	7.00	6.00	6.00	7.00	7.00	7.00	7.00
Public works:										
Administration	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Inspection	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00
Laborers	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Recreation and leisure services:										
Administration	3.50	3.50	3.50	3.50	3.00	3.00	3.00	3.00	3.00	3.00
Recreation Center personnel	14.00	13.00	13.00	13.00	13.00	12.00	11.00	2.00	0.00	0.00
Library:										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2	2
Librarians	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00
Total	116.00	115.00	113.00	115.00	112.00	110.00	111.00	102.00	100.00	100.00

Source: Township payroll and personnel records.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/program:	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Community Development:										
Building permits issued	301	288	278	261	260	272	267	281	209	284
Occupancy permits issued	71	51	28	22	34	31	65	54	45	76
Electrical permits issued	277	232	214	206	205	241	216	238	265	257
Sewer permits issued	16	44	19	25	6	6	12	14	10	4
Public Works:										
Roads resurfaced (linear miles)	4.70	4.00	4.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Sanitary sewers rehabilitated (linear miles)	0.87	0.16	0.39	0.39	2.00	2.00	6.00	5.00	4.00	2.00
Snow storm call-outs	34	41	41	36	31	38	32	31	32	37
Storm sewer inlets and manholes rebuilt	65	85	73	87	64	62	52	113	97	60
Miles of roadway swept	3,289	1,502	1,486	1,337	1,800	1,786	500	N/A	N/A	N/A
Sidewalks built (square feet)	0	3,800	0	7,240	7,500	3,273	2,800	N/A	N/A	N/A
Requests for service	4,609	4,649	5,514	3,033	5,070	4,991	5,104	5,572	4,596	4,004
Recreation:										
Seasonal programs offered	13	13	13	13	14	14	14	14	14	14
Seasonal program attendees	3,482	3,252	3,167	3,335	3,193	3,101	3,028	3,928	4,260	4,275
Community and recreation center memberships	3,278	3,300	3,267	3,108	2,908	2,768	1,951	N/A	N/A	N/A
Community and recreation center individual members	10,272	10,975	10,810	10,306	9,624	8,887	6,371	N/A	N/A	N/A
Police:										
Calls for service	10,896	10,398	11,162	10,868	11,341	11,117	11,617	11,469	12,216	13,785
Total arrests	83	61	102	78	65	150	157	146	74	65
Part I offenses reported (major offenses)	96	122	109	102	137	106	119	134	96	120
Part I offenses cleared percentage	36%	41%	41%	24%	22%	42%	29%	25%	32%	28%
Part II offenses reported (other crimes)	138	156	249	179	172	191	165	182	223	208
Part I offenses cleared percentage	65%	63%	54%	56%	74%	73%	66%	73%	73%	65%
DUI arrests	11	16	22	14	17	20	16	23	24	23
Average response time (minutes)	2.4	2.2	2.8	2.9	2.9	2.8	2.8	2.9	2.9	2.8
Fire:										
Total number of emergency calls	266	292	235	250	238	258	266	257	275	271
Total property damage	$ 858,000	$ 296,550	$ 322,500	$ 168,000	$ 634,250	$ 101,700	$ 373,000	$ 147,000	$ 92,300	$ 122,100
Average response time (minutes)	6.2	5.5	6.2	5.6	5.4	4.1	5.4	6.1	2.8	2.8
Library:										
Circulation	375,615	375,233	372,868	387,204	394,641	373,669	342,891	332,695	191,057	191,057
Circulation per capita	19.53	19.51	19.39	20.14	20.52	18.63	17.10	16.59	9.53	9.53
Visits	153,593	162,853	154,144	155,808	171,752	171,752	N/A	N/A	N/A	N/A
Visits per capita	7.99	8.47	8.02	8.10	8.93	8.56	N/A	N/A	N/A	N/A

Sources: Upper St. Clair Township

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/program:	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government:										
Square footage occupied (1)	11,000	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	3	2	2	2	2
Community Development:										
Square footage occupied (1)	2,500	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	2	3	3	3	3
Public Works:										
Municipal street (street miles)	84	84	84	84	84	84	84	84	84	84
Number of traffic lighted intersections	11	11	11	11	11	11	11	11	11	11
Sanitary sewers (miles)	157	157	157	157	157	157	157	157	157	157
Storm sewers (miles)	50	50	50	50	50	50	50	50	50	50
Staff vehicles	4	4	4	4	3	3	4	4	4	4
Inspection vehicles	2	2	2	2	3	3	3	3	3	3
Utility trucks	16	18	26	26	26	26	25	25	25	25
Dump trucks	9	8	0	0	0	0	0	0	0	0
Public works building square footage	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500
Recreation:										
Staff vehicles	1	1	1	1	1	1	1	1	1	1
Number of parks	11	11	11	11	11	11	11	11	11	11
Acreage of park land and open space	733	733	733	733	733	733	733	733	733	733
Recreation centers	2	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	96,500	6,500	6,500	6,500
Basketball courts	12	12	12	12	12	12	12	10	10	10
Tennis courts	10	10	10	10	10	10	10	10	10	10
Ball fields	12	12	12	12	12	12	12	12	8	8
Public Safety:										
Square footage occupied (1)	4,500	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	17
Library:										
Square footage occupied (1)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000

(1) Square footage occupied within the Township Municipal Building.

Source: Township of Upper St. Clair