

PETERS TOWNSHIP

WASHINGTON COUNTY, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2014

PETERS TOWNSHIP

WASHINGTON COUNTY, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2014

PREPARED BY:
DEPARTMENT OF ADMINISTRATION

MICHAEL A. SILVESTRI
TOWNSHIP MANAGER

PAUL F. LAUER
ASSISTANT TOWNSHIP MANAGER

**Peters Township
Comprehensive Annual Financial Report
Year Ended December 31, 2014
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INTRODUCTORY SECTION

Peters Township

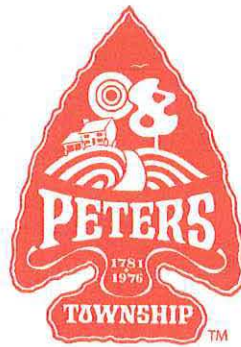
WASHINGTON COUNTY

MICHAEL A. SILVESTRI, *Manager*
PAUL F. LAUER, *Assistant Manager*

610 East McMurray Road
McMurray, Pennsylvania 15317-3420

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Dept. Direct Dial No.:



June 25, 2015

COUNCIL

JAMES F. BERQUIST, *Chairman*
DAVID M. BALL, *Vice Chair*
FRANK ARCURI
ROBERT J. LEWIS
MONICA R. MERRELL
MEGHAN E. JONES-ROLLA
GARY J. STIEGEL, JR.

TO: The Citizens of Peters Township

Peters Township's Home Rule Charter requires the annual public presentation of an independent financial audit of the Township conducted by a certified public accountant. I am pleased to submit for your review, the Comprehensive Annual Financial Report of Peters Township for the fiscal year ended December 31, 2014 in fulfillment of this requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a framework of internal controls that is established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements

Hosack, Specht, Muetzel and Wood LLP, Certified Public Accountants, have issued an opinion without qualification on Peters Township's financial statements for the year ended December 31, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statement. Management's discussion and analysis is intended to complement this letter of transmittal and should be read in conjunction with it.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the government's organizational chart and a list of principal officials. The financial section includes the financial statements with an opinion of the independent certified public accountant based upon their audit. The financial section also includes the management's discussion and analysis (MD&A), which is a narrative introduction, overview and analysis of the basic financial statement. The statistical section includes selected financial and demographic information, generally presented in a multi-year basis.

Profile of Government

Peters Township is a general unit of local government, and as such, provides a wide variety of public services. These services include:

Police Protection
Fire Protection
Road Maintenance
Planning
Code Enforcement
Parks and Recreation
Library
Community Television

The Township operates through the authority granted by the Peters Township Home Rule Charter. The Charter provides that the Township be governed by a seven (7) member elected Council. The Council is vested with a broad-range of policy-making powers. To assist the Council in formulation of policy, a variety of boards have been created. These include:

Planning Commission
Zoning Hearing Board
Parks and Recreation Board
Cable T.V. Board
Environmental Quality Board
Library Board
Youth Commission
BOCA Appeals Board

Day-to-day administration is the responsibility of the Township Manager. Council appoints the Manager for an indeterminate period. The Township Manager, in turn, recommends to Council the appointment of all Department Heads.

The Peters Township Organization Chart, which follows this letter, provides a visual representation of the Township's structure.

Local Economy

In 2014, we saw our local economy continue to be strong. This was evidenced by two new commercial building permits (Bowser Cadillac & South Hills Honda). Eat n Park will be redeveloping the former Pro Adjuster site with a new building and the Nemaocolin Pet Resort is renovating and expanding the site of Printers USA.

The number of new residential construction units in 2014 was 89. This is down for the past 2 years; which is somewhat reflective of national trends. There has been some sizable residential properties purchased or under agreement, for future development. However we may not see a significant increase

in construction until 2016 as we are currently revising our development regulations and many developers are anticipating increased options and density with the new regulations.

Real estate tax assessments continue to be a concern with over 100 active tax appeals. The County has finally commenced the countywide reassessment program, but it is not expected to be in effect until 2017.

Major Initiatives

The purpose of the Home Rule Government of Peters Township is to efficiently serve the residents, businesses and property owners of the community by providing them with a safe and enjoyable community. This requires the various departments of the municipality to do their share in creating a livable community.

The municipal government's role in achieving this vision is through four basic divisions:

1. General Government
2. Protection of Persons and Property
3. Public Works
4. Culture and Recreation

The community needs a sound infrastructure to serve its residents, businesses and property owners, as well as to protect property values in the future. The municipality must also protect its residents, businesses and property owners, as well as their properties. The municipality must provide a social atmosphere that will encourage the community's viability in the forms of recreation, social services, aesthetics, sound economic base and responsiveness to community problems. Finally, the municipal government has a responsibility to inform the public of its activities and plans to permit the residents and property owners the ability to assess the effectiveness of their government and make known their opinions.

General Government

The basic functions of the municipality need a variety of support and coordinating services to permit them to operate. These services also act as the implementation arm for Council's policies. These services include management, finance, tax collection, communications, and professional services, such as legal, engineering, and accounting. The objectives in 2015 include:

1. Communicating with residents through six (6) "In Peters Township Magazines" a calendar, the website, cable channels, and a continued social networking presence.
2. Complete the codification of ordinances, and a new comprehensive insurance appraisal.
3. Improve workplace safety and security in all buildings; develop a plan for security practices and improvements through consultants and implementing a new card key access system in the municipal building.

4. The Township will assure a sound financial system by continuing to contract for real estate tax collection services and participate in Washington County Tax Collection Committee for the collection of earned income and local services taxes.
5. Consulting and in-house professional staff will be utilized to conduct an audit, provide legal counsel, engineering services, and information technology services.
6. Provide design and oversight of construction projects including resurfacing 5 miles of roads, 4 storm sewers projects, 1 stormwater management project, updating pavement management program and digitizing files; in addition updating the flood plain regulations to meet new Federal Emergency Management Agency standards.
7. Provide a sound technological support system by replacing police vehicle laptops, installing a public and private wireless system, and file management software.
8. Maintain morale and health of volunteers and paid staff by recognition of service awards and wellness programs promoting healthy living.
9. Ensure municipal center buildings are safe and well maintained on the exterior and interior by replacing carpeting, lining parking lots, replacing smoke detectors and maintaining landscaping.

Protection of Persons and Property

The Township provides or finances a variety of services to protect the public and property; these include police, fire, ambulance, planning and inspection. The objectives for 2015 include:

1. Create a Deputy Chief position and hire a person for this position by midyear so as to facilitate the transition of upper management police employees.
2. To continue a proactive approach in addressing the health and needs of the community, providing prevention programs to students such as DARE and the School Resource Officer; this includes coordinating with the Youth Commission, Drug Take Back programs, providing equipment such as a Smash Mat and provide a school crossing guard.
3. Ensure public safety through a well managed patrol division with at least 80% of patrol shifts having a minimum of 3 persons on duty, well equipped by purchasing 3 new patrol vehicles with updated equipment, using techniques such as Data Driven Approach to Crime through Traffic Safety, and purchasing 7 new TASERS.
4. Provide direction to police officers to ensure they are adequately trained and have the facilities to serve the community by providing at least the minimum Municipal Police Officers Education and Training Commission training and firearms requirements, continuing with the DUI and Aggressive Driving grant funded programs.
5. Participation in regional programs to increase effectiveness such as the South Hills Council of Government Crisis Intervention Response Team, Fire Rapid Intervention Team, and mutual

aids with North Strabane, Upper St. Clair and Bethel Park Fire Departments as well as active participation in the South Hills Council of Government Police and Fire Chief committees.

6. Continue to operate the deer management program in conjunction with the Environmental Quality Board as well as provide animal control services including dead deer and small animal pick up/disposal.
7. Continue coordination of protection by conducting semi annual meetings with Fire, EMS and Police, as well as to continue cooperative efforts between Planning and emergency services for plan reviews and commercial inspections including joint interdepartmental training for emergencies and sharing of technology resources amongst departments such as the Geographic Information System.
8. Purchase adequate equipment for the firefighters to maintain a safe operation, including 3 sets of turnout gear, 2 air compressors, and fire hose. In addition provide facility support through roof replacement and parking lot paving at Fire Station #1 and design of a new fire storage building.
10. Provide improved fire protection to commercial buildings and residences by implementing a new rapid entry system, updating contact information, conducting fire inspections and drills, and sprinkler operation brochure.
11. Continue funding of senior citizen subscriptions to the Peters Township Ambulance Service.
12. With the hiring of a Land Use Planner commence implementation of the recently adopted comprehensive plan by preparation of a new zoning ordinance, utilizing consultants as needed.
13. Continue current land use planning reviews ensuring new developments meet community standards with emphasis on property maintenance codes and safe building construction through certified Uniform Construction Code Inspectors.
14. Provide support to the Planning Commission and Zoning Hearing Board through professional staff support including hiring of a new Zoning Hearing Board Solicitor.

Public Works

The Township maintains a 110 mile road network, storm sewers, storm water management facilities and numerous buildings and structures. Health and safety functions are primarily provided through authorities and private contractors. The Township government must be active in these functions to assure that the community has a healthy environment. The objectives in 2015 are:

1. Promote the participative nature of our residents by providing a recycling program, 5 fall and 2 spring leaf and 24 year round brush collection pick-us, a daily electronic device drop off program; continue a volunteer landscaping program and the purchase of a cardboard compactor. The Township will implement an automated residential curbside recycling program with 8,000 new 65 gallon containers, and a Household Hazardous Waste collection will occur in 2015.
2. Participate with the Peters Township Sanitary Authority, Peters Creek Sanitary Authority and Washington County Sewage Council for sewage planning and enforcement.

3. A well maintained road system is paramount to the safety of residents as well as for the efficient operation of businesses, emergency services and school busing. The increased level of resurfacing financing will ensure we do not fall behind in maintenance. Maintaining roadside safety is also critical and a concerted effort will be occurring to address tree damage from the emerald ash borer. Also fund a replacement controller for the Waterdam/Route 19 traffic signal.
4. Safe and well maintained facilities will be achieved by constructing a new storage garage.
5. Address stormwater issues proactively by renovating one stormwater detention pond, continuing year 5 of a 10 year storm sewer replacement program for aging corrugated metal pipe and additional funding for special storm sewer projects. Preventive stormwater and flooding issues will be addressed by additional staffing and the purchase of a street sweeper with storm inlet vacuuming capabilities.
6. Purchase two replacement pickup trucks.
8. Maintain the Township's snow removal objectives of 3 hour salting and 7 hours plowing with adequate number of vehicles and equipment including use of pretreating brine and dual suppliers for salt.

Culture and Recreation

The Township provides a well-rounded variety of recreation programs and facilities; it also provides complete library services and operates and programs multiple cable television channels. The objectives in 2015 include:

1. Continue to provide multiple opportunities for involvement of residents by recruiting over 250 volunteers to assist in recreation, library and cable programming.
2. Maintain a close cooperation with the school district by sharing of recreation facilities and scheduling, coordinating library offerings and an outreach coordinator with the school curriculum and operating a cable studio at the high school, with significant capital equipment to improve studio capabilities
3. Continue to provide a wide variety of programs for all interests including 4 summer concerts, increased Community Recreation Center programming and increased usage of electronic books through the Library. Continued offering of the Silver Sneakers Program will provide affordable programs for the wellness of seniors.
4. Plan for the future needs of our continuing growth in population by developing a long range recreation plan while still maintaining facilities by paving a section of Arrowhead Trail, replacing steps to Arrowhead Trail, and replacing Shelter 1 in Peterswood Park.

5. Address cultural needs by constructing a new amphitheater at Peterswood Park, a new Makerspace and café in the Library and for the preservation of the original Bower Hill School house recently acquired by the Township.
6. Employ an associate library director or new library director to improve ability to serve the public and for long range transition planning. Make the Recreation Supervisor position full time to attract qualified candidates.
7. Promote a financially self sufficient Tennis Center.

Financial Operations

Accounting and Budgeting

In developing and evaluating the Township's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurances regarding:

1. The safeguarding of assets against loss from unauthorized uses or disposition.
2. Reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

1. The cost of the control should not exceed the benefits likely to be derived.
2. The evaluation of costs and benefits requires estimates and judgment by management.

All internal control evaluations occur within the above framework. We believe the Township's internal accounting controls adequately safeguard assets and provide reasonable assurance in proper recording of financial transactions.

In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the government's governing body. Activities of the General Fund, Special Revenue Funds and the Capital Project Fund are included in the annual appropriated budget. The level of budgetary control is established by function within an individual fund. Budgetary control is that level in which expenditures cannot legally exceed the appropriated amount.

LONG TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

It is the stated goal of the Township to maintain a fund balance equal to or in excess of 15% of revenues. Revenues associated with governmental funds in 2014 equaled \$16,147,262. The fund balances as of December 31, 2014 greatly exceeded the target of \$2,422,089. The year-end fund balance totaled \$11,352,571. Of this amount, \$6,238,549 was unassigned.

The Peters Township Home Rule Charter required Peters Township Council to annually adopt a five-year Capital Improvement Plan. The Charter requires that the Capital Improvement Plan include:

1. A simple, clear, general summary of the detailed contents of the program.
2. The capital improvements pending or proposed for the next fiscal year, together with the estimated cost of each improvement and the method of financing it.
3. The capital program proposed for the next four years, together with the estimated cost of each improvement and the proposed method of financing it.
4. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

This Capital Improvement Plan is annually developed, adopted, and published in conjunction with the Township's annual operating budget. The intent of the plan is to ensure that not only facilities, equipment and infrastructure are well maintained, but that the cost associated with these improvements is financed in a systematic and sound fashion as well.

Projects incorporated into the plan are derived from a number of sources. In some cases, projects are initially identified within studies commissioned by the Township. These studies include:

- Comprehensive Land Use Plan
- Comprehensive Traffic Study
- Comprehensive Recreation Plan
- Comprehensive Study of Recreational Fields
- Peterswood Master Plan
- Peters Lake Park Master Plan
- Stormwater Management Plan
- Management Study of Fire Department Services

Capital Improvement Projects are proposed and advocated by standing advisory committees which are provided for in the Home Rule Charter or the Peters Township Administrative Code. In addition, potential capital improvement projects are submitted by the Township's department heads.

The 2015-2019 Capital Improvement Plan anticipates the expenditure of \$16,641,278 over the next five years based on the following annual expenditure of funds:

2015	\$ 4,520,126
2016	\$ 3,751,849
2017	\$ 2,701,239
2018	\$ 2,336,864
2019	\$ 3,331,200

Of this amount, \$1,889,375 is designated for the acquisition or replacement of vehicles. The remaining expenditures are related to improvements to facilities and infrastructure. A significant portion of the Capital Improvement Plan is devoted to road improvements. The cost of proposed road improvements contained in the plan total \$8,008,700. The cost associated with improvements to the storm sewer infrastructure is \$1,575,000.

Projects contained in the 2015-2019 Capital Improvement Plan will be financed through the expenditure of excess current funds, capital lease, grants and fees. The Township received block grant funding from the state of Pennsylvania under the Liquid Fuels Program, the Local Share Program, and the Natural Gas Impact Fee Program. These funds are devoted to financing capital improvements. In addition, the Township levies a Traffic Impact Fee on all new developments. These funds are earmarked to finance road improvement projects. The Township does not anticipate issuing any long-term debt in the next five years.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for excellence in financial reporting to the government for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2013. This was the nineteenth consecutive year that Peters Township has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

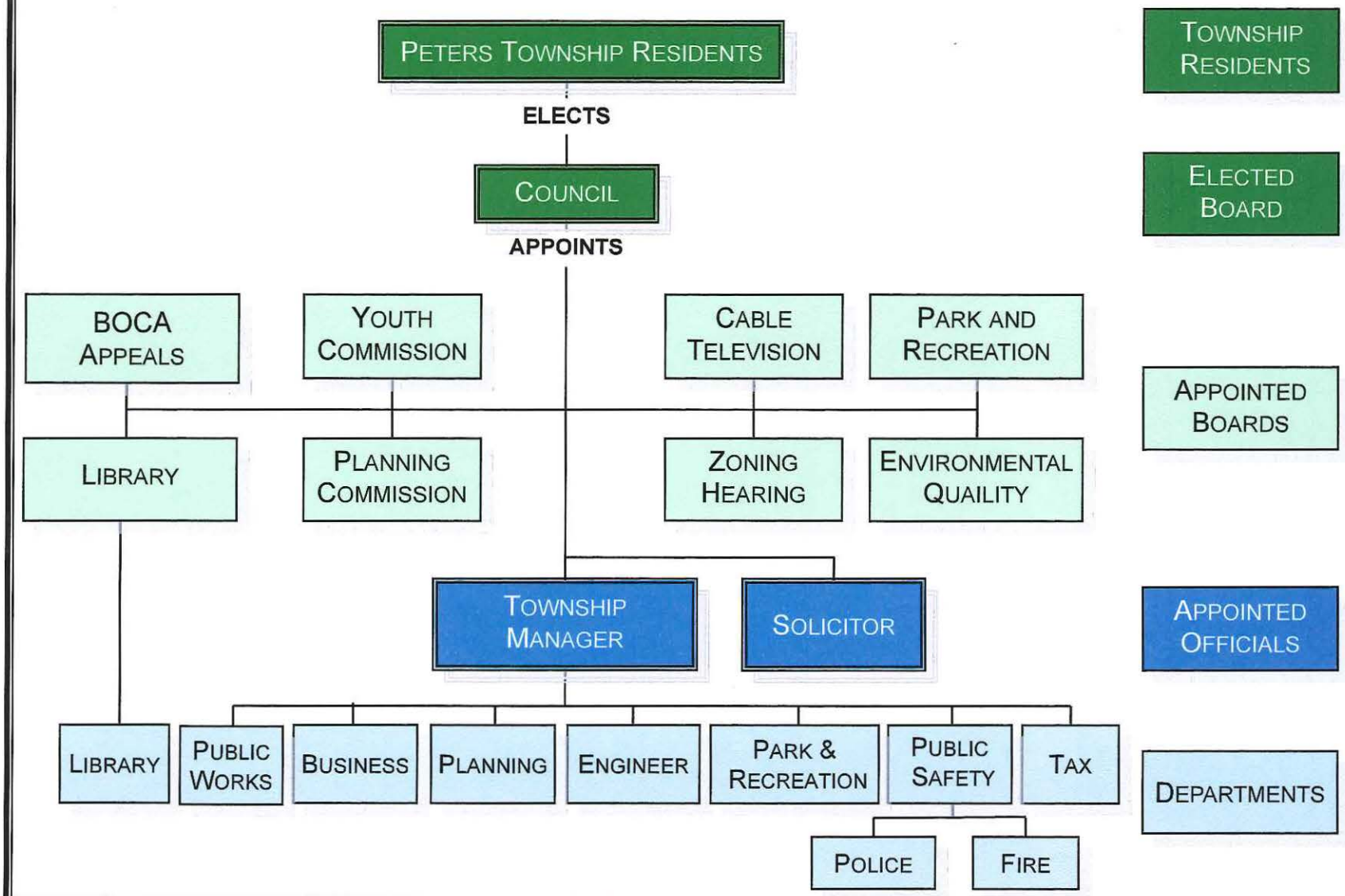
The production of this report was made possible through the efforts of a variety of individuals. The work and cooperation of the Township's administration staff, particularly the Assistant Township Manager, Paul F. Lauer, was instrumental in the completion of this report. I also wish to acknowledge the efforts of Council for its support and encouragement. As in other endeavors, Council has committed itself to ensuring that the financial operations of the Township are conducted in a progressive and responsive manner.

Respectfully submitted,

Michael A. Silvestri

Michael A. Silvestri
Township Manager

Peters Township Organizational Chart



TOWNSHIP RESIDENTS

ELECTED BOARD

APPOINTED BOARDS

APPOINTED OFFICIALS

DEPARTMENTS

PETERS TOWNSHIP
LIST OF PRINCIPAL OFFICIALS
As of June 1, 2015

<u>Title</u>	<u>Name</u>
Chairman, Peters Township Council	David M. Ball
Vice-Chairman, Peters Township Council	Robert Lewis
Member, Peters Township Council	Frank Arcuri
Member, Peters Township Council	James F. Berquist
Member, Peters Township Council	Meghan E. Jones-Rolla
Member, Peters Township Council	Monica Merrell
Member, Peters Township Council	Gary Stiegel, Jr.
Township Manager	Michael A. Silvestri
Assistant Township Manager	Paul F. Lauer
Public Safety Director	Harry J. Fruecht
Fire Chief	Daniel Coyle
Planning Director	Edward J. Zuk
Public Works Director	Peter C. Overcashier
Parks and Recreation Director	Michele Harmel
Township Engineer	Mark A. Zemaitis
Township Solicitor	John M. Smith



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Peters Township
Pennsylvania**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

FINANCIAL SECTION

HOSACK, SPECHT, MUETZEL & WOOD LLP

CERTIFIED PUBLIC ACCOUNTANTS

305 MT. LEBANON BOULEVARD, SUITE 301

PITTSBURGH, PENNSYLVANIA 15234-1500

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Independent Auditor's Report

Members of Council
Peters Township
McMurray, Pennsylvania

Dear Members:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Peters Township, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 Township'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 Township'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 Peters Township, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension and other post-employment benefit information as listed in the table of contents 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 Peters Township's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison 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 nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters (Cont'd)

Other Information (Cont'd)

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.

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
June 25, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Peters Township's comprehensive annual financial report presents a narrative overview and analysis of the Township's financial performance for the fiscal year ended December 31, 2014. Please read this management and discussion in conjunction with the preceding transmittal letter and the accompanying financial statements and notes which follow in order to obtain a thorough understanding of the Township's financial condition as of December 31, 2014.

FINANCIAL HIGHLIGHTS

- The Township maintained the property tax rate at 13 mills.
- Peters Township's net position increased by \$1,879,195 from \$34,717,114 to \$36,596,309. This represents an increase of 5.4%.
- The unrestricted net position of Peters Township as of December 31, 2013 was \$7,826,925. As of December 31, 2014 the unrestricted net position of the Township was \$9,007,736.
- In 2012 Standard and Poor's awarded Peters Township a bond rating of AA+.
- The net outstanding debt associated with bonds decreased by \$675,000 from \$12,345,000 in 2013 to \$11,670,000 in 2014.
- Based on the Township's population estimate for 2012 of 23,000 the per capita bond debt as of December 31, 2014 is \$507. This is down from \$537 in 2013.
- The Fund Balance for the General Fund as of December 31, 2014 increased by \$956,610 from \$5,942,740 to \$6,899,350.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis section of the comprehensive annual financial report is intended as an introduction to Peters Township's basic financial statements. There are three components to the Township's financial statements. These are: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information designed to enhance the reader's understanding of the Township's finances.

Government-wide financial statements are intended to provide readers with a broad overview of Peters Township's finances. There are two government-wide financial statements presented in this report.

The first is the statement of net position. The statement of net position presents information on all of Peters Township's assets and liabilities. The difference between the Township's assets and liabilities is shown as the Township's net assets. Increases or decreases in net assets are financial indicators that when tracked over time can be used as a measure of the Township's financial condition.

The second government-wide financial statement is the statement of activities. This statement shows information on how the Township's net position has changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the actual cash flow. Revenues and expenses are reported in the statement for some items that will result in cash flows at some future date. For example, taxes that are levied but yet to be collected or sick days accrued but not yet used.

It is the accepted practice in the government-wide financial statements to distinguish governmental activities from business-type activities. Governmental activities are those functions of the Township that are principally supported by tax dollars and intergovernmental revenues. Governmental activities commonly include services such as police, fire, public works, planning, recreation, and administration. Business-type activities are those that are funded through user fees and charges. These would include such municipal services such as solid waste collection, sewage treatment, public water, or other municipally owned utilities. Peters Township does provide solid waste collection and disposal under contract to a third party. The government-wide financial statements therefore include information both on governmental activities and business-type activities.

The government-wide financial statements are required to include financial information not only on the primary governmental unit but also information for any other component unit for which the primary governmental unit is financially responsible. An example of a component unit of a Township (the primary governmental unit) would be a sewer authority where the Township sets user rates and guarantees the authority's bonds. Peters Township (the primary governmental unit) is not financially responsible for other organizations and therefore information on component units is not incorporated into this report.

The fund financial statements provide detailed information about the Township's funds as opposed to the Township as a whole. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Certain funds are required to exist to comply with requirements of the Commonwealth of Pennsylvania. The funds used by Peters Township are divided into three categories. They are governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, the governmental fund statements focus on near term financial activities. Governmental fund statements report information on revenues and expenditures throughout the year as well as the balances of available resources at the year's end. This information allows the reader to evaluate the Township's short-term financial activities.

By viewing information contained in the government-wide financial statements in conjunction with that contained in the governmental fund statements the reader can appreciate the impact near term financial activities has on the Township's long-term financial condition. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Peters Township maintains eight individual governmental funds. These include:

General Fund
Cable Television Fund
Capital Projects Fund
Highway Aid Fund
Library Fund
Series of 2010 Debt Service Fund
Series of 2012 Debt Service Fund
Series of 2013 Debt Service Fund

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, the cable television fund and the capital projects fund. These three funds are considered major funds. Information on the non-major funds including the highway aid fund, the library fund, and debt service funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements.

Peters Township annually adopts budgets for all of the governmental funds. A statement comparing revenues and expenditures to the budget is included for all governmental funds.

Proprietary funds are used to account for the Township's activities that are similar to a business operation in the private sector. For proprietary funds a significant portion of the funding is provided from user charges. The Peters Township Solid Waste Services Fund was created in 2006 to account for the financial activity associated with the collection and disposal of solid waste and recyclables. This fund is a proprietary fund. Accounting for this fund is done on a similar basis as the accounting for a business activity.

Fiduciary funds are used to account for resources held for the benefit of parties other than the Township. Fiduciary funds are not reflected in the government-wide financial statements because the resources contained in these funds are not available to support the programs of Peters Township. Peters Township maintains two fiduciary funds. These include:

Police Pension Fund
Employees' Pension Fund

The notes to the financial statements provide additional information essential for a reader to develop a full understating of the information provided in the government-wide and fund financial statements.

In addition to the basic financial statements and the accompanying notes the report also presents certain required supplementary information. The required supplementary information in Peters Township's comprehensive financial report provides the reader information concerning the Township's progress toward funding its pension obligation for the police pension plan, other post-employment benefits and the budgetary comparison schedules.

The combining statements and schedules referred to earlier in connection with non major governmental fund are presented immediately following the required supplementary information

FINANCIAL ANALYSIS OF THE MUNICIPALITY AS A WHOLE

The Township's net position at December 31, 2014 and December 31, 2013 are presented below:

Net Position						
Year Ended December 31						
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
ASSETS						
Current and other assets	\$12,702,235	\$11,892,995	\$245,155	\$165,124	\$12,947,390	\$12,058,119
Capital assets	\$37,514,671	\$36,630,366	\$0	\$0	\$37,514,671	\$36,630,366
Total Assets	<u>\$50,216,906</u>	<u>\$48,523,361</u>	<u>\$245,155</u>	<u>\$165,124</u>	<u>\$50,462,061</u>	<u>\$48,688,485</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	\$631,012	\$686,468	\$0	\$0	\$631,012	\$686,468
Total deferred outflow of resources	<u>\$631,012</u>	<u>\$686,468</u>	<u>\$0</u>	<u>\$0</u>	<u>\$631,012</u>	<u>\$686,468</u>
LIABILITIES						
Current and other liabilities	\$1,267,934	\$1,189,653	\$33,948	\$34,088	\$1,301,882	\$1,223,741
Non-current liabilities	\$13,194,882	\$13,434,098	\$0	\$0	\$13,194,882	\$13,434,098
Total Liabilities	<u>\$14,462,816</u>	<u>\$14,623,751</u>	<u>\$33,948</u>	<u>\$34,088</u>	<u>\$14,496,764</u>	<u>\$14,657,839</u>
NET POSITION						
Net Investment in Capital Assets	\$25,824,998	\$24,679,541			\$25,824,998	\$24,679,541
Restricted	\$1,763,575	\$2,210,648			\$1,763,575	\$2,210,648
Unrestricted	\$8,796,529	\$7,695,889	\$211,207	\$131,036	\$9,007,736	\$7,826,925
Total Net Position	<u>\$36,385,102</u>	<u>\$34,586,078</u>	<u>\$211,207</u>	<u>\$131,036</u>	<u>\$36,596,309</u>	<u>\$34,717,114</u>

Infrastructure assets:

At December 31, 2014, the Peters Township's total assets are \$50,462,061. Of this amount, \$37,514,671 is accounted for as capital assets. The total assets as of December 31, 2013 were \$48,688,485.

Historically, infrastructure (roads, sewers, etc) have not been reported or depreciated in governmental financial statements. GASB Statement #34 requires that all capital assets, including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statements. Prospective reporting of infrastructure is allowed under GASB statement #34 for smaller municipalities. Peters Township has chosen to report infrastructure on a prospective basis and began doing so in 2004. As a result, net investment in capital assets stands at \$25,824,998 as of December 31, 2014.

The following presents the Township's change in net assets for the fiscal years ended December 31, 2014 and December 31, 2013

**Changes in Net Assets
Year Ended December 31**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for services	\$ 1,527,464	\$ 1,535,777	\$ 1,571,260	\$ 1,515,746	\$ 3,098,724	\$ 3,051,523
Operating grants	\$ 1,376,454	\$ 1,385,194	\$ 0	\$ 0	\$ 1,376,454	\$ 1,385,194
Capital Grants	\$ 1,133,696	\$ 990,196	\$ 0	\$ 0	\$ 1,133,696	\$ 990,196
General Revenues:						
Property taxes	\$ 4,341,766	\$ 4,278,658	\$ 0	\$ 0	\$ 4,341,766	\$ 4,278,658
Earned income taxes	\$ 6,003,743	\$ 5,469,004	\$ 0	\$ 0	\$ 6,003,743	\$ 5,469,004
Real estate transfer taxes	\$ 1,689,817	\$ 1,641,884	\$ 0	\$ 0	\$ 1,689,817	\$ 1,641,884
Other taxes	\$ 374,941	\$ 347,184	\$ 0	\$ 0	\$ 374,941	\$ 347,184
Grants not restricted	\$ 328,955	\$ 332,638	\$ 0	\$ 0	\$ 328,955	\$ 332,638
Investment earning	\$ 5,101	\$ 69,724	\$ 29	\$ 22	\$ 5,130	\$ 69,746
Miscellaneous income	\$ 54,280	\$ 104,339	\$ 0	\$ 0	\$ 54,280	\$ 104,339
Total Revenues	<u>\$ 16,836,217</u>	<u>\$ 16,154,598</u>	<u>\$ 1,571,289</u>	<u>\$ 1,515,768</u>	<u>\$ 18,407,506</u>	<u>\$ 17,670,366</u>
Program Expenses						
General government	\$ 1,615,418	\$ 1,718,037	\$ 0	\$ 0	\$ 1,615,418	\$ 1,718,037
Public safety	\$ 6,058,879	\$ 5,814,163	\$ 0	\$ 0	\$ 6,058,879	\$ 5,814,163
Public works - sanitation	\$ 36,020	\$ 62,992	\$ 1,491,118	\$ 1,479,044	\$ 1,527,138	\$ 1,542,036
Public works - highways	\$ 3,948,691	\$ 3,190,144	\$ 0	\$ 0	\$ 3,948,691	\$ 3,190,144
Culture and recreation	\$ 3,075,042	\$ 3,049,562	\$ 0	\$ 0	\$ 3,075,042	\$ 3,049,562
Interest on long-term debt	<u>\$ 303,143</u>	<u>\$ 283,046</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 303,143</u>	<u>\$ 283,046</u>
Total Expenses	<u>\$ 15,037,193</u>	<u>\$ 14,117,944</u>	<u>\$ 1,491,118</u>	<u>\$ 1,479,044</u>	<u>\$ 16,552,311</u>	<u>\$ 15,596,988</u>
Change in net assets	\$ 1,799,024	\$ 2,036,654	\$ 80,171	\$ 36,724	\$ 1,879,195	\$ 2,073,378
Net assets-beginning	<u>\$ 34,586,078</u>	<u>\$ 32,549,424</u>	<u>\$ 131,036</u>	<u>\$ 94,312</u>	<u>\$ 34,717,114</u>	<u>\$ 32,643,736</u>
Net assets-ending	<u>\$ 36,385,102</u>	<u>\$ 34,586,078</u>	<u>\$ 211,207</u>	<u>\$ 131,036</u>	<u>\$ 36,596,309</u>	<u>\$ 34,717,114</u>

Governmental Activities

Revenue Sources

In 2014 73.7% of Peters Township's total government-wide revenues of \$16,836,217 were derived from taxes. This compares with 72.7% in 2013. The Township collected \$12,410,267 in taxes. Of the taxes levied Earned Income Tax and the Real Estate Tax are the most significant.

The Earned Income Tax is a one-half percent (.5%) tax levied against the wages earned by Township residents. In 2014, Earned Income Tax accounted for \$6,003,743 or 48.4% of the taxes levied for general government functions. Earned Income Tax revenues collected in 2014 were 9.8% higher than that collected in 2013.

The Real Estate Tax is a tax levied against the assessed valuation of real estate property located in the Township. The assessed valuation of all property in 2014 was \$341,457,423. This represents an increase in assessed property value of \$4,624,759. This increase reflects the value of new construction and additions completed in 2014. The last reassessment of properties in Peters Township occurred in 1981. The court ordered reassessment of properties is underway. Real Estate Tax receipts in 2014 totaled \$4,341,766 or 35.0% of tax revenue.

The Real Estate Transfer Tax is a tax levied on the value of all real estate transferred in Peters Township. The Township levy is one percent (1%) of the value of property transferred. This tax is collected by the Washington County Recorder of Deeds, who charges a two percent (2%) collection fee. In 2014 revenues from the Deed Transfer Tax increased by \$47,933 from the prior year to \$1,689,817.

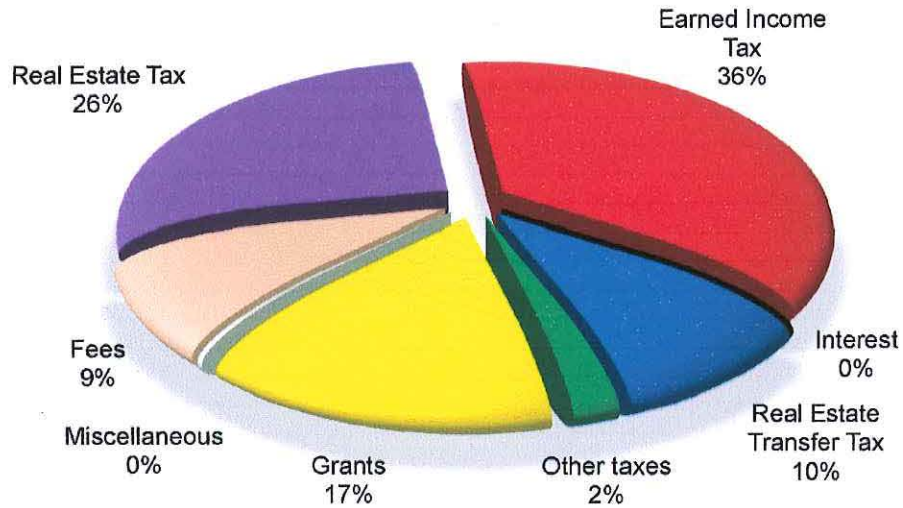
In 2014 the Township collected \$4,425,950 in revenue from non tax sources. This represents 26.3% of the total revenue collected. Charges for services equaled \$1,527,464 or 34.5% of all non tax revenue. It is the Township's policy, whenever possible, to charge fees for specialized services. The Township's goal is to structure these fees in a manner so as to cover the total cost of providing the related service. Zoning and building permit fees offset the cost of municipal services associated with development activity. The cost of recreation activities are largely covered by program fees.

Grants received by Peters Township in 2014 totaled \$2,839,105 and represent 64.1% of the Township non tax revenue. An important ongoing source of grant funds for Peters Township is the Pennsylvania State Liquid Fuel Program. Under this program, the state provides individual municipalities with a portion of the monies derived through the imposition of a statewide gasoline tax. In 2012 Peters Township also began receiving a grant allocation under the Natural Gas Impact Fee program.

The Township also receives funds under the Foreign Fire and Foreign Casualty Insurance Programs. Funds received under the Foreign Fire Fund Program are mandated by the state of Pennsylvania to be turned over to the Peters Township Volunteer Fire Company Relief Association. These funds primarily are utilized by the Relief Association to acquire and maintain firefighting equipment and personal protection gear. The Foreign Casualty Insurance Program provides funds to help offset employee pension costs. The amount received does not cover all of the costs associated with employee pensions. The difference is made up by the General Fund and employees' contributions.

The following chart graphically depicts the government-wide sources of the governmental activities revenues for the fiscal year ended December 31, 2014:

Sources of Revenues
Total Revenues: \$16,836,217



Program Expenses

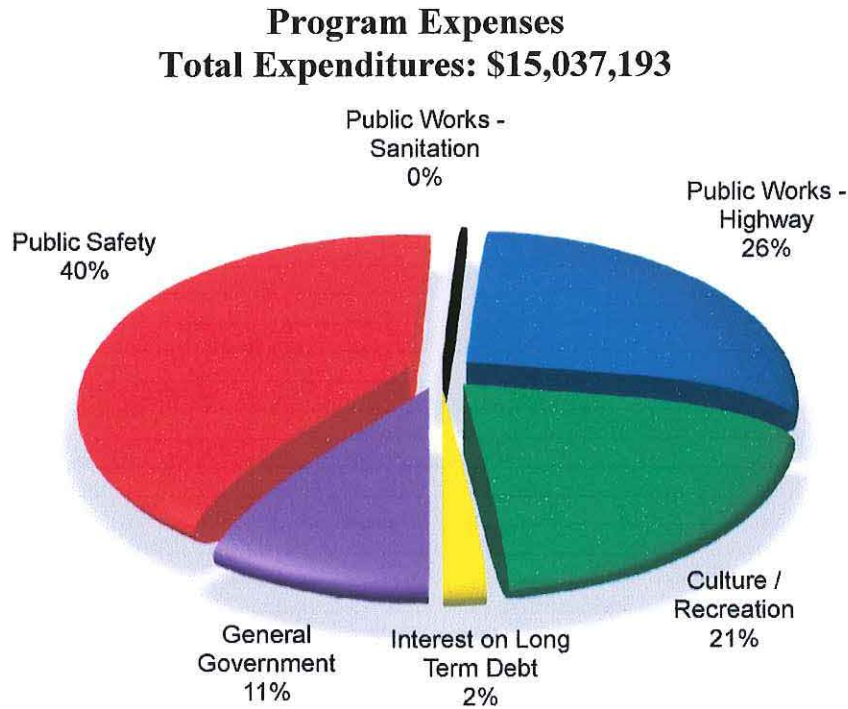
Total program expenses in 2014 were \$15,037,193. This represents an increase of \$919,249 or 6.1% over 2013.

In 2014 expenditures associated with public safety account for \$6,058,879 or 40.3% of all expenses. Programs contained in the Public Safety category include Police Services, Fire Services, Planning, Emergency Medical Services, Animal Control, Zoning Building Inspection and Emergency Medical Services.

Public Works expenditures in 2014 totaled \$3,984,711 or 26.5% of total expenses. A significant portion of this amount is associated with capital improvements including the resurfacing of roadways, construction of a trail bridge over Sugar Camp Road, and the rehabilitation of storm sewers.

Programs included under the category of Culture and Recreation is the Peters Township Library, Parks and Recreation, and Peters Township Community Television. In 2014, expenditures for Culture and Recreation equaled \$3,075,042 or 20.4% of the expenses.

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2014:



Net Program Expenses/Revenues:

As one might expect the basic services of Peters Township are primarily financed through general revenues. To the extent one can identify a specific beneficiary of a municipal service, users fees are charged to offset the cost of the service rendered. Examples of the municipal services where it is possible to establish this correlation include services such as recreation programs and building permits.

In 2014 public safety expenses required the most general revenue for support, needing \$5,218,404. Culture and recreation required \$2,011,688 in general revenue support while public works activities required \$1,997,393.

**Business-Type Activities
Revenue Sources**

To finance the cost of collecting and disposing of solid waste and recyclables the Township charges each homeowner a flat fee that is collected quarterly. In 2014 fees for solid waste and recycling totaled \$1,571,260. In 2014 fees for garbage service were unchanged from 2013 levels. 100% of the cost associated with the collection and disposal of solid waste and recyclables.

Program Expenses

The flat fee charged to the Township by a third party contractor determines the expense related to the collection and disposal of solid waste and recyclables. This service costs \$1,491,118 in 2014. The collection and disposal of solid waste and recyclables is performed under contract with Waste Management. The Township through the South Hills Council of

Government entered into a contract with Waste Management in 2014. This contract expires at the end of 2019.

Net Program Expenses/Revenues

Program expenses are intended to be fully offset by revenues generated by user charges. In 2014 charges for services off set all associated expenses.

FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDS

As Peters Township completed the year, its governmental funds reported a combined fund balance of \$11,352,571 an increase of \$742,077 compared to the previous year. This increase in fund balance is largely attributable to tax receipts and franchise fees in excess of that which was anticipated. The Township continues to maintain fund balances well in excess of established standards.

Fund balance is divided into one of five classifications. These are:

- **Nonspendable fund balance:** amounts that are not in a spendable form such as inventory or are required to be maintained intact
- **Restricted fund balance:** amounts constrained to specific purposes by their providers through constitutional provisions or by enabling legislation
- **Committed fund balance:** amounts constrained to specific purposes by Peters Township Council
- **Assigned fund balance:** amounts a government intends to use for a specific purpose. The assignment can be expressed Council or the Township Manager
- **Unassigned fund balance:** amounts that are available for any purpose; these amounts are reported only in the general fund.

Of the total balance \$1,763,575 is restricted and must be used the completion of capital and highway projects. Peters Township Council has committed \$2,878,158 for specific purposes including \$1,748,730 in the Cable Television Fund for public access television and communications. \$469,220 of the fund balance is classified as assigned. This includes \$406,031 which is assigned the Library Fund for library operations. The non-expendable fund balance is \$3,069. The remaining \$6,238,549 is unassigned, meaning it is available to meet the Township's current and future needs.

In the Peters Township General Fund, the fund balance increased by \$956,610 from \$5,942,740 to \$6,899,350. This change is largely attributed to greater than anticipated revenues from Earned Income Tax and Real Estate Transfer Tax. Earned Income Tax receipts exceeded the budget by \$251,258 and Real Estate Transfer Tax exceeded the budget by \$489,817. Also contributing to the increase in fund balance were saving realized as the result in personnel changes.

The fund balance in the Peters Township Capital Projects Fund decreased by \$545,531 from \$2,843,966 to \$2,298,435. This is largely attributed to completion of capital projects associated with the proceeds from the 2010 bond issue.

General Fund Budgetary Highlights

In 2014 general fund revenues exceed budgeted revenues by \$904,157. Total revenues in 2014 were budgeted at \$13,121,010 while actual revenues equaled \$14,025,167. The variance is largely attributable to greater than expected Earned Income Tax revenues, as well as, higher than anticipated Real Estate Transfer Tax revenues.

General fund expenditures were \$827,621 less than the final budget. The final budget for total expenditures in 2014 was \$11,324,324 while actual expenditures equaled \$10,496,703. The variance between actual and budgeted expenditures was the result of a continued concerted effort across the board to control spending.

Other Major Funds

Capital Projects Fund

The capital projects fund accounts for funds provided by Peters Township, most frequently from transfers from the General Fund or bond proceeds. The most significant capital expenditure in 2014 related to highway maintenance, storm sewer maintenance, building improvements and purchase of vehicles including a fire truck.

Cable Television Fund

Peters Township has entered into a franchise agreements for cable services with Comcast Communications and Verizon. The Cable Television Fund accounts for funds derived from a 5% franchise fee charged the Township's cable television provider. Peters Township has chosen to segregate these funds and to earmark them for communication, public access operation and cable franchise administration.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets consist primarily of land, buildings and improvements, equipment and infrastructure. The following is a summary of capital assets at December 31, 2014 and December 31, 2013:

Summary of Capital Assets

	Balance at 12/31/2014	Balance at 12/31/2013	Difference
Land	\$5,877,316	\$5,877,316	\$0
Construction in Progress	\$0	\$730,091	(\$730,091)
Buildings & improvements	\$13,180,648	\$13,180,648	\$0
Land improvements	\$7,653,888	\$6,858,462	\$795,426
Machinery and equipment	\$4,199,955	\$4,128,869	\$71,086
Vehicles	\$4,832,013	\$3,888,316	\$943,697
Infrastructure	\$20,490,275	\$18,755,682	\$1,734,593
Total capital assets	<u>\$56,234,095</u>	<u>\$53,419,384</u>	<u>\$2,814,711</u>
Less accumulated depreciation for:			
Buildings and building improvements	\$4,680,518	\$4,358,405	\$322,113
Land improvements	\$2,447,115	\$2,115,922	\$331,193
Machinery and equipment	\$3,165,923	\$2,979,338	\$186,585
Vehicles	\$3,198,228	\$2,948,315	\$249,913
Infrastructure	\$5,227,640	\$4,387,038	\$840,602
Total accumulated depreciation	<u>\$18,719,424</u>	<u>\$16,789,018</u>	<u>\$1,930,406</u>
Net capital assets	<u>\$37,514,671</u>	<u>\$36,630,366</u>	<u>\$884,305</u>

More detailed information about the Township's capital assets can be found in Note 5 of the notes to financial statements.

Long-term Debt

As of December 31, 2014 the Township had \$12,204,518 of debt outstanding including general obligation debt of \$11,670,000 and a capital lease of \$534,518. This represents a decrease of \$307,527 or 2.5% from the previous year. The following details activity related to general obligation bonds and capital leases during 2014.

Summary of General Obligation Debt Activity

Beginning Balance at 1/1/2014	\$ 12,512,045
Additions	\$ 449,966
Principal Retirement	\$ 757,493
Ending Balance at 12/31/2014	\$ 12,204,518

More detailed information about the Township long-term debt can be found in Note 8 of the notes to financial statements.

Trust and Agency Operations

Pension Trust Fund

The Township maintains two pension funds related to the activities associated with the Peters Township Police and the Peters Township Employee Pension Systems. As a result of a net appreciation in the fair value of the investments in 2014 both pension funds experienced a modest increase in the value of assets held. Because the Peters Township Employee Pension is a defined contribution plan the amount of the Township's future contribution will be unaffected. The Peters Township Police Pension Plan however is a defined benefit plan. The impact of the net appreciation in the fair value of investments held in this plan on future Township contribution has yet to be ascertained.

Bond Ratings

The Township maintains a strong investment bond rating of Aa+ from Standard and Poor's bond rating service. This rating was issued in 2012. More detailed information about the Township's general long-term debt activity can be found in the notes to the financial statements.

CONTACTING THE MUNICIPALITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

**Peters Township Business Department
610 East McMurray Road
McMurray, PA 15317**

**Peters Township
Statement of Net Position
December 31, 2014**

Exhibit 1

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Cash Equivalents	\$10,084,862	\$230,396	\$10,315,258
Investments	554,118	-	554,118
Taxes Receivable, Net	1,167,502	-	1,167,502
Internal Balances	50,000	(50,000)	-
Due from Other Governments	38,182	-	38,182
Other Receivables	752,752	-	752,752
Accounts Receivable	-	64,759	64,759
Prepaid Items	3,069	-	3,069
Other Current Assets	22,277	-	22,277
Net Pension Asset	29,473	-	29,473
Capital Assets not Being Depreciated			
Land	5,877,316	-	5,877,316
Capital Assets, Net of Accumulated Depreciation	16,374,720	-	16,374,720
Infrastructure Assets, Net of Accumulated Depreciation	<u>15,262,635</u>	<u>-</u>	<u>15,262,635</u>
TOTAL ASSETS	<u>50,216,906</u>	<u>245,155</u>	<u>50,462,061</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	<u>631,012</u>	<u>-</u>	<u>631,012</u>
LIABILITIES			
Accounts Payable	335,365	33,948	369,313
Contracts Payable	51,402	-	51,402
Accrued Interest Payable	16,133	-	16,133
Accrued Salaries and Benefits	271,855	-	271,855
Payroll Deductions and Withholdings	70,705	-	70,705
Other Current Liabilities	522,474	-	522,474
Noncurrent Liabilities			
Due Within One Year	878,138	-	878,138
Due in More Than One Year			
Bonds Payable	11,086,167	-	11,086,167
Capital Leases	364,310	-	364,310
Compensated Absences	587,639	-	587,639
Net Other Post-Employment Benefit Obligation	<u>278,628</u>	<u>-</u>	<u>278,628</u>
TOTAL LIABILITIES	<u>14,462,816</u>	<u>33,948</u>	<u>14,496,764</u>
NET POSITION			
Net Investment in Capital Assets	25,824,998	-	25,824,998
Restricted for:			
Capital Projects	1,763,550	-	1,763,550
Highways	25	-	25
Unrestricted	<u>8,796,529</u>	<u>211,207</u>	<u>9,007,736</u>
TOTAL NET POSITION	<u>\$36,385,102</u>	<u>\$211,207</u>	<u>\$36,596,309</u>

See Accompanying Notes

**Peters Township
Statement of Activities
Year Ended December 31, 2014**

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental Activities							
General Government	\$ 1,615,418	\$ 96,049	\$ 86,438	\$ -	\$ (1,432,931)	\$ -	\$ (1,432,931)
Public Safety	6,058,879	479,480	360,995	-	(5,218,404)	-	(5,218,404)
Public Works - Sanitation	36,020	-	-	-	(36,020)	-	(36,020)
Public Works - Highways	3,948,691	68,130	809,472	1,073,696	(1,997,393)	-	(1,997,393)
Culture - Recreation	3,075,042	883,805	119,549	60,000	(2,011,688)	-	(2,011,688)
Interest on Long-Term Debt	<u>303,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(303,143)</u>	<u>-</u>	<u>(303,143)</u>
Total Governmental Activities	<u>15,037,193</u>	<u>1,527,464</u>	<u>1,376,454</u>	<u>1,133,696</u>	<u>(10,999,579)</u>	<u>-</u>	<u>(10,999,579)</u>
Business-Type Activities							
Garbage	<u>1,491,118</u>	<u>1,571,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,142</u>	<u>80,142</u>
Total Primary Government	<u>\$16,528,311</u>	<u>\$3,098,724</u>	<u>\$1,376,454</u>	<u>\$1,133,696</u>	<u>(10,999,579)</u>	<u>80,142</u>	<u>(10,919,437)</u>
General Revenues							
Taxes							
Property Taxes Levied for General Purposes, Net					4,341,766	-	4,341,766
Earned Income Taxes					6,003,743	-	6,003,743
Real Estate Transfer Taxes					1,689,817	-	1,689,817
Other Taxes Levied for General Purposes, Net					374,941	-	374,941
Grants, Subsidies and Contributions not Restricted to Specific Programs					328,955	-	328,955
Investment Earnings					5,101	29	5,130
Miscellaneous Income					<u>54,280</u>	<u>-</u>	<u>54,280</u>
Total General Revenues					<u>12,798,603</u>	<u>29</u>	<u>12,798,632</u>
Changes in Net Position					1,799,024	80,171	1,879,195
Net Position - January 1, 2014					<u>34,586,078</u>	<u>131,036</u>	<u>34,717,114</u>
Net Position - December 31, 2014					<u>\$ 36,385,102</u>	<u>\$211,207</u>	<u>\$ 36,596,309</u>

See Accompanying Notes

**Peters Township
Balance Sheet
Governmental Funds
December 31, 2014**

Exhibit 3

	General Fund	Cable Television Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$6,353,899	\$1,686,523	\$1,637,197	\$407,243	\$10,084,862
Investments	-	-	554,118	-	554,118
Taxes Receivable, Net	1,167,502	-	-	-	1,167,502
Due from Other Funds	54,104	-	-	-	54,104
Due from Other Governments	38,182	-	-	-	38,182
Other Receivables	373,721	127,839	251,192	-	752,752
Prepaid Items	3,069	-	-	-	3,069
Other Current Assets	<u>22,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,277</u>
TOTAL ASSETS	<u>\$8,012,754</u>	<u>\$1,814,362</u>	<u>\$2,442,507</u>	<u>\$407,243</u>	<u>\$12,676,866</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Due to Other Funds	\$ -	\$ 4,104	\$ -	\$ -	\$ 4,104
Accounts Payable	241,472	36	92,670	1,187	335,365
Contracts Payable	-	-	51,402	-	51,402
Accrued Salaries and Benefits	268,385	3,470	-	-	271,855
Payroll Deductions and Withholdings	70,705	-	-	-	70,705
Other Current Liabilities	<u>464,452</u>	<u>58,022</u>	<u>-</u>	<u>-</u>	<u>522,474</u>
Total Liabilities	<u>1,045,014</u>	<u>65,632</u>	<u>144,072</u>	<u>1,187</u>	<u>1,255,905</u>
Deferred Inflows of Resources					
Unavailable Revenues					
Property Taxes	45,032	-	-	-	45,032
Special Assessments	<u>23,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,358</u>
Total Deferred Inflows of Resources	<u>68,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,390</u>
Fund Balances					
Nonspendable	3,069	-	-	-	3,069
Restricted	-	-	1,763,550	25	1,763,575
Committed	594,543	1,748,730	534,885	-	2,878,158
Assigned	63,189	-	-	406,031	469,220
Unassigned	<u>6,238,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,238,549</u>
Total Fund Balances	<u>6,899,350</u>	<u>1,748,730</u>	<u>2,298,435</u>	<u>406,056</u>	<u>11,352,571</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$8,012,754</u>	<u>\$1,814,362</u>	<u>\$2,442,507</u>	<u>\$407,243</u>	<u>\$12,676,866</u>

See Accompanying Notes

Peters Township
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2014

Exhibit 4

Total Fund Balances - Governmental Funds \$ 11,352,571

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$56,234,095, and the accumulated depreciation is \$18,719,424. 37,514,671

Property taxes receivable and other long-term assets will be collected in the future but are not available to pay for current period expenditures and, therefore are reported as unavailable revenue in the funds. 68,390

The negative pension benefit obligation (asset) is considered an asset in the government-wide financial statements. 29,473

Certain charges on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position. 514,845

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 Payable	\$(11,670,000)	
Accrued Interest on the Bonds	(16,133)	
Capital Leases Payable	(534,518)	
Other Post-Employment Benefits (OPEB)	(278,628)	
Compensated Absences	<u>(595,569)</u>	<u>(13,094,848)</u>

Total Net Position - Governmental Activities \$ 36,385,102

See Accompanying Notes

Peters Township
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2014

Exhibit 5

	General Fund	Cable Television Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$12,429,119	\$ -	\$ -	\$ -	\$12,429,119
Licenses and Permits	5,865	509,163	-	-	515,028
Fines and Forfeits	72,179	-	-	37,506	109,685
Interest, Rents and Royalties	1,810	249	2,360	682	5,101
Intergovernmental	586,079	-	603,019	673,454	1,862,552
Charges for Services	885,135	-	-	17,616	902,751
Miscellaneous	<u>44,980</u>	<u>340</u>	<u>276,321</u>	<u>1,385</u>	<u>323,026</u>
Total Revenues	<u>14,025,167</u>	<u>509,752</u>	<u>881,700</u>	<u>730,643</u>	<u>16,147,262</u>
Expenditures					
Current:					
General Government	1,250,257	40,545	-	-	1,290,802
Public Safety	4,427,527	-	-	-	4,427,527
Public Works - Sanitation	30,388	-	-	-	30,388
Public Works - Highways	1,478,169	-	-	-	1,478,169
Culture - Recreation	1,170,165	96,682	-	945,030	2,211,877
Insurance, Employee Benefits and Other	2,053,283	-	-	-	2,053,283
Debt Service:					
Principal	82,493	-	-	675,000	757,493
Interest	4,421	-	-	246,471	250,892
Capital Outlay	<u>-</u>	<u>25,211</u>	<u>2,774,178</u>	<u>555,331</u>	<u>3,354,720</u>
Total Expenditures	<u>10,496,703</u>	<u>162,438</u>	<u>2,774,178</u>	<u>2,421,832</u>	<u>15,855,151</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,528,464</u>	<u>347,314</u>	<u>(1,892,478)</u>	<u>(1,691,189)</u>	<u>292,111</u>
Other Financing Sources (Uses)					
Capital Lease	-	-	449,966	-	449,966
Transfers In	-	-	896,981	1,721,471	2,618,452
Transfers Out	<u>(2,571,854)</u>	<u>(46,598)</u>	<u>-</u>	<u>-</u>	<u>(2,618,452)</u>
Total Other Financing Sources (Uses)	<u>(2,571,854)</u>	<u>(46,598)</u>	<u>1,346,947</u>	<u>1,721,471</u>	<u>449,966</u>
Net Changes in Fund Balances	956,610	300,716	(545,531)	30,282	742,077
Fund Balances - January 1, 2014	<u>5,942,740</u>	<u>1,448,014</u>	<u>2,843,966</u>	<u>375,774</u>	<u>10,610,494</u>
Fund Balances - December 31, 2014	<u>\$ 6,899,350</u>	<u>\$ 1,748,730</u>	<u>\$ 2,298,435</u>	<u>\$ 406,056</u>	<u>\$ 11,352,571</u>

See Accompanying Notes

**Peters Township
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended December 31, 2014**

Exhibit 6

Total Net Change in Fund Balances - Governmental Funds \$ 742,077

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the period.

Depreciation Expense	\$(1,982,806)	
Capital Outlays	<u>2,159,304</u>	176,498

Donations of capital assets increases net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 707,807

Because some property taxes and special assessments do not provide current financial resources, they are not reported as revenues in the funds. (2,819)

Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 757,493

Some capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as an other financing source. The capital leases are not revenues in the statement of activities, but constitute long-term liabilities in the statement of net position. (449,966)

In the statement of activities, certain operating expenses - compensated absences (sick pay and vacations) and other post-employment benefit obligations (OPEB) - are measured by the amounts earned during the year. In governmental funds, however, expenditures for the items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Compensated Absences	(32,113)	
Other Post-Employment Benefit Obligations	<u>(45,279)</u>	(77,392)

**Peters Township
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended December 31, 2014**

Exhibit 6

Some expenses reported in the fund financial statements relating to pension expense are recognized based on the annual required contribution or amount actually paid and in the government-wide statements are recognized based on the annual pension cost.

\$ (2,423)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Net Change in Accrued Interest on Bonds

(5,876)

Bond premium and loss on defeasance are reported in the statement of revenues and expenditures of governmental funds as expenditures but are capitalized and amortized over the life of the bonds in the statement of activities.

Amortization of Bond Premium and Loss on Refunding

(46,375)

Change in Net Position of Governmental Activities

\$1,799,024

See Accompanying Notes

Peters Township
Statement of Net Position
Proprietary Fund
December 31, 2014

Exhibit 7

	Garbage Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$230,396
Accounts Receivable	<u>64,759</u>
TOTAL ASSETS	<u>295,155</u>
LIABILITIES	
Current Liabilities	
Due to Other Funds	50,000
Accounts Payable	<u>33,948</u>
TOTAL LIABILITIES	<u>83,948</u>
NET POSITION	
Unrestricted	<u>\$211,207</u>

See Accompanying Notes

Peters Township
Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Fund
Year Ended December 31, 2014

Exhibit 8

	Garbage Fund
Operating Revenues	
Charges for Services	<u>\$1,571,260</u>
Operating Expenses	
Other Services and Charges	<u>1,491,118</u>
Operating Income	80,142
Nonoperating Revenues	
Investment Income	<u>29</u>
Change in Net Position	80,171
Total Net Position - January 1, 2014	<u>131,036</u>
Total Net Position - December 31, 2014	<u>\$ 211,207</u>

See Accompanying Notes

**Peters Township
Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2014**

Exhibit 9

	Garbage Fund
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 1,545,634
Cash Payments to Suppliers for Goods and Services	<u>(1,491,258)</u>
Net Cash Provided by Operating Activities	<u>54,376</u>
Cash Flows from Investing Activities	
Earnings on Investments	<u>29</u>
Net Increase in Cash and Cash Flows	54,405
Cash and Cash Equivalents - January 1, 2014	<u>175,991</u>
Cash and Cash Equivalents - December 31, 2014	\$ <u>230,396</u>
Operating Income	\$ 80,142
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
(Increase) Decrease in Accounts Receivable	(25,626)
Increase (Decrease) in Accounts Payable	<u>(140)</u>
Total Adjustments	<u>(25,766)</u>
Cash Provided by Operating Activities	\$ <u>54,376</u>

See Accompanying Notes

**Peters Township
Statement of Net Position
Fiduciary Funds
December 31, 2014**

Exhibit 10

	Pension Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 432,036
Investments	
Mutual Funds	13,574,821
Guaranteed Interest Accounts	121,125
Receivables - Employees	<u>20,504</u>
TOTAL ASSETS	<u>14,148,486</u>
NET POSITION	
Net Position Restricted for Pensions	<u>\$14,148,486</u>

See Accompanying Notes

**Peters Township
Statement of Change in Net Position
Fiduciary Funds
Year Ended December 31, 2014**

Exhibit 11

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 613,557
Plan Members	<u>102,432</u>
Total Contributions	<u>715,989</u>
Investment Income	
Net Appreciation (Depreciation) in Fair Value of Investments	741,793
Interest and Dividends	2,029
Less Investment Expense	<u>(8,363)</u>
Net Investment Income	<u>735,459</u>
Total Additions	<u>1,451,448</u>
Deductions	
Benefits	287,084
Administrative Expenses	<u>13,080</u>
Total Deductions	<u>300,164</u>
Net Increase (Decrease) in Net Position	1,151,284
Net Position Restricted for Pensions	
Beginning of Year	<u>12,997,202</u>
End of Year	<u>\$14,148,486</u>

See Accompanying Notes

Peters Township
Notes to Financial Statements
December 31, 2014

Note 1 - Summary of Significant Accounting Policies

Peters Township was incorporated in 1781 under the provisions of Article 9, Section 1 of the Constitution of the Commonwealth of Pennsylvania, as amended. Peters Township operates under the Home Rule Charter with a Council/Manager form of government.

A. Description of Government-Wide and Fund 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 nonfiduciary activities of the Township. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. 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 enterprise funds are reported as separate columns in the fund financial statements.

B. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. 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.

C. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. 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.

Peters Township
Notes to Financial Statements
December 31, 2014

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Basis of Presentation - Fund Financial Statements (Cont'd)

The government reports the following major governmental funds:

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

The *cable television fund*, a special revenue fund, is used to account for revenues received under the cable television franchise agreement and related expenditures of operating the public access channel.

The *capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

The Township reports the following major proprietary fund:

The *garbage fund* accounts for the revenues and other costs and expenses providing garbage collection to residents during the year.

Additionally, the Township reports the following fund type:

The *pension trust fund(s)* account for the activities of the Police and Non-Uniform Pension Plans, which accumulate resources for pension benefit payments to covered employees.

The Township also reports as nonmajor governmental funds the following:

Special revenue funds focus on revenues that are restricted or committed to specific purposes. Their revenues serve as the foundation for those funds. The Highway Aid and Library Funds are considered special revenue funds.

Debt service funds account for the resources accumulated and payments made for principal and interest on long-term general obligation bonds of governmental funds.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from 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 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.

Peters Township
Notes to Financial Statements
December 31, 2014

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Basis of Presentation - Fund Financial Statements (Cont'd)

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 as transfers 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.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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, net of any uncollectible amounts, 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes levied but collected beyond 60 days after year end are recorded as unavailable revenues to be recognized as revenue when the taxes are collected. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, intergovernmental revenues, investment income, rent and certain miscellaneous revenues 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. In applying the susceptible to accrual concept to intergovernmental revenues (state and federal sources), the legal and contractual requirements of the individual

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 1 - Summary of Significant Accounting Policies (Cont'd)

D. Measurement Focus and Basis of Accounting (Cont'd)

programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Township; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise funds are charges to residents for collection of garbage and recyclables. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

E. Cash and Cash Equivalents

The Township's policy is to maintain cash balances in interest-bearing accounts such as money market or flex funds. Investments are stated at fair value. Fair value is based on quoted market prices. For the purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Expenditures may not legally exceed the budgeted appropriation at the function level. As a matter of policy, supplemental appropriations are requested whenever expenditures exceed appropriations at the function level. Only Council may take action to amend appropriations. The budgetary procedures utilized by Peters Township are prescribed in the Township's Home Rule Charter. Those procedures are as follows:

1. Sixty days prior to the close of the fiscal year (December 31), the Township Manager is required to submit to Council a proposed budget.
2. Upon submission to Council, the proposed budget is considered public record and, as such, is available to the public for their review.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 1 - Summary of Significant Accounting Policies (Cont'd)

F. Budgets (Cont'd)

3. Council holds a public hearing to obtain input from Township residents on the proposed budget. This hearing must be held no earlier than two weeks after the submittal of the proposed budget to Council, but no later than two weeks prior to the anticipated adoption date.
4. No sooner than two weeks after the public hearing, but before the close of the fiscal year (December 31), Council adopts the budget.
5. Budgets are adopted as on-line item basis by departments. At any time during the year, the Township Manager may transfer monies among programs within a function. Appropriation transfers between functions require Council action.
6. Appropriations authorized by the budget or any addendum cannot exceed anticipated income.
7. Budgets are legally adopted for the general fund, all special revenue funds, capital projects funds, and the debt service funds on a basis consistent with generally accepted accounting principles.
8. All appropriations lapse at the end of each fiscal year (December 31).
9. There were supplemental budgetary appropriations made during the year ended December 31, 2014 in the amount of \$150,500.

G. Inventories

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis, and are expensed when used.

Inventories in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, an estimated value of inventories is reported as an asset in the general fund, if considered material. There were no material inventory balances as of December 31, 2014.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 1 - Summary of Significant Accounting Policies (Cont'd)

I. Capital Assets

Capital assets, which include property, plant, equipment and land improvements 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 \$5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In accordance with GASB Statement No. 34, infrastructure has been prospectively capitalized, beginning January 1, 2004. The Township, a phase-3 government under GASBS No. 34 implementation guidelines, is not required and has not elected retroactive reporting of infrastructure assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Building Improvement	20-40
Land Improvements	20
Furniture	5
Vehicles	5-15
Equipment	5-15
Computers	3
Infrastructure	20-40

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 1 - Summary of Significant Accounting Policies (Cont'd)

J. Deferred Outflows/Inflows of Resources (Cont'd)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. Compensated Absences

The Township's policies regarding vacation time under various contracts, provide for employees to accumulate sick days which they are paid for upon retirement or termination of service. The amount the employee is compensated and the number of days varies based on their contract and their years of service. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, governmental funds report a compensated absence liability only if they have matured; for example, as a result of employee resignations and retirements.

L. Government-Wide and Proprietary Fund Net Position

Net position is divided into three components:

Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - all other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Governmental - Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, fund balance reporting and governmental fund type definitions, the Township classifies governmental funds balances as follows:

Nonspendable - amounts that cannot be spent because they are either (1) not in a spendable form or (2) legally or contractually required to remain intact.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 1 - Summary of Significant Accounting Policies (Cont'd)

L. Government-Wide and Proprietary Fund Net Position (Cont'd)

Governmental - Fund Balance (Cont'd)

Restricted - the part of fund balance that is restricted to be spent for a specific purpose. The constraints on these amounts must be externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or by enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payment and includes a legally enforceable requirement on the use of these funds.

Committed - the portion of fund balance that can only be used for specific purposes determined by a formal action of the Township's highest level of authority. The Township Council is the highest level of decision-making authority that can, by the passage of a motion, commit fund balances. Once the item is committed, it cannot be used for any other purpose unless changed by the same procedures used to initially constrain the money, which is the passage of a motion.

Assigned - reflects the Township's intent to use the money for a specific purpose but is not considered restricted or committed. The Township Council has, by adoption of policy, authorized the Township manager or assistant manager to assign fund balance.

Unassigned - represents the part of spendable fund balance that has not been categorized as restricted, committed or assigned. The general fund is the only fund permitted to have a positive unassigned fund balance.

The Township's informal policy is that it considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. It also considers committed amounts to be spent first when an expenditure is incurred for purposes for which both committed and unassigned fund balance could be used.

The purposes of the nonspendable, restricted, committed and assigned fund balances as of December 31, 2014, are as follows:

1. The nonspendable fund balance in the general fund in the amount of \$3,069 is for prepaid insurance.
2. The restricted fund balance in the capital projects fund of \$1,763,550 is for future capital construction projects and major capital purchases.
3. The restricted fund balance in the nonmajor funds of \$25 is for highway maintenance, rebuilding and construction.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 1 - Summary of Significant Accounting Policies (Cont'd)

L. Government-Wide and Proprietary Fund Net Position (Cont'd)

Governmental - Fund Balance (Cont'd)

4. The committed fund balance in the general fund is for other post-employment benefits in the amount of \$594,543; in the cable television fund for the public access channel costs of operation in the amount of \$1,748,730; and in the capital projects fund for future capital projects in the amount of \$534,885 which represents the funds received from the local gaming impact fees allocated.
5. The assigned fund balance in the general fund of \$63,189 is for public safety and parks.
6. The assigned fund balance in nonmajor funds of \$406,031 is for the public library.

Note 2 - Deposits and Investments

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

In addition to the investments authorized for governmental and proprietary funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate and other investments consistent with sound business practice.

The deposit and investment policy of the Township adheres to state statutes and prudent business practice.

The deposits and investments of the fiduciary funds are administered by trustees and are held separately from those of other municipal funds. Investments are reported at fair value. Fair value is based on quoted market prices. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. There were no deposit or investment transactions during the year that were in violation of either state statutes or the policy of the Township.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of December 31, 2014, \$3,421,191 of the Township's bank balance of \$4,171,191 was exposed to custodial credit risk as follows:

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 2 - Deposits and Investments (Cont'd)

Custodial Credit Risk - Deposits (Cont'd)

Uninsured and Collateral Held by Pledging Bank's Agent not in the Township's Name	<u>\$3,421,191</u>
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As of December 31, 2014, the Township had the following investments:

Investments	Maturity Date	Fair Value
PLGIT	N/A	\$ 3,385,438
PA Invest	60 days or less	1,923,005
PNC Government Money Market Fund	60 days or less	1,666,939
Principal Global Investors Money Market Fund	60 days or less	160,172
Equity Mutual Funds	N/A	13,574,821
Principal Financial Group		
Guaranteed Interest Accounts	12/31/15	60,318
Guaranteed Interest Accounts	12/31/16	18,019
Guaranteed Interest Accounts	12/31/17	2,545
Guaranteed Interest Accounts	12/31/18	8,387
Guaranteed Interest Accounts	12/31/19	24,199
Guaranteed Interest Accounts	12/31/20	<u>7,657</u>
 Total Investments		 <u>\$20,831,500</u>

The investments in the Mutual Funds, Principal Money Market Fund and the Guaranteed Interest Accounts are reported in the Township's fiduciary funds.

Interest Rate Risk - 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 money market funds maintain an average maturity that is less than sixty days.

Credit Risks - Pennsylvania statutes authorize the type of investments allowed and are described above. The Township has no investment policy that would further limit its investments choices. The Township's investments in PA Invest, the Pennsylvania Local Government Investment Trust (PLGIT) and the PNC Government Money Market Fund were rated AAAM by Standard & Poor's. The Principal Money Market Fund and the Principal Guaranteed Interest Accounts held in the fiduciary funds are not rated.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 2 - Deposits and Investments (Cont'd)

Custodial Credit Risk - Deposits (Cont'd)

Concentration of Credit Risk - The Township places no limit on the amount it may invest in any one issue.

The Pennsylvania Local Government Investment Trust (PLGIT) was established as a common law trust, organized under laws of the Commonwealth of Pennsylvania and the provision of the Intergovernmental Cooperation Act. Shares of the Fund are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools and municipalities. The purpose of the Fund is to enable such governmental units to pool their available funds for investments. The Trust is governed by an elected board of trustees who are responsible for the overall management of the Trust. The trustees are elected from the several classes of local governments participating in the Trust. The Trust is audited annually by independent auditors. PLGIT is rated AAAM by Standard and Poor's.

PLGIT operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. PLGIT uses amortized cost to report net position to compute share prices. PLGIT maintains a net asset value of \$1 per share. Accordingly, the fair value of the position in PLGIT is the same as the value of the PLGIT shares.

Note 3 - Real Estate Taxes

The tax collector bills and collects real estate taxes on behalf of the Township based upon assessed values provided by the County. The Township's tax rate for all purposes in 2014 was 13 mills (\$13 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied for 2014 is as follows:

Tax Levy Date	March 7, 2014
2% Discount Period	Through June 7, 2014
Face Payment Period	June 8, 2014 - August 7, 2014
10% Penalty Period	August 8, 2014 until Liened
Lien Filing Date	January 1, 2015

The amounts shown as delinquent real estate taxes receivable have not been recorded as revenue on the fund statements. These taxes are, however, recorded as unavailable revenues on the governmental fund balance sheet until they are received. The amounts reported for this receivable are reported on the balance sheet in the amount of \$45,032 along with other taxes receivable of \$1,122,470.

Note 4 - Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the Township. At December 31, 2014 the following amounts are due from other governmental units:

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 4 - Due from Other Governments (Cont'd)

	Governmental Funds
State	\$ 7,834
School District	25,255
Other Local Governments	<u>5,093</u>
 Total	 <u>\$38,182</u>

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	Balance 01/01/14	Additions	Disposals	Transfers	Balance 12/31/14
Governmental Activities					
Capital Assets not Being Depreciated					
Land	\$ 5,877,316	\$ -	\$ -	\$ -	\$ 5,877,316
Construction in Progress	<u>730,091</u>	<u>32,690</u>	<u>-</u>	<u>(762,781)</u>	<u>-</u>
Total Capital Assets not Being Depreciated	<u>6,607,407</u>	<u>32,690</u>	<u>-</u>	<u>(762,781)</u>	<u>5,877,316</u>
Capital Assets Being Depreciated					
Buildings and Building Improvements	13,180,648	-	-	-	13,180,648
Land Improvements	6,858,462	32,645	-	762,781	7,653,888
Machinery and Equipment	4,128,869	168,477	-	(97,391)	4,199,955
Vehicles	3,888,316	898,706	52,400	97,391	4,832,013
Infrastructure	<u>18,755,682</u>	<u>1,734,593</u>	<u>-</u>	<u>-</u>	<u>20,490,275</u>
Total Capital Assets Being Depreciated	<u>46,811,977</u>	<u>2,834,421</u>	<u>52,400</u>	<u>762,781</u>	<u>50,356,779</u>
Totals	<u>53,419,384</u>	<u>2,867,111</u>	<u>52,400</u>	<u>-</u>	<u>56,234,095</u>

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 5 - Capital Assets (Cont'd)

	Balance 01/01/14	Additions	Disposals	Transfers	Balance 12/31/14
Governmental Activities (Cont'd)					
Less Accumulated Depreciation					
Buildings and Building					
Improvements	\$ 4,358,405	\$ 322,113	\$ -	\$ -	\$ 4,680,518
Land Improvements	2,115,922	331,193	-	-	2,447,115
Machinery and Equipment	2,979,338	186,585	-	-	3,165,923
Vehicles	2,948,315	302,313	52,400	-	3,198,228
Infrastructure	<u>4,387,038</u>	<u>840,602</u>	<u>-</u>	<u>-</u>	<u>5,227,640</u>
 Total Accumulated Depreciation	 <u>16,789,018</u>	 <u>1,982,806</u>	 <u>52,400</u>	 <u>-</u>	 <u>18,719,424</u>
 Governmental Activities Capital Assets, Net	 <u>\$36,630,366</u>	 <u>\$ 884,305</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$37,514,671</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

General Government	\$ 65,175
Public Safety	301,726
Public Works - Highways	1,030,180
Culture - Recreation	<u>585,725</u>
 Total Depreciation Expense	 <u>\$1,982,806</u>

Note 6 - Interfund Balances

Interfund balances at December 31, 2014 were:

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 6 - Interfund Balances (Cont'd)

Fund	Interfund Receivable	Interfund Payable
General Fund	\$54,104	\$ -
Cable Television Fund	-	4,104
Enterprise Fund		
Garbage Fund	<u>-</u>	<u>50,000</u>
	<u>\$54,104</u>	<u>\$54,104</u>

Balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All the balances above are expected to be collected in the subsequent year.

Note 7 - Interfund Transfers

For the year ended December 31, 2014, interfund transfers consisted of the following:

<u>Transfer To</u>	<u>Transfer From</u>		Totals
	General Fund	Cable Television Fund	
Capital Projects Funds	\$ 850,383	\$46,598	\$ 896,981
Nonmajor Governmental Funds	<u>1,721,471</u>	<u>-</u>	<u>1,721,471</u>
	<u>\$2,571,854</u>	<u>\$46,598</u>	<u>\$2,618,452</u>

The general fund transfer to the capital projects fund in the amount of \$850,383 is to fund certain capital projects throughout the Township. The cable television fund transfer of \$46,598 to the capital projects fund was for capital purchases.

The general fund transfers to the nonmajor governmental funds in the amount of \$1,721,471 were comprised of \$800,000 to the library fund and is an annual transfer to subsidize the operations of the Township Library and \$921,471 to the debt service funds to pay the principal and interest due annually on the Township's general obligation bonds.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 8 - Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Balance 01/01/14	Additions	Reductions	Balance 12/31/14	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	\$12,345,000	\$ -	\$675,000	\$11,670,000	\$700,000
Plus: Bond Premium	<u>125,248</u>	<u>-</u>	<u>9,081</u>	<u>116,167</u>	<u>-</u>
Total Bonds Payable	12,470,248	-	684,081	11,786,167	700,000
Capital Leases	167,045	449,966	82,493	534,518	170,208
Compensated Absences	<u>563,456</u>	<u>53,683</u>	<u>21,570</u>	<u>595,569</u>	<u>7,930</u>
Governmental Activities Long-Term Liabilities	<u>\$13,200,749</u>	<u>\$503,649</u>	<u>\$788,144</u>	<u>\$12,916,254</u>	<u>\$878,138</u>

General Obligation Bonds

\$11,010,000 Refunding Issue of 2010 due serially through 2028; interest at 2.00% - 4.10%; debt service source - general fund transfers to debt service fund.

\$ 575,000

\$2,290,000 Refunding Issue of 2012 due serially through 2017; interest at 0.30% - 1.25% debt service source - general fund transfers to debt service fund.

1,110,000

\$10,000,000 Refunding Issue of 2013 due serially through 2028; interest at 0.40% - 2.27%; debt service source - general fund transfers to debt service fund.

9,985,000

\$11,670,000

The general obligation bonds were issued for providing funds for capital projects throughout the Township. The compensated absences and capital leases liabilities will be liquidated primarily by the general fund.

The annual requirements of the Township's funds to amortize all debt outstanding (excluding compensated absences and capital leases) as of December 31, 2014, are as follows:

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 8 - Long-Term Liabilities (Cont'd)

Year Ended December 31,	Governmental Activities		Totals
	Principal	Interest	
2015	\$ 700,000	\$ 231,295	\$ 931,295
2016	710,000	221,025	931,025
2017	720,000	209,705	929,705
2018	735,000	194,667	929,667
2019	760,000	172,617	932,617
2020-2024	4,525,000	626,672	5,151,672
2025-2028	<u>3,520,000</u>	<u>163,650</u>	<u>3,683,650</u>
	<u>\$11,670,000</u>	<u>\$1,819,631</u>	<u>\$13,489,631</u>

Note 9 - Capital Lease

The Township has entered into lease agreements as lessee for financing the acquisition of fire trucks. The lease agreements qualify as a capital lease for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset	
Machinery and Equipment	\$ 848,137
Less: Accumulated Depreciation	<u>(176,164)</u>
Total	<u>\$ 671,973</u>

The future minimum lease obligations and the net present value of these minimum lease payments, as of December 31, 2014, were as follows:

Year Ended December 31,	Governmental Activities
2015	\$183,434
2016	96,770
2017	96,770

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 9 - Capital Lease (Cont'd)

Year Ended December 31,	Governmental Activities
2018	\$ 96,770
2019	<u>96,770</u>
Total Minimum Lease Payments	570,514
Less: Amount Representing Interest	<u>(35,996)</u>
Present Value of Minimum Lease Payments	<u>\$534,518</u>

Note 10 - Defined Benefit Pension Plan

A. Plan Descriptions, Contribution Information, and Funding Policies

The Township contributes to a Defined Benefit Pension Plan. Assets are held separately and may be used only for the payment of benefits to the members of the Plan.

Peters Township Police Pension Plan (PPP) - The Police Pension Plan is a single-employer defined benefit pension trust fund. Any person employed on a full-time basis by the Township as a member of the police force is eligible to participate in the Plan.

Actuarial valuations are performed biannually. For additional information related to basis of accounting and reported investment values, see Notes 1D. and 2. The Plan does not issue stand-alone financial reports.

The following is a summary of funding policies, contribution methods, and benefit provisions:

	<u>PPP</u>
Date Established	November 3, 1958
Governing Authority and Administrator	Peters Township Council and Resolutions Delegated the Authority to administer the plan to the Township Manager
Determination of Contribution Requirements	Actuarially determined
Employer	\$441,841
Plan Members	Contributions are currently 5% of compensation

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 10 - Defined Benefit Pension Plan (Cont'd)

A. Plan Descriptions, Contribution Information, and Funding Policies (Cont'd)

	<u>PPP</u>
Funding of Administrative Costs, including Investment and Custodial Fees and Actuarial Services	From investment earnings
Eligibility Requirements	
Normal Retirement	Hired on or before 01/01/11 Age 50 and completion of 25 years of Service; hired after 01/01/11 attained Age 55 with 25 years of service
Early Retirement	None
Vesting	100% after 12 years of service
Retirement Benefit	50% of average monthly earnings, averaged over the 36 months preceding retirement and accrued benefit adjustment defined as the number of months of service as of a given date divided by the number of complete months of service as of normal retirement date
Service Increment	None
Post Retirement Benefit Increases	Hired on or before 01/01/11, Consumer Price Index with limits; hired after 01/01/11, no cost of living adjustment
Provisions for Disability Benefits	Yes
Provisions for Death Benefits	Yes
Deferred Retirement Option Plan (DROP)	An active participant first becomes eligible to elect the DROP upon becoming eligible for normal retirement.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 10 - Defined Benefit Pension Plan (Cont'd)

A. Plan Descriptions, Contribution Information, and Funding Policies (Cont'd)

PPP

Deferred Retirement Option Plan (DROP) (Cont'd) An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the employer not later than three years after commencement of DROP participation.

At the time of a participant's entry into the DROP, the participant's accrual service, accrued benefit and average compensation shall be calculated as if the participant had actually retired from service. No additional accrual service shall be earned after entry into the DROP. Any changes in plan benefits shall not apply to participants in the DROP, except as the result of increases for cost-of-living.

Upon entry into the DROP, an amount equal to the participant's monthly retirement benefit shall be transferred to the employer to be held in a segregated investment account guaranteeing principal. Interest shall be credited at a rate ranging from 0.0% to 4.0%.

During DROP participation, a participant shall be considered a retiree with deferred receipt of benefits for all plan purposes.

Membership of the Plan is as follows:

Active Employees	20
Retirees and Beneficiaries Currently Receiving Benefits	11
Inactive Plan Members Entitled to but not Receiving Benefits	<u>1</u>
Total	<u>32</u>

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 10 - Defined Benefit Pension Plan (Cont'd)

B. Investments

Investment Policy

The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The pension committee appointed by Council, and consists of the Township Manager, a council member and a police officer, establish the investment policy. The Plan's target asset allocation is as follows:

Asset Class	Percent Range
U. S. Equity	41 %
Non-U. S. Equity	12 %
Real Estate	5 %
Other Investments	3 %
Cash	0 %
Core Bond	<u>39 %</u>
 Total	 <u>100 %</u>

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit ratings of the Plan's investments (excluding obligations explicitly guaranteed by the U. S. government) are not applicable. Separate accounts held at the Principal Financial Group are commingled pools rather than individual securities. As a result, these accounts are not rated.

Concentrations

As of the measurement date, the following are investments (other than U. S. government and U. S. government guaranteed obligations) in any one organization, that represents 5 % or more of the Pension Plan's fiduciary net position. $\$10,630,693 \times 0.05 = \$531,535$

Principal Financial Group	\$10,384,555
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Interest rate risk for investments is the risk that a change in interest rates will adversely affect the fair value of an investment. The Plan has no formal policy for interest rate risk.

Money-Weighted Rate of Return

The money-weighted rate of return is calculated as a rate of return on pension plan investments incorporating the timing and amount of cash flows. This return is calculated net of investment expenses.

The annual money-weighted rate of return on plan investments for the measurement period is 5.38%.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 10 - Defined Benefit Pension Plan (Cont'd)

B. Investments (Cont'd)

There are no assets legally reserved for purposes other than the payment of Plan member benefits for the Plan.

There are no long-term contracts for contributions.

C. Net Pension Liability

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

	<u>PPP</u>
Total Pension Liability	\$11,578,841
Plan Fiduciary Net Position	<u>10,630,693</u>
Net Pension Liability	<u>\$ 948,148</u>

Plan fiduciary net position as a percentage of the total pension liability is 91.8%.

Actuarial Assumptions: The total pension liability for the Plan was determined by an actuarial valuation as of January 1, 2013 and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement:

Inflation:	2.25%
Salary Increases:	4.00% increase each year until retirement
Mortality:	During benefit payment period - 2015 IRS prescribed mortality-optional combined table for small plans, male and female Before benefit payment period - None

Expected Long-Term Rate of Return:	The expected long-term return on plan assets assumption was developed as a weighted average rate based on the target asset allocation of the Plan and the Long-Term Capital Market Assumptions (CMA) 2014. The capital market assumptions were developed with a primary focus on forward-looking valuation models and market indicators. The key fundamental economic inputs for these models are future inflation, economic growth, and interest rate environment. Due to the long-term nature of the pension obligations, the investment horizon for the CMA 2014
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**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 10 - Defined Benefit Pension Plan (Cont'd)

C. Net Pension Liability (Cont'd)

Expected Long-Term

Rate of Return: (Cont'd)

is 20-30 years. In addition to forward-looking models, historical analysis of market data and trends was reflected, as well as the outlook of recognized economists, organizations and consensus CMA from other credible studies.

The following was the asset allocation policy and best estimates of arithmetic rate of return of major asset class included in the Plan's target asset allocation:

Asset Class	Expected Arithmetic Return	Target Allocation %
U. S. Equity - Large Cap	8.80%	33.12%
U. S. Equity - Mid Cap	9.10%	3.87%
U. S. Equity - Small Cap	9.55%	3.78%
Non-U. S. Equity	9.20%	12.41%
REITs	8.35%	1.03%
Real Estate (direct property)	6.30%	5.14%
Cash	1.80%	0.00%
TIPS	4.10%	1.55%
Core Bond	4.25%	35.06%
High Yield	6.30%	4.05%

Discount Rate

The discount rate used to determine the total pension liability was 7.00%. The discount rate used for the prior measurement date was 7.00%.

The Plan's fiduciary net position and benefit payments were projected to determine if the Plan's fiduciary net position was greater than or equal to the expected benefit payments for each period from 2014 to 2108. Benefit payments after 2018 are projected to be \$-0-.

The long-term rate of return is used to calculate the actuarial present value of projected payments for each future period when the projected fiduciary net position is greater than the projected expected benefit payments. Otherwise, a municipal bond rate is used. The assumptions used for the projection are described above.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 10 - Defined Benefit Pension Plan (Cont'd)

C. Net Pension Liability (Cont'd)

Discount Rate (Cont'd)

The discount rate is a single rate that incorporates the long-term rate of return and municipal bond rate assumptions as described above.

Sensitivity of the net pension liability to changes in the discount rate: The following shows effect of a 1% change in the discount rate on the net pension liability:

	1.0% Decrease 6.0%	Current Rate 7.0%	1.0% Increase 8.0%
Net Pension Liability	\$2,502,788	\$948,148	\$(286,427)

D. Additional Disclosures Required by GASB Statements No. 27 and No. 50

1. Annual Pension Cost and Net Pension Obligation

Current year annual pension costs for the Police Plan is shown in the trend information provided below. Annual required contributions were made by the Plan. The net pension obligation (asset) for the Plan is also shown below.

The annual pension cost and net pension obligation (asset) to the Police Plan for the current year are as follows:

Annual Required Contribution	\$441,841
Interest on Net Pension Obligation	(2,356)
Adjustment to Annual Required Contribution	<u>4,779</u>
Annual Pension Cost	444,264
Contributions Made	<u>(441,841)</u>
Increase (Decrease) in Net Pension Obligation	2,423

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 10 - Defined Benefit Pension Plan (Cont'd)

D. Additional Disclosures Required by GASB Statements No. 27 and No. 50 (Cont'd)

1. Annual Pension Cost and Net Pension Obligation (Cont'd)

Net Pension Obligation (Asset)

Beginning of Year	\$(31,896)
End of Year	\$(29,473)

2. Trend Information

Year Ended December 31,	Police Pension			Net Pension Obligation (NPO) (Asset)
	Annual Pension Cost (APC)	Percentage of APC Contributed	Actual Contributions Made	
2012	\$427,441	99%	\$424,347	\$(34,736)
2013	437,201	99%	434,361	(31,896)
2014	444,264	99%	441,841	(29,473)

3. Funded Status and Funding Progress

As of January 1, 2013, the Plan was 82% funded. The actuarial accrued liability for benefits was \$9,735,128 and the actuarial value of assets was \$8,030,849, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,704,279. The covered payroll (annual payroll of active employees covered by the Plan) was \$1,848,666. The ratio of the UAAL to the covered payroll is 92%. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

4. Actuarial Methods and Assumptions

In the January 1, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included: 7.5% investment rate of return; projected salary increase of 4.75% annually; and an underlying inflation rate of 2.25%. The actuarial value of assets was determined using a four-year smoothing. The amortization method used is a level dollar with a nine-year open amortization period.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 11 - Defined Contribution Pension Plans

Peters Township Municipal Employees

A. Plan Description

The Township sponsors and contributes to the Peters Township Municipal Employees Pension Plan which is a defined contribution plan. All full-time administrative employees not represented by a bargaining unit and full-time firefighters are covered by this Plan. The Plan's total membership as of December 31, 2014 is thirty-eight. Administrative costs of the Plan are funded by the general fund.

The Township is required to contribute for each employee who has 1,000 or more hours of service in the service period, 8.00% of the employee's annual pay. For members of the firefighters union, effective May 1, 2011, they can contribute up to the maximum allowable. The Township, for the firefighters union members only, has an obligation to match an employee's contribution up to 1% in 2011, 2% in 2012 and 3% each year after. Employees, except as noted above for firefighters, do not contribute to the Plan. Plan participants are 100% vested with five or more years of vesting service.

Benefits can start on the participants:

1. Normal retirement date - the first day of the month on or after the participant reaches age 65; or
2. Early retirement date - this day shall be on or after the date the participant has severance from employment and the date the participant meets the following requirements:
 - a. The date the participant reaches age 55;
 - b. Has completed 10 years of service with the employer.

Benefits paid can be in various forms at the option of the participant. The amount of the benefit depends on the amount contributed to the participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account.

The amount contributed by the Township to the Plan for the year ended December 31, 2014 was \$171,716, or 8.06% of wages. Unallocated forfeitures from participants no longer in the Plan and not fully vested are allocated among current participants. Township Council is responsible for establishing and/or amending the Plan provisions and contribution requirements.

B. Summary of Significant Accounting Policies

The financial statements of the Plan are included as a pension trust fund in this report. For additional information related to basis of accounting reported investment values see Notes 1D. and 2.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 11 - Defined Contribution Pension Plans (Cont'd)

Peters Township Municipal Employees (Cont'd)

C. Concentrations

The Municipal Employees Pension Plan investments in mutual funds held by Principal Financial Group account for 96% of the total investments at December 31, 2014. The balance (4%) of the Plan's investments are in guaranteed interest accounts.

Road Department

Plan Description

The Township provides pension benefits for all of its full-time road department employees through a defined contribution plan, by participating in the Laborers' District Council of Western Pennsylvania Pension Fund for Local Union #1058 who administers the Plan.

Payments by the Township are calculated at the rate of \$2.50 for every hour worked by the road department employees. The total contribution required and made by the Township for the year ended December 31, 2014 was \$100,164 (11.65% of covered payroll).

Employees are eligible to participate from the date of employment.

Plan participants are all union employees for whom 300 hours of employment are credited in the fund for a single calendar year.

On and after January 1, 1987, the normal retirement benefit of an employee eligible for retirement and who applies, therefore, shall be a monthly amount equal to the sum of the following:

1. Fifteen dollars (\$15.00) multiplied by the sum of the employee's years of credited past service, if any; plus
2. Three and three-quarters percent (3.75%) of the total amount contributed for him after his most recent break in service, if any, through December 31, 1987; plus
3. Three percent (3.0%) of the total amount contributed for him from January 1, 1987.

The Local Union #1058 has the authority for establishing and amending Plan provisions, and the contribution rate is negotiated by the Township through the Union employee's contract requirements.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 12 - Pension Plans Financial Information

The Township's Police Pension, a defined benefit plan and the Municipal Employees' Pension Plan, a defined contribution plan, do not issue standalone financial reports. The following is a statement of fiduciary net position and statement of changes in fiduciary net position for the two plans as of and for the year ended December 31, 2014:

	Pension Trust Funds		Total Pension Trust Funds
	Police Pension Fund	Employees' Pension Fund	
Assets			
Cash and Cash Equivalents	\$ 225,634	\$ 206,402	\$ 432,036
Investments, at Fair Value			
Mutual Funds	10,384,555	3,190,266	13,574,821
Guaranteed Interest Accounts	-	121,125	121,125
Receivables - Employees	<u>20,504</u>	<u>-</u>	<u>20,504</u>
Total Assets	<u>10,630,693</u>	<u>3,517,793</u>	<u>14,148,486</u>
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Position Restricted for Pensions	<u>\$10,630,693</u>	<u>\$3,517,793</u>	<u>\$14,148,486</u>
Additions			
Contributions			
Employer	\$ 441,841	\$ 171,716	\$ 613,557
Plan Members	<u>87,557</u>	<u>14,875</u>	<u>102,432</u>
Total Contributions	<u>529,398</u>	<u>186,591</u>	<u>715,989</u>
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	530,653	211,140	741,793
Interest and Dividends	-	2,029	2,029
Less: Investment Expense	<u>(8,363)</u>	<u>-</u>	<u>(8,363)</u>
Net Investment Income	<u>522,290</u>	<u>213,169</u>	<u>735,459</u>
Total Additions	<u>1,051,688</u>	<u>399,760</u>	<u>1,451,448</u>

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 12 - Pension Plans Financial Information (Cont'd)

	Pension Trust Funds		Total Pension Trust Funds
	Police Pension Fund	Employees' Pension Fund	
Deductions			
Benefits	\$ 183,551	\$ 103,533	\$ 287,084
Administrative Expenses	<u>12,915</u>	<u>165</u>	<u>13,080</u>
Total Deductions	<u>196,466</u>	<u>103,698</u>	<u>300,164</u>
Net Increase (Decrease) in Net Position	855,222	296,062	1,151,284
Net Position Restricted for Pensions			
Beginning of Year	<u>9,775,471</u>	<u>3,221,731</u>	<u>12,997,202</u>
End of Year	<u>\$10,630,693</u>	<u>\$3,517,793</u>	<u>\$14,148,486</u>

Note 13 - Post Employment Healthcare Plan

A. Plan Description

Peters Township administers a single-employer defined benefit healthcare plan ("the Supplemental Health Plan"). The plan provides medical, dental and vision for eligible Township police officers. The benefits provided are for the eligible retirees and their spouses through the Township group health insurance plan which covers both active and retired members. Benefit provisions are mostly established through negotiations between the Township and union representing the employees. No post-employment benefits are provided for non-uniform employees. The plan does not issue a publicly available financial report.

B. Funding Policy

The eligibility and the benefits are as follows:

Police Employees

Medical, Dental and Vision Eligibility	Retired from the police pension plan after age 50 and 25 years of service.
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Death Benefit Eligibility	Termination from the police pension plan after 15 years of service.
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**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 13 - Post Employment Healthcare Plan (Cont'd)

B. Funding Policy (Cont'd)

Police Employees (Cont'd)

Persons Covered

Coverage will include retiree, spouse and eligible dependents.

Benefits Provided

The Township will pay 102% of the charged premium for medical, dental and vision coverage for the retiree, spouse and dependents for the first year of retirement. For the next four years, the Township will pay 52% of the charged premiums. During the following five years, the Township will pay the actual cost of premiums up to \$200 per month. In addition, the Township self-funds the difference between the high deductible (\$1,500/\$3,000) and a \$250/\$500 deductible. After 10 years of retirement, medical, dental and vision benefits cease. A death benefit of \$2,000 is payable to the beneficiary of a participant who terminates after 15 years of service, with the benefit amount increasing by \$200 for each additional year of service, to a maximum of \$5,000.

Benefits Provider

Highmark High Deductible \$1,500/\$3,000 PPO Plan or PPO Blue Option 1 Plan (with retirees paying the difference in cost between the two if the Option 1 plan is elected) for medical coverage, United Concordia for dental coverage and Vision Benefits of America (VBA) for vision coverage, all administered through the Municipal Employers Insurance Trust (MEIT). The death benefit is currently self-insured. Effective January 1, 2013, medical coverage is a UPMC Health Plan PPO with a \$2,000 in-network deductible and \$3,000/\$6,000 out-of-network deductible.

Retiree Contributions

Retirees pay the charged premium in excess of the amount paid by the Township. For the second through fifth years of retirement, 48% of the charged premium is paid by the retiree. For years six through ten, premiums in excess of \$2,400 annually are paid by the retiree.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 13 - Post Employment Healthcare Plan (Cont'd)

B. Funding Policy (Cont'd)

Public Works Employees

Medical, Dental and Vision Eligibility	Hired prior to May 1, 2012 and retired from the pension plan after age 62 with 15 years of service.
Persons Covered	Coverage will include retiree, spouse, and eligible dependents.
Benefits Provided	The Township will pay the charged premium for medical, dental, and vision coverage for the retiree, spouse, and eligible dependents, up to a maximum of \$337.38 per month for single coverage or a maximum of \$901.89 per month for other coverage, for a maximum of three years after retirement. After three years of retirement, medical, dental, and vision benefits cease.
Opt Out	At retirement, eligible participants may make an irrevocable election to receive payments equal to 50% of the maximum amounts outlined above, based on coverage level at retirement, in lieu of continued health coverage.
Benefits Provider	Highmark High Deductible 1500/3000 PPO Plan or PPO Blue Option 1 Plan (with retirees paying the difference in cost between the two if the Option 1 Plan is elected) for medical coverage, United Concordia for dental coverage, and Vision Benefits of America (VBA) for vision coverage, all administered through the Municipal Employers Insurance Trust (MEIT). Effective January 1, 2013, medical coverage is a UPMC Health Plan PPO with \$2,000 in-network deductible and \$3,000/\$6,000 out-of-network deductible.
Retiree Contributions	Retirees pay the charged premium in excess of the amount paid by the Township.

Non-Police, Non-Public Works Employees

No post-retirement benefits are provided for employees other than police officers and public works employees.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 13 - Post Employment Healthcare Plan (Cont'd)

B. Funding Policy (Cont'd)

For the year ended December 31, 2014, the Township contributed \$6,507. Plan members receiving benefits contributed \$-0-. The plan is financed on a pay-as-you-go basis.

C. Annual OPEB Cost and Net OPEB Obligation

The Township's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (funding excess) over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Township's net OPEB obligation.

Annual Required Contribution	\$ 97,864
Interest on Net OPEB Obligation	10,501
Adjustment to Annual Required Contribution	<u>(15,102)</u>
Annual OPEB Cost (Expense)	93,263
Contributions Made	<u>(47,984)</u>
Increase (Decrease) in OPEB Obligation	45,279
Net OPEB Obligation - Beginning of Year	<u>233,349</u>
Net OPEB Obligation - End of Year	<u>\$278,628</u>

The Township's OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the years ended December 31, 2014, 2013 and 2012, is as follows.

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/14	\$93,263	51.4%	\$278,628
12/31/13	94,140	52.7%	233,349
12/31/12	95,117	47.9%	188,824

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 13 - Post Employment Healthcare Plan (Cont'd)

D. Funded Status and Funding Progress

As of January 1, 2012, the actuarial accrued liability for benefits was \$970,958, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,473,319 and the ratio of unfunded actuarial accrued liability to the covered payroll was 39.2%.

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. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Multi-year information will be presented in future years.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The 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 long-term perspective of the calculations.

In the January 1, 2012 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included an investment return of 4.5%, an annual healthcare cost trend rate of 5% annually and a 3% rate for dental/vision with no change over the period and no separate rate for inflation. The method used to determine the actuarial value of assets is not applicable since there are no plan assets. The unfunded actuarial accrued liability is being amortized using the level dollar method. The amortization period for the most recent actuarial valuation is twenty-seven years. The period is open.

Note 14 - Risk Management

Peters Township is exposed to various risks of loss related to torts; 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 does participate in the Municipal Risk Management (MRM) program for the purchase of certain insurance policies. The MRM is comprised of a number of municipalities which have combined their purchasing power to receive more favorable rates from independent insurance companies. There is no transfer or pooling of risk among the members and each member purchases its own insurance policies from an independent company.

**Peters Township
Notes to Financial Statements
December 31, 2014**

Note 14 - Risk Management (Cont'd)

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.

**REQUIRED SUPPLEMENTARY
INFORMATION SECTION**

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Real Estate Taxes				
Current	\$ 4,250,000	\$ 4,250,000	\$ 4,297,739	\$ 47,739
Delinquent	15,000	15,000	16,357	1,357
Liened	50,000	50,000	46,522	(3,478)
Real Estate Transfer Taxes	1,200,000	1,200,000	1,689,817	489,817
Earned Income Taxes/Wage Taxes	5,752,485	5,752,485	6,003,743	251,258
Mechanical Device Taxes	5,000	5,000	5,875	875
Local Services Taxes	<u>310,000</u>	<u>310,000</u>	<u>369,066</u>	<u>59,066</u>
Total Taxes	<u>11,582,485</u>	<u>11,582,485</u>	<u>12,429,119</u>	<u>846,634</u>
Licenses and Permits				
Street and Curb Permits	<u>7,500</u>	<u>7,500</u>	<u>5,865</u>	<u>(1,635)</u>
Fines and Forfeits				
Vehicle Code Violations	70,000	70,000	67,349	(2,651)
Violations of Ordinances	1,000	1,000	1,420	420
Court Fines	<u>1,000</u>	<u>1,000</u>	<u>3,410</u>	<u>2,410</u>
Total Fines and Forfeits	<u>72,000</u>	<u>72,000</u>	<u>72,179</u>	<u>179</u>
Interest, Rents and Royalties				
Interest Earnings	<u>5,000</u>	<u>5,000</u>	<u>1,810</u>	<u>(3,190)</u>
Intergovernmental				
State				
Beverage Licenses	8,125	8,125	8,425	300
Public Utility Realty Tax	14,400	14,400	15,024	624
Foreign Casualty Insurance	365,000	365,000	360,159	(4,841)
Foreign Fire Insurance Premium Tax	140,000	140,000	134,095	(5,905)
Other Grants	<u>65,000</u>	<u>65,000</u>	<u>68,376</u>	<u>3,376</u>
Total Intergovernmental	<u>592,525</u>	<u>592,525</u>	<u>586,079</u>	<u>(6,446)</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (Cont'd)				
Charges for Services				
General Government				
Zoning & Subdivision	\$ 30,000	\$ 30,000	\$ 40,598	\$ 10,598
Sale of Materials	50,000	50,000	70,794	20,794
Tax Collection Fees	12,500	12,500	25,255	12,755
Public Safety				
Special Police Services	80,000	80,000	94,001	14,001
Building Permits	207,000	207,000	224,737	17,737
Fire Hall Rental	42,000	42,000	42,000	-
Burning Permits	-	-	100	100
Highways and Streets				
Contracted Highway & Street Work				
Contracted Snow Removal for PennDOT	45,500	45,500	68,130	22,630
Culture - Recreation				
Park & Recreation Fees	224,500	224,500	193,342	(31,158)
Tennis Fees	<u>140,000</u>	<u>140,000</u>	<u>126,178</u>	<u>(13,822)</u>
 Total Charges for Services	 <u>831,500</u>	 <u>831,500</u>	 <u>885,135</u>	 <u>53,635</u>
 Miscellaneous Revenue				
Contributions & Donations from				
Private Sources	-	-	1,445	1,445
Other Miscellaneous Revenue	<u>30,000</u>	<u>30,000</u>	<u>43,535</u>	<u>13,535</u>
 Total Miscellaneous Revenue	 <u>30,000</u>	 <u>30,000</u>	 <u>44,980</u>	 <u>14,980</u>
 Total Revenues	 <u>13,121,010</u>	 <u>13,121,010</u>	 <u>14,025,167</u>	 <u>904,157</u>
 Expenditures				
Current:				
General Government				
Legislative Body				
Personal Services	22,607	22,607	17,116	5,491
Executive				
Personal Services	430,600	430,600	424,460	6,140
Supplies	24,500	24,500	19,794	4,706
Other Services & Charges	58,500	56,500	50,747	5,753

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
General Government (Cont'd)				
Special Project Administration				
Supplies	\$ 3,000	\$ 3,000	\$ 2,481	\$ 519
Other Services & Charges	9,000	9,000	6,354	2,646
Tax Collection				
Supplies	250	250	-	250
Other Services & Charges	133,754	133,754	154,780	(21,026)
Professional Services				
Personal Services	141,264	141,264	139,989	1,275
Supplies	750	750	494	256
Other Services & Charges	163,750	208,750	203,245	5,505
Information Technology				
Personal Services	22,714	22,714	30,125	(7,411)
Supplies	8,350	8,350	3,562	4,788
Other Services & Charges	96,759	96,759	97,558	(799)
Administration Vehicle Maintenance				
Personal Services	2,153	2,153	1,533	620
Supplies	4,000	4,000	2,051	1,949
Other Services & Charges	500	500	-	500
Municipal Building				
Personal Services	18,839	18,839	18,257	582
Supplies	14,500	14,500	5,850	8,650
Other Services & Charges	<u>104,000</u>	<u>104,000</u>	<u>71,861</u>	<u>32,139</u>
Total General Government	<u>1,257,790</u>	<u>1,302,790</u>	<u>1,250,257</u>	<u>52,533</u>
Public Safety				
Police				
Administration				
Personal Services	291,732	291,732	287,881	3,851
Supplies	5,600	5,600	2,249	3,351
Other Services & Charges	31,400	31,400	31,135	265
Patrol				
Personal Services	1,743,930	1,743,930	1,706,721	37,209
Supplies	60,000	60,000	48,439	11,561
Other Services & Charges	9,000	9,000	3,686	5,314

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Public Safety (Cont'd)				
Police (Cont'd)				
Investigations				
Personal Services	\$ 179,453	\$ 179,453	\$ 176,468	\$ 2,985
Supplies	4,600	4,600	3,170	1,430
Other Services & Charges	1,000	1,000	375	625
Police Community Relations				
Personal Services	151,248	151,248	157,988	(6,740)
Supplies	9,450	9,450	4,510	4,940
Other Services & Charges	1,200	1,200	1,360	(160)
Vehicle Maintenance				
Personal Services	13,456	13,456	12,351	1,105
Supplies	129,000	129,000	97,158	31,842
Other Services & Charges	12,000	12,000	6,918	5,082
Capital Purchase	75,000	75,000	69,691	5,309
Animal Control				
Other Services & Charges	16,500	16,500	11,630	4,870
School Guards				
Personal Services	9,204	9,204	7,855	1,349
Supplies	400	400	154	246
Other Services & Charges	200	200	-	200
Fire				
Administration/Prevention				
Personal Services	166,858	166,858	158,815	8,043
Supplies	10,800	10,800	1,339	9,461
Other Services & Charges	12,000	12,000	4,604	7,396
Fire Prevention				
Personal Services	146,404	146,404	80,892	65,512
Supplies	12,000	12,000	7,019	4,981
Other Services & Charges	2,000	2,000	-	2,000
Fire Suppression				
Personal Services	522,103	522,103	473,331	48,772
Supplies	45,000	45,000	43,975	1,025
Other Services & Charges	168,000	168,000	164,978	3,022
Contributions, Grants & Subs.	140,371	140,371	134,095	6,276

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Public Safety (Cont'd)				
Fire (Cont'd)				
Fire Vehicle Maintenance				
Personal Services	\$ 110,880	\$ 110,880	\$ 107,900	\$ 2,980
Supplies	56,800	56,800	50,420	6,380
Other Services & Charges	15,000	15,000	22,877	(7,877)
Fire Stations				
Personal Services	60,822	60,822	75,068	(14,246)
Supplies	5,000	5,000	4,590	410
Other Services & Charges	35,000	35,000	32,583	2,417
Emergency Medical Service				
Other Services & Charges	98,670	98,670	98,670	-
Planning				
Personal Services	190,542	190,542	148,964	41,578
Supplies	11,000	11,000	6,667	4,333
Other Services & Charges	38,000	38,000	32,692	5,308
Building Inspection				
Personal Services	140,483	140,483	128,264	12,219
Supplies	500	500	62	438
Other Services & Charges	21,500	21,500	10,383	11,117
Zoning Hearing Board				
Other Services & Charges	<u>15,500</u>	<u>15,500</u>	<u>9,600</u>	<u>5,900</u>
 Total Public Safety	 <u>4,769,606</u>	 <u>4,769,606</u>	 <u>4,427,527</u>	 <u>342,079</u>
 Public Works - Sanitation				
Recycling Collection and Disposal				
Personal Services	17,870	17,870	24,168	(6,298)
Supplies	5,000	5,000	1,610	3,390
Other Services & Charges	<u>5,000</u>	<u>5,000</u>	<u>4,610</u>	<u>390</u>
 Total Sanitation	 <u>27,870</u>	 <u>27,870</u>	 <u>30,388</u>	 <u>(2,518)</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Public Works - Highways				
Administration				
Personal Services	\$ 203,512	\$ 203,512	\$ 201,680	\$ 1,832
Supplies	9,500	9,500	8,384	1,116
Other Services & Charges	11,000	11,000	12,471	(1,471)
Maintenance of Building				
Personal Services	11,303	11,303	12,660	(1,357)
Supplies	9,100	9,100	6,099	3,001
Other Services & Charges	23,000	32,500	38,180	(5,680)
Snow and Ice Removal				
Personal Services	118,415	164,415	127,456	36,959
Supplies	307,700	357,700	326,079	31,621
Other Services & Charges	9,000	9,000	2,190	6,810
Traffic Signals and Signs				
Personal Services	17,224	17,224	22,950	(5,726)
Supplies	18,200	18,200	15,905	2,295
Other Services & Charges	23,500	23,500	23,100	400
Street Lighting				
Other Services & Charges	14,000	14,000	12,729	1,271
Storm Sewer Maintenance				
Personal Services	59,208	59,208	48,803	10,405
Supplies	17,975	17,975	13,693	4,282
Other Services & Charges	6,000	6,000	5,036	964
Vehicle Maintenance				
Personal Services	64,590	64,590	68,213	(3,623)
Supplies	97,500	97,500	117,942	(20,442)
Other Services & Charges	10,000	10,000	8,061	1,939
Highway Maintenance				
Personal Services	329,947	329,947	291,533	38,414
Supplies	76,125	76,125	90,807	(14,682)
Other Services & Charges	<u>29,800</u>	<u>29,800</u>	<u>24,198</u>	<u>5,602</u>
Total Highways	<u>1,466,599</u>	<u>1,572,099</u>	<u>1,478,169</u>	<u>93,930</u>
Total Public Works	<u>1,494,469</u>	<u>1,599,969</u>	<u>1,508,557</u>	<u>91,412</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Culture - Recreation				
Administration				
Personal Services	\$ 105,282	\$ 105,282	\$ 105,572	\$ (290)
Supplies	3,500	3,500	2,046	1,454
Other Services & Charges	13,050	13,050	5,291	7,759
Recreation Programming				
Personal Services	30,680	30,680	18,591	12,089
Supplies	9,000	9,000	9,614	(614)
Other Services & Charges	147,200	147,200	99,976	47,224
Parks Maintenance				
Personal Services	409,447	409,447	358,012	51,435
Supplies	98,000	98,000	43,943	54,057
Other Services & Charges	95,000	95,000	55,517	39,483
Community Center				
Personal Services	97,962	97,962	76,143	21,819
Supplies	14,150	14,150	13,585	565
Other Services & Charges	133,500	133,500	94,222	39,278
Tennis Center				
Personal Services	130,418	130,418	117,939	12,479
Supplies	15,300	15,300	11,387	3,913
Other Services & Charges	10,100	10,100	9,201	899
Libraries				
Personal Services	52,156	52,156	37,069	15,087
Supplies	5,000	5,000	7,035	(2,035)
Other Services & Charges	<u>118,550</u>	<u>118,550</u>	<u>105,022</u>	<u>13,528</u>
Total Culture - Recreation	<u>1,488,295</u>	<u>1,488,295</u>	<u>1,170,165</u>	<u>318,130</u>
Ins., Employee Benefits & Other				
Retirement Fund Contributions	756,500	756,500	713,721	42,779
Workers' Comp. Contributions	275,000	275,000	368,836	(93,836)
Unemployment Compensation	12,000	12,000	7,974	4,026
Hospitalization Ins. Premiums	803,500	803,500	725,511	77,989
Group Life Ins. Premiums	10,000	10,000	9,748	252
Sickness & Accident Ins. Premiums	23,500	23,500	22,103	1,397

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Ins., Employee Benefits & Other (Cont'd)				
Insurance Premiums - Other				
Fire & Liability	\$ 186,500	\$ 186,500	\$ 177,577	\$ 8,923
Other Employee Benefits	-	-	6,559	(6,559)
Miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>21,254</u>	<u>(11,254)</u>
Total Insurance, Employee Benefits & Other	<u>2,077,000</u>	<u>2,077,000</u>	<u>2,053,283</u>	<u>23,717</u>
Debt Service:				
Principal Retirement	82,493	82,493	82,493	-
Interest	<u>4,171</u>	<u>4,171</u>	<u>4,421</u>	<u>(250)</u>
Total Debt Service	<u>86,664</u>	<u>86,664</u>	<u>86,914</u>	<u>(250)</u>
Total Expenditures	<u>11,173,824</u>	<u>11,324,324</u>	<u>10,496,703</u>	<u>827,621</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,947,186</u>	<u>1,796,686</u>	<u>3,528,464</u>	<u>1,731,778</u>
Other Financing Sources (Uses)				
Transfers In				
Special Revenue Fund	10,000	10,000	-	(10,000)
Transfers Out				
Special Revenue Fund	(800,000)	(800,000)	(800,000)	-
Debt Service Fund	(921,671)	(921,671)	(921,471)	200
Capital Projects Fund	<u>(850,383)</u>	<u>(850,383)</u>	<u>(850,383)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,562,054)</u>	<u>(2,562,054)</u>	<u>(2,571,854)</u>	<u>(9,800)</u>
Net Change in Fund Balance	(614,868)	(765,368)	956,610	1,721,978
Fund Balance - January 1, 2014	<u>5,624,319</u>	<u>5,624,319</u>	<u>5,942,740</u>	<u>318,421</u>
Fund Balance - December 31, 2014	<u>\$ 5,009,451</u>	<u>\$ 4,858,951</u>	<u>\$ 6,899,350</u>	<u>\$ 2,040,399</u>

See Accompanying Note to the Budgetary Comparison Schedule

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Fund
Cable Television Fund
Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and Permits				
Cable TV Franchise Fees	\$ 539,271	\$ 539,271	\$ 509,163	\$(30,108)
Interest, Rents & Royalties				
Interest Earnings	400	400	249	(151)
Miscellaneous - Other	<u>400</u>	<u>400</u>	<u>340</u>	<u>(60)</u>
Total Revenues	<u>540,071</u>	<u>540,071</u>	<u>509,752</u>	<u>(30,319)</u>
Expenditures				
Current:				
General Government - Administrative				
Other Services & Charges	44,064	44,064	40,545	3,519
Culture - Recreation				
Cable Television				
Personal Services	73,977	73,977	69,305	4,672
Supplies	20,500	20,500	18,529	1,971
Other Services & Charges	7,500	7,500	8,848	(1,348)
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>25,211</u>	<u>(211)</u>
Total Expenditures	<u>171,041</u>	<u>171,041</u>	<u>162,438</u>	<u>8,603</u>
Excess (Deficiency) of Revenues over Expenditures	<u>369,030</u>	<u>369,030</u>	<u>347,314</u>	<u>(21,716)</u>
Other Financing Sources (Uses)				
Transfers Out				
General Fund	(10,000)	(10,000)	-	10,000
Capital Projects Fund	<u>(558,600)</u>	<u>(558,600)</u>	<u>(46,598)</u>	<u>512,002</u>
Total Other Financing Sources (Uses)	<u>(568,600)</u>	<u>(568,600)</u>	<u>(46,598)</u>	<u>522,002</u>
Net Change in Fund Balance	(199,570)	(199,570)	300,716	500,286
Fund Balance - January 1, 2014	<u>1,459,034</u>	<u>1,459,034</u>	<u>1,448,014</u>	<u>(11,020)</u>
Fund Balance - December 31, 2014	<u>\$1,259,464</u>	<u>\$1,259,464</u>	<u>\$1,748,730</u>	<u>\$489,266</u>

See Accompanying Note to the Budgetary Comparison Schedule

Peters Township
Note to the Required Supplementary Information
Budget Comparison
December 31, 2014

Note 1 - Budgetary Information

Budgets are adopted on a basis consistent with U. S. generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund and cable television fund, a major special revenue fund. All annual appropriations lapse at year-end.

All budget amounts presented in the accompanying required supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budget during the year).

**Peters Township
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2014**

1. Schedule of Changes in the Township's Net Pension Liability and Related Ratios

	2014
	Police Pension Plan
Total Pension Liability	
Service Cost	\$ 282,218
Interest	632,556
Changes - Benefit Terms	-
Differences Between Expected and Actual Experience	65,133
Benefit Payments	<u>(183,551)</u>
Net Change in Total Pension Liability	796,356
Total Pension Liability - Beginning	<u>10,782,485</u>
Total Pension Liability - Ending (a)	<u>11,578,841</u>
Plan Fiduciary Net Position	
Contributions - Employer, Including State Aid	441,841
Contributions - Member	87,557
Net Investment Income	522,290
Benefit Payments	(183,551)
Administrative Expenses	(12,915)
Other	<u>-</u>
Net Change in Plan Fiduciary Net Position	855,222
Plan Fiduciary Net Position - Beginning	<u>9,775,471</u>
Plan Fiduciary Net Position - Ending (b)	<u>10,630,693</u>
Township's Net Pension Liability (a-b)	<u>\$ 948,148</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.8%
Covered Employee Payroll	<u>\$ 1,751,132</u>

**Peters Township
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2014**

1. Schedule of Changes in the Township's Net Pension Liability and Related Ratios (Cont'd)

	2014
	Police Pension Plan
Plan Fiduciary Net Position (Cont'd)	
Township's Net Position as a Percentage of Covered Employee Payroll	54.14%

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

2. Schedule of Township's Contributions

Police Pension Plan	
Actuarially Determined Contributions	\$ 441,841
Contributions in Relation to the Actuarially Determined Contributions	441,841
Contributions Deficiency (Excess)	\$ -
Covered Employee Payroll	\$1,751,132
Contributions as a Percentage of Covered Employer Payroll	25.23%

3. Investment Returns

Annual Money Weighted Rate of Return, Net of Investment Expenses	5.38%
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The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

**Peters Township
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2014**

4. Schedules of Funding Progress

Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(b-a)/c]
01/01/03	\$3,996,570	\$4,954,999	\$ 958,429	81%	\$1,171,823	82%
01/01/05	5,362,366	5,771,608	409,242	93%	1,272,340	32%
01/01/07	6,696,926	6,561,981	(134,945)	102%	1,414,747	N/A
01/01/09	5,889,878	7,615,283	1,725,405	77%	1,498,023	115%
01/01/11	6,850,868	8,628,934	1,778,066	79%	1,678,251	106%
01/01/13	8,030,849	9,735,128	1,704,279	82%	1,848,666	92%

Note: State law requires biennial valuations on the odd numbered years. Interim year valuations were not performed.

5. Schedules of Employer Contributions

Police Pension Plan

Year Ended December 31,	Actuarially Determined Contribution	Actual Contributions	Contributions Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2007	\$173,663	\$173,663	\$ -	\$1,414,747	12.3%
2008	137,840	137,840	-		
2009	146,215	146,215	-	1,498,023	9.8%
2010	159,293	159,293	-		
2011	290,417	290,417	-	1,678,251	17.3%
2012	424,347	424,347	-		
2013	434,361	434,361	-	1,848,666	23.5%
2014	441,841	441,841	-		

**Peters Township
Required Supplementary Information
Other Post-Employment Benefits
December 31, 2014**

Schedule of Funding Progress for Retiree Health Plan

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (AVA/AAL)	Covered Payroll	UAAL as Percentage of Covered Payroll
01/01/09	\$ -	\$885,131	\$885,131	0.0%	\$1,469,703	60.2%
01/01/12	-	970,958	970,958	0.0%	2,473,319	39.2%

Note: December 31, 2009 was the first year of implementation of the new standards for accounting and reporting of post-employment benefits; therefore, only two actuarial valuations have been completed. (Future reports will include additional valuations as they are performed.)

**COMBINING AND INDIVIDUAL
FUND SECTION**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Highway Aid Fund - To account for resources received from the Commonwealth of Pennsylvania as the Township's share of the proceeds from the state gasoline tax and the related expenditures.

Library Fund - To account for revenues and expenditures related to the operation of the Peters Township Library.

DEBT SERVICE FUNDS

Series of 2010 - To account for accumulation of resources for and payment of debt principal, interest and fees of the 2010 Series bonds.

Series of 2012 - To account for accumulation of resources for and payment of debt principal, interest and fees of the 2012 Series bonds.

Series of 2013 - To account for accumulation of resources for and payment of debt principal, interest and fees of the 2013 Series bonds.

**Peters Township
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014**

	<u>Special Revenue Funds</u>		
	Highway Aid Fund	Library Fund	Total Nonmajor Govern- mental Funds
ASSETS			
Cash and Cash Equivalents	<u>\$25</u>	<u>\$407,218</u>	<u>\$407,243</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	<u>\$ -</u>	<u>\$ 1,187</u>	<u>\$ 1,187</u>
Fund Balances			
Restricted	25	-	25
Assigned	<u>-</u>	<u>406,031</u>	<u>406,031</u>
Total Fund Balances	<u>25</u>	<u>406,031</u>	<u>406,056</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$25</u>	<u>\$407,218</u>	<u>\$407,243</u>

Peters Township
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2014

	Special Revenue Funds		Debt Service Funds			Total Nonmajor Governmental Funds
	Highway Aid Fund	Library Fund	Series of 2010	Series of 2012	Series of 2013	
Revenues						
Fines and Forfeits	\$ -	\$ 37,506	\$ -	\$ -	\$ -	\$ 37,506
Interest, Rents and Royalties	56	626	-	-	-	682
Intergovernmental	555,290	118,164	-	-	-	673,454
Charges for Services	-	17,616	-	-	-	17,616
Miscellaneous	-	1,385	-	-	-	1,385
Total Revenues	<u>555,346</u>	<u>175,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>730,643</u>
Expenditures						
Current:						
Culture - Recreation	-	945,030	-	-	-	945,030
Debt Service:						
Principal	-	-	305,000	360,000	10,000	675,000
Interest	-	-	22,348	18,325	205,798	246,471
Capital Outlay	555,331	-	-	-	-	555,331
Total Expenditures	<u>555,331</u>	<u>945,030</u>	<u>327,348</u>	<u>378,325</u>	<u>215,798</u>	<u>2,421,832</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>15</u>	<u>(769,733)</u>	<u>(327,348)</u>	<u>(378,325)</u>	<u>(215,798)</u>	<u>(1,691,189)</u>
Other Financing Sources (Uses)						
Transfers In	-	800,000	327,348	378,325	215,798	1,721,471
Net Changes in Fund Balances	15	30,267	-	-	-	30,282
Fund Balances - January 1, 2014	<u>10</u>	<u>375,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,774</u>
Fund Balances - December 31, 2014	<u>\$ 25</u>	<u>\$ 406,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,056</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Fund
Highway Aid Fund
Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest, Rents and Royalties				
Interest Earnings	\$ 50	\$ 50	\$ 56	\$ 6
Intergovernmental				
Liquid Fuels Tax	<u>497,596</u>	<u>497,596</u>	<u>555,290</u>	<u>57,694</u>
Total Revenues	<u>497,646</u>	<u>497,646</u>	<u>555,346</u>	<u>57,700</u>
Expenditures				
Capital Outlay	<u>497,656</u>	<u>497,656</u>	<u>555,331</u>	<u>(57,675)</u>
Net Change in Fund Balance	(10)	(10)	15	25
Fund Balance - January 1, 2014	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
Fund Balance - December 31, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 25</u>

**Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Fund
Library Fund
Budget and Actual
Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeits				
Library Fines	\$ 25,000	\$ 25,000	\$ 37,506	\$ 12,506
Interest, Rents and Royalties				
Interest Earnings	500	500	626	126
Intergovernmental				
State Grant	78,000	78,000	78,116	116
County Grant	40,700	40,700	40,048	(652)
Charges for Services				
Library Use Fees	15,000	15,000	17,616	2,616
Miscellaneous				
Contributions & Donations from Private Sources	<u>10,000</u>	<u>10,000</u>	<u>1,385</u>	<u>(8,615)</u>
Total Revenues	<u>169,200</u>	<u>169,200</u>	<u>175,297</u>	<u>6,097</u>
Expenditures				
Current:				
Culture - Recreation				
Libraries				
Personal Services	713,500	713,500	639,574	73,926
Supplies	220,000	220,000	228,604	(8,604)
Other Services & Charges	<u>35,700</u>	<u>35,700</u>	<u>76,852</u>	<u>(41,152)</u>
Total Expenditures	<u>969,200</u>	<u>969,200</u>	<u>945,030</u>	<u>24,170</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(800,000)</u>	<u>(800,000)</u>	<u>(769,733)</u>	<u>30,267</u>
Other Financing Sources (Uses)				
Transfers In				
General Fund	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	30,267	30,267
Fund Balance - January 1, 2014	<u>315,180</u>	<u>315,180</u>	<u>375,764</u>	<u>60,584</u>
Fund Balance - December 31, 2014	<u>\$ 315,180</u>	<u>\$ 315,180</u>	<u>\$ 406,031</u>	<u>\$ 90,851</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Debt Service Fund
Series of 2010
Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Expenditures				
Debt Service:				
Principal	295,000	305,000	305,000	-
Interest	<u>32,548</u>	<u>22,548</u>	<u>22,348</u>	<u>200</u>
Total Expenditures	<u>327,548</u>	<u>327,548</u>	<u>327,348</u>	<u>200</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(327,548)</u>	<u>(327,548)</u>	<u>(327,348)</u>	<u>200</u>
Other Financing Sources (Uses)				
Transfers In				
General Fund	<u>327,548</u>	<u>327,548</u>	<u>327,348</u>	<u>(200)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - January 1, 2014	_____ -	_____ -	_____ -	_____ -
Fund Balance - December 31, 2014	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Debt Service Fund
Series of 2012
Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Expenditures				
Debt Service:				
Principal	360,000	360,000	360,000	-
Interest	<u>18,325</u>	<u>18,325</u>	<u>18,325</u>	-
Total Expenditures	<u>378,325</u>	<u>378,325</u>	<u>378,325</u>	-
Excess (Deficiency) of Revenues Over Expenditures	<u>(378,325)</u>	<u>(378,325)</u>	<u>(378,325)</u>	-
Other Financing Sources (Uses)				
Transfers In				
General Fund	<u>378,325</u>	<u>378,325</u>	<u>378,325</u>	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - January 1, 2014	_____ -	_____ -	_____ -	_____ -
Fund Balance - December 31, 2014	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Debt Service Fund
Series of 2013
Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Expenditures				
Debt Service:				
Principal	10,000	10,000	10,000	-
Interest	<u>205,798</u>	<u>205,798</u>	<u>205,798</u>	-
Total Expenditures	<u>215,798</u>	<u>215,798</u>	<u>215,798</u>	-
Excess (Deficiency) of Revenues Over Expenditures	<u>(215,798)</u>	<u>(215,798)</u>	<u>(215,798)</u>	-
Other Financing Sources (Uses)				
Transfers In				
General Fund	<u>215,798</u>	<u>215,798</u>	<u>215,798</u>	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - January 1, 2014	-	-	-	-
Fund Balance - December 31, 2014	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>

CAPITAL PROJECTS FUND

Capital Reserve Fund - To account for the financing and construction of a variety of capital projects in Peters Township. General fund revenues, state grants, and debt proceeds provide the financing for projects included in this fund.

**Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Capital Projects Fund
Budget and Actual
Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues				
Interest, Rents and Royalties				
Interest Earnings	\$ 5,350	\$ 5,350	\$ 2,360	\$ (2,990)
Intergovernmental				
State Grants	497,246	497,246	603,019	105,773
Miscellaneous Revenue				
Contributions & Donations	<u>80,000</u>	<u>80,000</u>	<u>276,321</u>	<u>196,321</u>
Total Revenues	<u>582,596</u>	<u>582,596</u>	<u>881,700</u>	<u>299,104</u>
Expenditures				
Capital Outlay:				
General Government				
Administration				
Capital Purchase	21,000	21,000	5,633	15,367
Network Administration				
Capital Purchase	58,600	58,600	46,598	12,002
Municipal Building				
Capital Purchase	10,000	10,000	29,791	(19,791)
Public Safety				
Police Patrol				
Capital Purchase	8,135	8,135	59,344	(51,209)
Fire Station				
Capital Purchase	64,800	64,800	2,212	62,588
Fire Vehicle Maintenance				
Capital Purchase	473,000	473,000	479,736	(6,736)
Planning				
Capital Purchase	72,100	72,100	5,143	66,957
Public Works - Sanitation				
Recycling				
Capital Purchase	27,500	27,500	-	27,500
Public Works - Highways				
Maintenance Building				
Capital Construction	42,000	42,000	16,531	25,469
Traffic Signals and Signs				
Capital Purchase	12,000	12,000	-	12,000

(Cont'd)

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Capital Projects Fund
Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Capital Outlay: (Cont'd)				
Public Works - Highways (Cont'd)				
Storm Sewers and Drains				
Capital Construction	\$ 240,000	\$ 240,000	\$ 171,802	\$ 68,198
Vehicle Maintenance				
Capital Purchase	423,000	423,000	405,466	17,534
Highway Maintenance				
Capital Construction	1,457,744	1,457,744	1,334,281	123,463
Culture - Recreation				
Park Maintenance				
Capital Purchase	70,000	70,000	66,882	3,118
Capital Construction	167,000	167,000	94,745	72,255
Community Center				
Capital Construction	30,000	30,000	22,294	7,706
Tennis Center				
Capital Construction	30,000	30,000	30,000	-
Library				
Capital Construction	<u>200,000</u>	<u>200,000</u>	<u>3,720</u>	<u>196,280</u>
Total Expenditures	<u>3,406,879</u>	<u>3,406,879</u>	<u>2,774,178</u>	<u>632,701</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,824,283)</u>	<u>(2,824,283)</u>	<u>(1,892,478)</u>	<u>931,805</u>
Other Financing Sources (Uses)				
Capital Lease	440,000	440,000	449,966	9,966
Transfers In				
General Fund	850,383	850,383	850,383	-
Cable Television Fund	<u>558,600</u>	<u>558,600</u>	<u>46,598</u>	<u>(512,002)</u>
Total Other Financing Sources (Uses)	<u>1,848,983</u>	<u>1,848,983</u>	<u>1,346,947</u>	<u>(502,036)</u>
Net Change in Fund Balance	(975,300)	(975,300)	(545,531)	429,769
Fund Balance - January 1, 2014	<u>2,742,406</u>	<u>2,742,406</u>	<u>2,843,966</u>	<u>101,560</u>
Fund Balance - December 31, 2014	<u>\$ 1,767,106</u>	<u>\$ 1,767,106</u>	<u>\$ 2,298,435</u>	<u>\$ 531,329</u>

STATISTICAL SECTION

This part of Peters Township's 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.

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TABLE

FINANCIAL TRENDS

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

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REVENUE CAPACITY

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

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DEBT CAPACITY

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.

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DEMOGRAPHIC AND ECONOMIC INFORMATION

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.

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OPERATING INFORMATION

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.

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PETERS TOWNSHIP
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net Investments in Capital Assets	\$11,787,504	\$14,068,912	\$16,901,010	\$18,472,602	\$20,739,176	\$21,162,320	\$22,351,241	\$23,100,723	\$23,993,073	\$25,824,998
Restricted	\$2,237,508	\$1,819,580	\$1,414,653	\$1,217,202	\$1,114,460	\$1,507,858	\$1,695,917	\$3,318,989	\$2,210,648	\$1,763,575
Unrestricted	\$4,295,936	\$4,753,115	\$5,196,852	\$5,545,759	\$4,938,964	\$6,549,655	\$6,627,336	\$6,288,870	\$8,382,357	\$8,796,529
Total Governmental Activities Net Position	<u>\$18,320,948</u>	<u>\$20,641,607</u>	<u>\$23,512,515</u>	<u>\$25,235,563</u>	<u>\$26,792,600</u>	<u>\$29,219,833</u>	<u>\$30,674,494</u>	<u>\$32,708,582</u>	<u>\$34,586,078</u>	<u>\$36,385,102</u>
Business-type Activities										
Unrestricted		\$27,288	\$4,851	\$19,651	\$71,539	\$141,179	\$156,440	\$94,312	\$131,036	\$211,207
Total Business-type Net Position		<u>\$27,288</u>	<u>\$4,851</u>	<u>\$19,651</u>	<u>\$71,539</u>	<u>\$141,179</u>	<u>\$156,440</u>	<u>\$94,312</u>	<u>\$131,036</u>	<u>\$211,207</u>
Total Primary Government										
Net Investments in Capital Assets	\$11,787,504	\$14,068,912	\$16,901,010	\$18,472,602	\$20,739,176	\$21,162,320	\$22,351,241	\$23,100,723	\$23,993,073	\$25,824,998
Restricted	\$2,237,508	\$1,819,580	\$1,414,653	\$1,217,202	\$1,114,460	\$1,507,858	\$1,695,917	\$3,318,989	\$2,210,648	\$1,763,575
Unrestricted	\$4,295,936	\$4,780,403	\$5,201,703	\$5,565,410	\$5,010,503	\$6,690,834	\$6,783,776	\$6,383,182	\$8,513,393	\$9,007,736
Total Net Position	<u>\$18,320,948</u>	<u>\$20,668,895</u>	<u>\$23,517,366</u>	<u>\$25,255,214</u>	<u>\$26,864,139</u>	<u>\$29,361,012</u>	<u>\$30,830,934</u>	<u>\$32,802,894</u>	<u>\$34,717,114</u>	<u>\$36,596,309</u>

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Charges for Services	\$525,087	\$573,985	\$651,854	\$738,552	\$771,609	\$854,945	\$871,332	\$918,602	\$931,705	\$883,805
Operating Grants	\$240,314	\$180,309	\$190,499	\$190,268	\$165,315	\$125,307	\$141,078	\$123,273	\$120,436	\$119,549
Capital Grants and Contributions	\$0	\$0	\$651,918	\$331,504	\$0	\$6,506	\$0	\$125,000	\$0	\$60,000
Total Governmental										
Activities Program Revenues	<u>\$4,509,823</u>	<u>\$2,684,708</u>	<u>\$3,823,087</u>	<u>\$3,409,227</u>	<u>\$3,742,057</u>	<u>\$4,411,557</u>	<u>\$3,777,034</u>	<u>\$4,324,823</u>	<u>\$3,911,167</u>	<u>\$4,037,614</u>
Business-Type Activities										
Solid Waste Collection		\$555,494	\$1,204,652	\$1,296,969	\$1,305,633	\$1,317,316	\$1,358,824	\$1,340,208	\$1,515,746	\$1,571,260
Total Business-type Revenues		<u>\$555,494</u>	<u>\$1,204,652</u>	<u>\$1,296,969</u>	<u>\$1,305,633</u>	<u>\$1,317,316</u>	<u>\$1,358,824</u>	<u>\$1,340,208</u>	<u>\$1,515,746</u>	<u>\$1,571,260</u>
Total Primary Government Revenues	<u>\$4,509,823</u>	<u>\$3,240,202</u>	<u>\$5,027,739</u>	<u>\$4,706,196</u>	<u>\$5,047,690</u>	<u>\$5,728,873</u>	<u>\$5,135,858</u>	<u>\$5,665,031</u>	<u>\$5,426,913</u>	<u>\$5,608,874</u>
Governmental Activities and Business Type Net (Expense)/Revenue	<u>(\$5,994,665)</u>	<u>(\$7,235,046)</u>	<u>(\$7,330,405)</u>	<u>(\$8,258,504)</u>	<u>(\$8,081,900)</u>	<u>(\$8,688,692)</u>	<u>(\$9,733,334)</u>	<u>(\$9,845,114)</u>	<u>(\$10,170,075)</u>	<u>(\$10,919,437)</u>
General Revenues and Other Changes in Net Position										
Taxes										
Property Taxes	\$3,271,106	\$3,457,588	\$3,496,267	\$3,583,129	\$3,652,450	\$4,300,408	\$4,094,648	\$4,170,057	\$4,278,658	\$4,341,766
Earned Income Taxes	\$3,539,279	\$3,920,769	\$4,264,794	\$4,348,038	\$4,462,747	\$4,614,173	\$4,782,082	\$5,075,430	\$5,469,004	\$6,003,743
Other Taxes	\$1,942,447	\$1,659,969	\$1,931,693	\$1,741,025	\$1,397,666	\$1,563,884	\$1,796,611	\$2,023,211	\$1,989,068	\$2,064,758
Grants and Contributions	\$19,619	\$20,617	\$19,280	\$22,712	\$28,033	\$593,316	\$406,685	\$321,763	\$332,638	\$328,955
Investment Earnings	\$187,018	\$345,081	\$372,659	\$197,551	\$109,784	\$99,599	\$105,386	\$102,174	\$69,724	\$5,101
Miscellaneous Income	\$100,262	\$178,969	\$93,734	\$103,897	\$40,145	\$14,185	\$17,745	\$124,413	\$104,339	\$54,280
Total Governmental Activities	<u>\$9,059,731</u>	<u>\$9,582,993</u>	<u>\$10,178,427</u>	<u>\$9,996,352</u>	<u>\$9,690,825</u>	<u>\$11,185,565</u>	<u>\$11,203,157</u>	<u>\$11,817,048</u>	<u>\$12,243,431</u>	<u>\$12,798,603</u>
Business-Type Activities										
Investment Earnings							\$99	\$26	\$22	\$29
Total Business-type							<u>\$99</u>	<u>\$26</u>	<u>\$22</u>	<u>\$29</u>
Total General Revenues and Other Changes in Net Position	<u>\$9,059,731</u>	<u>\$9,582,993</u>	<u>\$10,178,427</u>	<u>\$9,996,352</u>	<u>\$9,690,825</u>	<u>\$11,185,565</u>	<u>\$11,203,256</u>	<u>\$11,817,074</u>	<u>\$12,243,453</u>	<u>\$12,798,632</u>
Change in Net Position										
Governmental Activities	\$3,065,066	\$2,320,659	\$2,870,908	\$1,724,721	\$1,557,219	\$2,427,367	\$1,454,661	\$2,034,088	\$2,036,654	\$1,799,024
Business type Activities	\$0	\$27,288	-\$22,886	\$13,127	\$51,706	\$69,506	\$15,261	-\$62,128	\$36,724	\$80,171
Total Governmental Activities and Business-type	<u>\$3,065,066</u>	<u>\$2,347,947</u>	<u>\$2,848,022</u>	<u>\$1,737,848</u>	<u>\$1,608,925</u>	<u>\$2,496,873</u>	<u>\$1,469,922</u>	<u>\$1,971,960</u>	<u>\$2,073,378</u>	<u>\$1,879,195</u>

(1) Peters Township in 2006 began billing homeowners for solid waste collection

PETERS TOWNSHIP
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities										
General Government	\$1,270,901	\$1,285,731	\$1,424,457	\$1,409,361	\$1,449,339	\$1,527,661	\$1,584,088	\$1,595,251	\$1,718,037	\$1,615,418
Public Safety	\$3,920,206	\$4,059,150	\$4,134,975	\$4,462,287	\$4,775,435	\$4,929,104	\$5,311,593	\$5,712,717	\$5,814,163	\$6,058,879
Public Works-Sanitation	\$110,672	\$43,507	\$91,034	\$43,890	\$64,389	\$49,076	\$76,492	\$26,486	\$62,992	\$36,020
Public Works - Highway	\$2,325,172	\$1,787,352	\$2,565,780	\$2,625,321	\$2,491,604	\$3,439,842	\$3,144,509	\$3,340,061	\$3,190,144	\$3,948,691
Culture - Recreation	\$2,473,190	\$2,386,836	\$2,567,790	\$2,799,125	\$2,774,708	\$2,715,179	\$2,907,506	\$2,979,531	\$3,049,562	\$3,075,042
Interest on Long Term Debt	<u>\$404,347</u>	<u>\$384,466</u>	<u>\$346,570</u>	<u>\$340,874</u>	<u>\$320,188</u>	<u>\$508,893</u>	<u>\$501,342</u>	<u>\$453,737</u>	<u>\$283,046</u>	<u>\$303,143</u>
Total Governmental Activities Expenses	<u>\$10,504,488</u>	<u>\$9,947,042</u>	<u>\$11,130,606</u>	<u>\$11,680,858</u>	<u>\$11,875,663</u>	<u>\$13,169,755</u>	<u>\$13,525,530</u>	<u>\$14,107,783</u>	<u>\$14,117,944</u>	<u>\$15,037,193</u>
Business-Type Activities										
Solid Waste Collection ²		<u>\$528,206</u>	<u>\$1,227,538</u>	<u>\$1,283,842</u>	<u>\$1,253,927</u>	<u>\$1,247,810</u>	<u>\$1,343,662</u>	<u>\$1,402,362</u>	<u>\$1,479,044</u>	<u>\$1,491,118</u>
Total Business-Type Expenses		<u>\$528,206</u>	<u>\$1,227,538</u>	<u>\$1,283,842</u>	<u>\$1,253,927</u>	<u>\$1,247,810</u>	<u>\$1,343,662</u>	<u>\$1,402,362</u>	<u>\$1,479,044</u>	<u>\$1,491,118</u>
Total Primary Government Expenses	<u>\$10,504,488</u>	<u>\$10,475,248</u>	<u>\$12,358,144</u>	<u>\$12,964,700</u>	<u>\$13,129,590</u>	<u>\$14,417,565</u>	<u>\$14,869,192</u>	<u>\$15,510,145</u>	<u>\$15,596,988</u>	<u>\$16,528,311</u>
Program Revenue										
Governmental Activities										
General Government										
Charges for Services	\$84,088	\$108,877	\$113,532	\$117,375	\$120,458	\$108,932	\$122,769	\$101,940	\$64,838	\$96,049
Operating Grants	\$93,990	\$93,536	\$67,963	\$109,873	\$118,570	\$119,422	\$142,579	\$81,357	\$94,934	\$86,438
Public Safety										
Charges for Services	\$402,039	\$349,037	\$328,529	\$277,986	\$311,509	\$403,066	\$472,241	\$453,885	\$452,079	\$479,480
Operating Grants	\$241,289	\$247,038	\$273,071	\$285,857	\$258,502	\$276,399	\$484,934	\$331,514	\$363,101	\$360,995
Capital Grants and Contributions					\$534,321					
Public Works - Sanitation										
Charges for Services	\$3,788	\$0	\$6,366	\$0	\$11,368	\$5,461	\$10,425	\$5,673	\$5,893	\$0
Operating Grants	\$60,000	\$0	\$67,330	\$41,273	\$73,136	\$32,688	\$23,184	\$0	\$0	\$0
Public Works - Highway										
Charges for Services	\$34,352	\$36,609	\$38,305	\$47,575	\$56,160	\$52,597	\$43,413	\$45,513	\$81,262	\$68,130
Operating Grants	\$406,104	\$493,901	\$489,345	\$530,477	\$511,714	\$493,678	\$681,079	\$560,529	\$806,723	\$809,472
Capital Grants and Contributions	\$2,418,772	\$601,416	\$944,375	\$738,487	\$809,395	\$1,932,556	\$784,000	\$1,577,537	\$990,196	\$1,073,696
Culture - Recreation										

PETERS TOWNSHIP
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable							\$3,069	\$3,069	\$3,069	\$3,069
Committed							\$351,936	\$440,979	\$516,153	\$594,543
Assigned							\$706,256	\$64,614	\$66,497	\$63,189
Unassigned	<u>\$3,846,938</u>	<u>\$4,164,188</u>	<u>\$4,654,146</u>	<u>\$4,935,648</u>	<u>\$4,350,296</u>	<u>\$5,787,074</u>	<u>\$4,770,030</u>	<u>\$3,910,072</u>	<u>\$5,357,021</u>	<u>\$6,238,549</u>
Total General Fund	<u>\$3,846,938</u>	<u>\$4,164,188</u>	<u>\$4,654,146</u>	<u>\$4,935,648</u>	<u>\$4,350,296</u>	<u>\$5,787,074</u>	<u>\$5,831,291</u>	<u>\$4,418,734</u>	<u>\$5,942,740</u>	<u>\$6,899,350</u>
All Other Governmental Funds										
86 Restricted										
Capital Projects Fund	\$2,181,375	\$1,819,580	\$1,414,653	\$1,217,202	\$1,114,460	\$4,192,244	\$3,572,879	\$3,318,935	\$2,210,638	\$1,763,550
Highway Aid Fund	\$2,302	\$42	\$5,799	\$1,883	\$542	\$109	\$22	\$54	\$10	\$25
Committed										
Cable Television Fund	\$515,281	\$639,710	\$521,793	\$644,914	\$702,594	\$808,755	\$1,024,678	\$1,245,903	\$1,448,014	\$1,748,730
Capital Projects Fund								\$877,253	\$633,328	\$534,885
Assigned										
Library Fund	\$240,367	\$190,595	\$262,160	\$240,344	\$253,962	\$250,033	\$231,863	\$290,925	\$375,764	\$406,031
Total All Other Governmental Funds	<u>\$2,939,325</u>	<u>\$2,649,927</u>	<u>\$2,204,405</u>	<u>\$2,104,343</u>	<u>\$2,071,558</u>	<u>\$5,251,141</u>	<u>\$4,829,442</u>	<u>\$5,733,070</u>	<u>\$4,667,754</u>	<u>\$4,453,221</u>
Fund Balance - All Funds	<u>\$6,786,263</u>	<u>\$6,814,115</u>	<u>\$6,858,551</u>	<u>\$7,039,991</u>	<u>\$6,421,854</u>	<u>\$11,038,215</u>	<u>\$10,660,733</u>	<u>\$10,151,804</u>	<u>\$10,610,494</u>	<u>\$11,352,571</u>

The fund balances presented have been restated to reflect the implementation of GASB Statement No. 54

PETERS TOWNSHIP
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$8,765,977	\$9,055,135	\$9,735,998	\$9,714,247	\$9,581,898	\$10,550,017	\$10,765,185	\$11,338,959	\$11,757,986	\$12,429,119
Licenses and Permits	\$242,621	\$273,664	\$298,403	\$329,642	\$341,375	\$442,426	\$453,632	\$472,232	\$516,967	\$515,028
Fines and Forfeits	\$114,282	\$110,661	\$115,203	\$122,569	\$152,904	\$159,876	\$137,681	\$118,183	\$106,239	\$109,685
Interest, Rents and Royalties	\$187,018	\$345,081	\$372,659	\$195,878	\$116,602	\$99,465	\$105,386	\$102,174	\$69,724	\$5,101
Grants	\$1,061,316	\$1,035,401	\$1,453,074	\$1,331,513	\$1,147,859	\$1,469,737	\$1,864,232	\$2,165,365	\$1,999,018	\$1,862,552
Charges for Services	\$692,451	\$684,183	\$724,980	\$729,277	\$754,335	\$798,791	\$912,111	\$895,512	\$889,214	\$902,751
Miscellaneous	<u>\$219,806</u>	<u>\$178,969</u>	<u>\$400,066</u>	<u>\$284,348</u>	<u>\$198,655</u>	<u>\$215,672</u>	<u>\$201,427</u>	<u>\$292,359</u>	<u>\$459,177</u>	<u>\$323,026</u>
Total Revenue	<u>\$11,283,471</u>	<u>\$11,683,094</u>	<u>\$13,100,383</u>	<u>\$12,707,474</u>	<u>\$12,293,628</u>	<u>\$13,735,984</u>	<u>\$14,439,654</u>	<u>\$15,384,784</u>	<u>\$15,798,325</u>	<u>\$16,147,262</u>
Expenditures										
General Government	\$993,932	\$1,043,269	\$1,099,669	\$1,101,122	\$1,115,194	\$1,313,478	\$1,212,065	\$1,160,022	\$1,237,575	\$1,290,802
Public Safety	\$2,958,966	\$3,147,379	\$3,284,247	\$3,479,248	\$3,705,732	\$3,786,951	\$4,028,389	\$4,150,110	\$4,331,600	\$4,427,527
Public Work - Sanitation	\$106,744	\$39,609	\$86,570	\$39,276	\$59,703	\$40,930	\$56,658	\$22,577	\$58,494	\$30,388
Public Works -Highways	\$964,942	\$869,433	\$1,092,375	\$1,167,846	\$1,048,960	\$1,222,455	\$1,246,424	\$1,170,805	\$1,411,437	\$1,478,169
Culture - Recreation	\$1,926,925	\$1,867,561	\$1,961,445	\$2,150,739	\$2,183,937	\$2,159,507	\$2,194,654	\$2,192,057	\$2,158,521	\$2,211,877
Insurance and Employee Benefits	\$1,322,076	\$1,322,232	\$1,314,728	\$1,322,512	\$1,487,122	\$1,575,491	\$1,754,622	\$1,948,131	\$1,943,246	\$2,053,283
Capital Outlays	\$1,516,811	\$2,624,353	\$3,613,517	\$2,296,014	\$2,340,077	\$4,884,073	\$3,011,770	\$4,045,856	\$3,326,998	\$3,354,720
Debt Service										
Principal	\$494,408	\$515,000	\$550,000	\$628,573	\$650,973	\$578,480	\$812,709	\$802,361	\$745,483	\$757,493
Interest and Fees	<u>\$408,088</u>	<u>\$386,183</u>	<u>\$346,360</u>	<u>\$340,704</u>	<u>\$320,067</u>	<u>\$488,756</u>	<u>\$499,845</u>	<u>\$446,570</u>	<u>\$242,944</u>	<u>\$250,892</u>
Total Expenditures	<u>\$10,692,892</u>	<u>\$11,815,019</u>	<u>\$13,348,911</u>	<u>\$12,526,034</u>	<u>\$12,911,765</u>	<u>\$16,050,121</u>	<u>\$14,817,136</u>	<u>\$15,938,489</u>	<u>\$15,456,298</u>	<u>\$15,855,151</u>
Excess of Revenues over (under)										
Expenditures	\$590,579	(\$131,925)	(\$248,528)	\$181,440	(\$618,137)	(\$2,314,137)	(\$377,482)	(\$553,705)	\$342,027	\$292,111

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses)										
Proceeds from Capital Lease	\$0	\$0	\$292,964	\$0	\$0	\$402,660	\$0	\$0	\$0	\$449,966
Proceeds from General										
Long Term Debt	\$0	\$4,405,000	\$0	\$0	\$0	\$11,010,000	\$0	\$2,290,000	\$10,000,000	\$0
Premium on Bonds Issued								\$5,649	\$129,345	\$0
Discount on Bonds Issued		(\$10,223)				(\$27,505)	\$0	\$0		
Payment to Refunded Bond Agent	\$0	(\$4,235,000)	\$0	\$0	\$0	(\$4,454,657)	\$0	(\$2,250,873)	(\$10,012,682)	\$0
Total Other Financing Sources (Uses)	\$0	\$159,777	\$292,964	\$0	\$0	\$6,930,498	\$0	\$44,776	\$116,663	\$449,966
Net Change in Fund Balance	\$590,579	\$27,852	\$44,436	\$181,440	(\$618,137)	\$4,616,361	(\$377,482)	(\$508,929)	\$458,690	\$742,077
Fund Balance 1/1	<u>\$6,195,684</u>	<u>\$6,786,263</u>	<u>\$6,814,115</u>	<u>\$6,858,551</u>	<u>\$7,039,991</u>	<u>\$6,421,854</u>	<u>\$11,038,215</u>	<u>\$10,660,733</u>	<u>\$10,151,804</u>	<u>\$10,610,494</u>
Fund Balance 12/31	<u>\$6,786,263</u>	<u>\$6,814,115</u>	<u>\$6,858,551</u>	<u>\$7,039,991</u>	<u>\$6,421,854</u>	<u>\$11,038,215</u>	<u>\$10,660,733</u>	<u>\$10,151,804</u>	<u>\$10,610,494</u>	<u>\$11,352,571</u>
Total Noncapital Expenditure	\$9,176,081	\$9,592,340	\$10,602,981	\$11,049,816	\$11,223,213	\$12,533,022	\$12,666,721	\$13,170,838	\$12,933,700	\$13,695,847
Debt Service as a % of Noncapital Expenditures	9.8%	9.4%	8.5%	8.8%	8.7%	8.5%	10.4%	9.5%	7.6%	7.4%

PETERS TOWNSHIP
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION ¹
LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenditures ²										
General Government	\$1,324,997	\$1,108,092	\$1,178,281	\$1,141,943	\$1,170,221	\$1,438,031	\$1,299,416	\$1,160,022	\$2,008,404	\$1,372,824
Public Safety	\$4,309,419	\$3,177,910	\$3,677,176	\$3,613,014	\$3,828,379	\$4,240,815	\$4,046,863	\$4,150,110	\$4,431,742	\$4,973,962
Public Work - Sanitation	\$22,577	\$39,609	\$86,570	\$39,276	\$59,703	\$40,930	\$71,938	\$22,577	\$58,494	\$30,388
Public Works -Highways	\$3,454,097	\$2,350,409	\$3,094,180	\$2,835,506	\$2,896,720	\$3,477,961	\$3,208,984	\$1,170,805	\$3,654,977	\$3,961,580
Culture - Recreation	\$3,630,337	\$2,915,574	\$3,101,616	\$2,604,505	\$2,498,580	\$4,209,657	\$3,122,759	\$2,192,057	\$2,371,008	\$2,454,729
Insurance and Employee Benefits	\$1,948,131	\$1,322,232	\$1,314,728	\$1,322,512	\$1,487,122	\$1,575,491	\$1,754,622	\$1,948,131	\$1,943,246	\$2,053,283
Debt Service	<u>\$1,248,931</u>	<u>\$901,183</u>	<u>\$896,360</u>	<u>\$969,277</u>	<u>\$971,040</u>	<u>\$1,067,236</u>	<u>\$1,312,554</u>	<u>\$1,248,931</u>	<u>\$988,427</u>	<u>\$1,008,385</u>
101 Total Expenditure	<u>\$15,938,489</u>	<u>\$11,815,009</u>	<u>\$13,348,911</u>	<u>\$12,526,034</u>	<u>\$12,911,765</u>	<u>\$16,050,121</u>	<u>\$14,817,136</u>	<u>\$11,892,633</u>	<u>\$15,456,298</u>	<u>\$15,855,151</u>

(1) Included General, Special Revenue, Debt Service, and Capital Projects Funds

(2) The amounts include operating, as well as, capital expenditures.

Table 6

**PETERS TOWNSHIP
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Taxable Assessed Value ¹	Estimated Market Value ²	Total Direct Tax Rate	Ratio of Total Assessed Value to to Estimated Market Value
2005	\$279,048,917	\$1,936,599,482	12 mills	14.4%
2006	\$292,099,167	\$2,132,323,917	12 mills	13.7%
2007	\$299,072,039	\$2,266,966,056	12 mills	13.2%
2008	\$306,615,839	\$2,222,964,834	12 mills	13.8%
2009	\$312,816,022	\$1,830,086,400	12 mills	17.1%
2010	\$317,192,571	\$1,943,754,522	14 mills	16.3%
2011	\$323,590,796	\$1,987,599,125	13 mills	16.3%
2012	\$329,928,927	\$2,104,212,063	13 mills	15.7%
2013	\$336,832,664	\$2,152,776,343	13 mills	15.6%
2014	\$341,457,423	³	13 mills	³

(1) Source - Washington County Assessment Office. The assessment office does not have data which separates commercial and residential assessments values.

(2) Source - Pennsylvania State Tax Equalization Board

(3) 2014 Market Value is not yet available

Table 7

**PETERS TOWNSHIP
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(Tax Rate Per \$1,000 of Assessed Valuation)
LAST TEN FISCAL YEARS**

Fiscal Year	Peters Township	Overlapping Rates		Total Direct and Overlapping Rates
		Peters Township School District	Washington County	
2005	12.0	87.0	21.4	120.4
2006	12.0	87.0	21.4	120.4
2007	12.0	89.5	21.4	122.9
2008	12.0	89.5	21.4	122.9
2009	12.0	92.5	24.9	129.4
2010	14.0	95.2	24.9	134.1
2011	13.0	96.5	24.9	134.4
2012	13.0	100.3	24.9	138.2
2013	13.0	102.0	24.9	139.9
2014	13.0	107.1	24.9	145.0

Tax rate is expressed in mills. One mill of tax is equal to \$1.00 for every \$1,000 of assessed property value. Used to calculate a tax levied on real estate.

Township tax levy for operating purposes.

Table 8

**PETERS TOWNSHIP
TEN LARGEST REAL ESTATE TAXPAYERS
CURRENT AND NINE YEARS AGO**

	As of December 31, 2014			As of December 31, 2005	
	Assessed Valuation	Percent of Total Valuation		Assessed Valuation	Percent of Total Valuation
Waterdam Plaza Associates	\$3,178,039	0.9%	Waterdam Plaza Associates	\$3,771,970	1.4%
Donaldson's Crossroads Associates	\$1,758,742	0.5%	Donaldson's Crossroads Associates	\$1,534,402	0.6%
HCRI PA Properties	\$1,206,738	0.4%	Food Gallery	\$1,019,191	0.4%
Gallery Shoppes (I,II,III,Ltd.)	\$1,037,884	0.3%	K-Mart	\$1,106,700	0.4%
K-Mart	\$904,200	0.3%	HCR Manorcare	\$1,089,000	0.4%
HCR Manorcare	\$795,000	0.2%	Valleybrook Country Club	\$731,293	0.3%
Gregg Schwotzer Etal	\$718,283	0.2%	Robert Murphy	\$586,907	0.2%
Valleybrook Country Club	\$708,651	0.2%	Rolling Hill Country Club	\$488,418	0.2%
Waterdam Partners	\$623,420	0.2%	Levin Family Partnership	\$487,675	0.2%
Mark Miller	\$500,272	0.1%	McMurray Hill Manor	\$424,463	0.2%
Total	<u>\$11,431,229</u>	<u>3.3%</u>	Total	<u>\$11,240,019</u>	<u>4.3%</u>

Table 9

**PETERS TOWNSHIP
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent & Liated Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
		Amount	Percentage			
2005	\$3,348,587	\$3,200,180	95.57%	\$84,071	\$3,284,251	98.08%
2006	\$3,505,190	\$3,378,444	96.38%	\$95,953	\$3,474,397	99.12%
2007	\$3,588,864	\$3,468,492	96.65%	\$71,019	\$3,539,511	98.62%
2008	\$3,679,390	\$3,550,756	96.50%	\$74,428	\$3,625,184	98.53%
2009	\$3,753,792	\$3,642,788	97.04%	\$78,697	\$3,721,485	99.14%
2010	\$4,440,696	\$4,297,078	96.77%	\$74,882	\$4,371,960	98.45%
2011	\$4,206,680	\$4,087,531	97.17%	\$98,961	\$4,186,492	99.52%
2012	\$4,289,076	\$4,169,582	97.21%	\$70,736	\$4,240,318	98.86%
2013	\$4,378,825	\$4,237,959	96.78%	\$61,955	\$4,299,914	98.20%
2014	\$4,438,951	\$4,297,739	96.82%	\$62,879	\$4,360,618	98.24%

Table 10

**PETERS TOWNSHIP
TAXABLE EARNED INCOME AND TAX COLLECTED
LAST TEN FISCAL YEARS**

Fiscal Year	Taxable Earned Income	Tax Collected	Per Capita Personal Income
2005	\$707,855,800	\$3,539,279	\$35,678
2006	\$784,153,800	\$3,920,769	\$38,251
2007	\$852,958,800	\$4,264,794	\$41,306
2008	\$869,607,600	\$4,348,038	\$41,808
2009	\$892,549,400	\$4,462,747	\$42,604
2010	\$922,834,600	\$4,614,173	\$43,503
2011	\$956,416,400	\$4,782,082	\$44,770
2012	\$1,015,086,000	\$5,075,430	\$47,185
2013	\$1,093,800,800	\$5,469,004	\$50,492
2014	\$1,200,748,600	\$6,003,743	\$55,047

Table 11

**PETERS TOWNSHIP
TAXABLE EARNED INCOME RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	Peters Township	Peters Township School District
2005	0.05%	0.05%
2006	0.05%	0.05%
2007	0.05%	0.05%
2008	0.05%	0.05%
2009	0.05%	0.05%
2010	0.05%	0.05%
2011	0.05%	0.05%
2012	0.05%	0.05%
2013	0.05%	0.05%
2014	0.05%	0.05%

**PETERS TOWNSHIP
EARNED INCOME TAX FILERS AND LIABILITY BY INCOME LEVEL**

Income Level	2006			2007			2008			2013		
	Number of Filers	% of Total	% of Total Income	Number of Filers	% of Total	% of Total Income	Number of Filers	% of Total	% of Total Income	Number of Filers	% of Total	% of Total Income
\$100,001-and higher	2,045	20.2%	64.4%	2,230	20.8%	67.2%	2,355	21.3%	66.9%	2,729	23.6%	75.2%
\$50,001-100,000	2,211	21.8%	8.5%	2,299	21.5%	7.8%	2,390	21.6%	8.0%	2,291	19.8%	15.9%
\$0 to \$50,000	5,874	58.0%	13.6%	6,182	57.7%	12.6%	6,331	57.2%	12.4%	6,525	56.5%	8.9%
Total	10,130	100.0%	100.0%	10,711	100.0%	100.0%	11,076	100.0%	100.0%	11,545	100.0%	100.0%

2009-2012 information not available

Note: Beginning with the 2006 year, the Township of Peters implemented GASB Statement 44 "Economic Condition Reporting: The Statistical Section." Since the information reported in this schedule was not required in 2006 or in previous years, the report only includes readily available information. Future reports will continue to include the presented data until a maximum of ten years of information is accumulated.

Table 13

**PETERS TOWNSHIP
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Capital Leases Outstanding	Governmental Activities General Obligation Bonds	Percentage of Earned Income	Per Capita	Ratio of Bonds Outstanding to Assessed Value
2005		\$9,645,000	1.4%	\$486	3.5%
2006		\$9,300,000	1.2%	\$454	3.2%
2007	\$292,964	\$8,750,000	1.0%	\$424	2.9%
2008	\$239,391	\$8,175,000	0.9%	\$393	2.7%
2009	\$183,418	\$7,580,000	0.8%	\$362	2.4%
2010	\$527,598	\$13,625,000	1.5%	\$642	4.3%
2011	\$389,889	\$12,919,847	1.4%	\$605	4.0%
2012	\$247,528	\$12,351,322	1.2%	\$574	3.7%
2013	\$167,045	\$12,470,248	1.1%	\$576	3.7%
2014	\$534,518	\$11,786,167	1.0%	\$540	3.5%

Table 14

**PETERS TOWNSHIP
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2014**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Peters Township*	Amount Applicable to Peters Township**
Direct Debt			
Peters Township	\$12,320,685	100.0%	<u>\$12,320,685</u>
Total Direct Debt			<u>\$12,320,685</u>
Overlapping Debt			
Peters Township School District	\$44,325,000	100.0%	\$44,325,000
Washington County	\$53,040,413	21.0%	<u>\$11,145,257</u>
Total Overlapping Debt	\$109,686,098		<u>\$55,470,257</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$67,790,942</u></u>

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the Township's boundaries and dividing it by each unit's total taxable assessed value.

** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Township. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Township. This process recognizes that, when considering the Township's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**PETERS TOWNSHIP
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS ¹**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$25,126,672	\$27,605,077	\$30,428,498	\$32,455,848	\$33,600,307	\$34,833,803	\$36,518,623	\$38,340,337	\$39,621,908	\$40,871,583
Outstanding Debt Applicable to the Debt Limit	<u>\$9,645,000</u>	<u>\$9,300,000</u>	<u>\$8,750,000</u>	<u>\$8,175,000</u>	<u>\$7,580,000</u>	<u>\$13,625,000</u>	<u>\$12,950,000</u>	<u>\$12,370,000</u>	<u>\$12,345,000</u>	<u>\$11,670,000</u>
Legal Debt Margin	<u>\$15,481,672</u>	<u>\$18,305,077</u>	<u>\$21,678,498</u>	<u>\$24,280,848</u>	<u>\$26,020,307</u>	<u>\$21,208,803</u>	<u>\$23,568,623</u>	<u>\$25,970,337</u>	<u>\$27,276,908</u>	<u>\$29,201,583</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	38.4%	33.7%	28.8%	25.2%	22.6%	39.1%	35.5%	32.3%	31.2%	28.6%

(1) The nonelectorial debt limit is set forth in the Pennsylvania Local Government Unit Debt Act and is defined as the average net revenues for the three most recent years multiplied by electoral debt limit percentage (250%). The Act utilizes gross bonds outstanding in the calculation of legal debt margin and excludes capital leases from the calculation.

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Table 16

PETERS TOWNSHIP
COMPUTATION OF LEGAL DEBT MARGIN AS OF DECEMBER 31, 2014

	Nonelectoral Debt	Lease Rental Debt	Total
Total Gross Debt	\$11,670,000	\$0	\$11,670,000
Less: Debt Minus Exclusions	\$0	\$0	\$0
Gross Debt Minus Exclusions	\$11,670,000	\$0	\$11,670,000
Applicable Debt Limitations (1)			
Nonelectoral Regular			
Borrowing Base (2) x 250%	\$40,871,583		
\$16,348,633			
Nonelectoral Plus Lease Rental			
Borrowing Base (2) x 350%			\$57,220,216
\$16,348,633			
Additional Borrowing Capability			
- Nonelectoral Regular	\$29,201,583		
- Nonelectoral Plus Lease Rental			\$45,550,216

(1) As set forth in the Pennsylvania Local Government Unit Debt Act (LGUDA)

(2) Borrowing based defined in Act as average net revenues for three most recent years

(3) The Pennsylvania Unit Debt Act utilizes gross bonds outstanding in the calculation of legal debt margin and excludes capital leases from the calculation.

PETERS TOWNSHIP
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest & Other Fees	Total Debt Service	Total General Expenditures ¹	Ratio of Debt Service to General Expenditures
2005	\$494,408	\$408,088	\$902,496	\$15,938,489	5.66%
2006	\$515,000	\$386,183	\$901,183	\$11,815,009	7.63%
2007	\$550,000	\$346,360	\$896,360	\$13,348,911	6.71%
2008	\$628,573	\$340,704	\$969,277	\$12,526,034	7.74%
2009	\$650,973	\$320,067	\$971,040	\$12,911,765	7.52%
2010	\$578,480	\$488,756	\$1,067,236	\$16,050,121	6.65%
2011	\$812,709	\$499,845	\$1,312,554	\$14,817,136	8.86%
2012	\$802,361	\$446,570	\$1,248,931	\$15,938,489	7.84%
2013	\$745,483	\$242,944	\$988,427	\$15,456,298	6.39%
2014	\$757,493	\$250,892	\$1,008,385	\$15,855,151	6.36%

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds

Table 18

**PETERS TOWNSHIP
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

As of December 31, 2014		As of December 31, 2005	
Name	Type of Business	Name	Type of Business
Peters Township School District	Education	Peters Township School District	Education
Giant Eagle Markets, Inc.	Grocery Store	Giant Eagle Markets, Inc.	Grocery Store
Mancan	Employment Service	Sears Roebuck & Co	Service Center
Trigon Holding Inc.	Manufacturing	Heartland Employment Service	Nursing Home
Heartland Employment Service	Nursing Home	Valleybrook Country Club	Country Club
Valleybrook Country Club	Country Club	American Health Foundation	Nursing Home
Peters Township	Government	Kmart	Retailer
JWCF dba Baker Installations	Contractor	Bob Evans Farm Inc.	Food Service
Allegheny Speciality Practice Network	Healthcare	Max and Erma	Restaurant
South Hills Bible Chapel	Church	Rolling Hills Country Club	Country Club

**PETERS TOWNSHIP
TEN LARGEST VENDORS
CURRENT YEAR AND NINE YEARS AGO**

As of December 31, 2014

As of December 31, 2005

As of December 31, 2014				As of December 31, 2005			
	Total Expenditure	Company Name	Expenditure Category		Total Expenditure	Company Name	Expenditure Category
1	\$1,430,357	Waste Management	Public Works - Garbage	1	\$860,509	Amity Asphalt	Public Works -Paving
2	\$941,270	Bank of New York/Mellon	Debt Service	2	\$786,952	JP Morgan/Chase	Debt Service
3	\$746,268	Morgan Excavating	Public Works - Paving	3	\$442,594	MEIT	Hospitalization
4	\$719,905	Principal Financial	Pension	4	\$306,015	Gateway Engineers	Engineering Services
5	\$557,354	UPMC	Hopitalization	5	\$300,716	Principal	Pension
6	\$513,835	Campbell Insurance	Insurance	6	\$175,294	MRM	Insurance
7	\$446,137	Toyne	Fire Truck	7	\$144,368	North American Salt	Supplies
8	\$270,355	Cargill Incorporated	Supplies	8	\$142,000	AJ Gallagher	Insurance
9	\$180,436	Glassmere Fuel	Insurance	9	\$134,862	Allegheny Power	Utility
10	\$152,283	PA American Water	Utility	10	\$122,474	PA American Water	Utility
	<u>\$5,958,200</u>				<u>\$3,415,782</u>		

Table 20

AGE DISTRIBUTION RELATED TO TOTAL POPULATION

AGE	2000		2010	
	Number	Percent	Number	Percent
Under 5 years	1,170	6.7%	1,224	5.8%
5 to 9 years	1,521	8.7%	1,813	8.5%
10 to 14 years	1,564	8.9%	2,005	9.5%
15 to 19 years	1,204	6.9%	1,543	7.3%
20 to 24 years	416	2.4%	582	2.7%
25 to 34 years	1,221	7.0%	1,253	5.9%
35 to 44 years	3,243	18.5%	2,931	13.8%
45 to 54 years	3,162	18.0%	4,025	19.0%
55 to 59 years	1,020	5.8%	1,626	7.7%
60 to 64 years	766	4.4%	1,362	6.4%
65 to 74 years	1,287	7.3%	1,574	7.4%
75 to 84 years	736	4.2%	906	4.3%
85 years and over	256	1.5%	369	1.7%
	17,566	100.0%	21,213	100.0%
2010 Median Age	43.0			
2000 Median Age	40.6			
1990 Median Age	37.8			
1980 Median Age	33.1			

Source: United States Census

Table 21

**PETERS TOWNSHIP
POPULATION GROWTH
1920 -2010**

Year	Population	Change	% Change
1920	1,660		
1930	1,771	111	6.7%
1940	2,137	366	20.7%
1950	3,004	867	40.6%
1960	7,126	4,122	137.2%
1970	10,672	3,546	49.8%
1980	13,104	2,432	22.8%
1990	14,467	1,363	10.4%
2000	17,566	3,099	21.4%
2010	21,213	3,647	20.8%

Source: United States Census

Table 22

**PETERS TOWNSHIP
HOUSEHOLD INCOMES**

Income (\$000)	2000		2010	
	Households	%	Household	%
Less than \$10,000	106	1.8%	281	4.7%
\$10,000 to \$14,999	121	2.0%	70	1.2%
\$15,000 to \$24,999	344	5.7%	238	4.0%
\$25,000 to \$34,999	509	8.5%	237	3.9%
\$35,000 to \$49,999	661	11.0%	441	7.3%
\$50,000 to \$74,999	1,165	19.4%	1,280	21.3%
\$75,000 to \$99,000	909	15.1%	972	16.2%
\$100,000 to \$149,999	1,169	19.4%	1,594	26.5%
\$150,000 to \$199,999	452	7.5%	826	13.7%
\$200,000 or more	580	9.6%	582	9.7%
Total	6,016	100.0%	6,521	108.4%

Source: United States Census

Table 23

EDUCATIONAL CHARACTERISTICS
Education Attainment - Persons 25 Years and Older

	2000		2010	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th Grade	250	2.1%	550	4.1%
9th to 12th, no diploma	346	3.0%	523	3.9%
High School Graduate	2,584	22.2%	2,551	19.0%
Some College, no degree	1,933	16.6%	1,943	14.5%
Associates Degree	695	6.0%	897	6.7%
Bachelor's Degree	3,809	32.8%	3,952	29.5%
Graduate or Professional	<u>2,011</u>	<u>17.3%</u>	<u>2,980</u>	<u>22.2%</u>
Totals	11,628	100.0%	13,396	100.0%
Percent high school graduate or higher		94.9%		92.0%
Percent bachelor's degree or higher		50.1%		51.7%

Source: United States Census

Table 24

OCCUPATION OF EMPLOYED PERSONS 16 AND OVER

<u>Occupation</u>	2000		2010	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Management, Professional, Other Related	4,305	53.8%	4,499	50.9%
Service Occupations	602	7.5%	887	10.0%
Sales and Office Occupations	2,314	28.9%	2,500	28.3%
Farming, Fishing, & Forestry	10	0.1%	7	0.1%
Construction, Extraction, Maintenance	438	5.5%	520	5.9%
Production, Transportation, Material Moving	<u>328</u>	<u>4.1%</u>	<u>420</u>	<u>4.8%</u>
Totals	7,997	100.0%	8,833	100.0%

Source: United States Census

Table 25

HOUSING UNITS BY OCCUPANCY

	2000		2010	
	<u>Total</u>	<u>% Total</u>	<u>Total</u>	<u>% Total</u>
Occupied Units	6,026		7,292	
Owner Occupied Units	5,681	91%	6,869	91%
Renter Occupied	345	6%	423	6%
Vacant Units	195	3%	267	4%
Total Units	6,221		7,559	

Source: United States Census

Table 26

VALUE OF SPECIFIED OWNER OCCUPIED HOUSING UNITS

<u>Value</u>	2000		2010	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 50,000	32	1%	81	1%
50,000 to 99,999	554	10%	228	4%
100,000 to 149,999	1,115	20%	459	7%
150,000 to 199,999	1,302	24%	908	15%
200,000 to 299,999	1,303	24%	1,874	30%
300,000 to 499,999	1,010	18%	1,932	31%
500,000 to 999,999	137	3%	630	10%
1,000,000 or more	9	0%	51	1%
Total	5,462	100%	6,163	100%

Source: United States Census

Table 27

MEDIAN HOUSING VALUE COMPARISON

	<u>Peters</u>	Washington <u>County</u>	<u>SMSA</u>
Median Value 1970	27,700	12,000	15,300
Median Value 1980	81,500	38,700	42,600
Median Value 1990	124,500	53,500	57,100
Median Value 2000	189,100	87,500	86,100

Source: 1970, 1980, 1990, 2000 United States Census

Peters Township

Authorized Number of Full and Part-time Permanent Positions by Department

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
GENERAL GOVERNMENT				
Administration	5.50	5.50	5.50	6.50
Network Administration	0.50	0.50	0.50	0.50
Vehicle Maintenance	0.10	0.10	0.10	0.10
Professional Services	1.00	1.00	1.00	2.00
TOTAL GENERAL GOVERNMENT	<u>7.10</u>	<u>7.10</u>	<u>7.10</u>	<u>9.10</u>
PROTECTION TO PERSONS/PROPERTY				
Police Administration	4.00	4.00	4.00	4.00
Police Patrol	19.00	19.25	19.25	19.25
Police Investigations	2.00	2.00	2.00	2.00
Community Relations	1.00	1.75	1.75	1.75
Police Vehicle Maintenance	0.15	0.15	0.15	0.15
School Guards	0.50	0.50	0.50	0.50
Fire Administration	2.00	2.00	2.00	2.00
Fire Prevention/Enforcement			2.00	2.00
Fire Suppression	8.00	9.00	7.00	6.75
Fire Vehicle Maintenance	2.00	2.00	2.00	1.50
Fire Station				0.75
Planning and Zoning	3.20	3.20	3.20	3.70
Building Inspection	2.30	2.30	2.30	2.30
TOTAL PROTECTION TO PERSONS/PROPERTY	<u>44.15</u>	<u>46.15</u>	<u>46.15</u>	<u>46.65</u>
PUBLIC WORKS				
Administration	3.00	3.00	3.00	3.00
Highway Maintenance	9.50	9.50	10.00	10.00
Vehicle Maintenance	0.75	0.75	0.75	0.75
TOTAL PUBLIC WORKS	<u>13.25</u>	<u>13.25</u>	<u>13.75</u>	<u>13.75</u>
CULTURE/RECREATION				
Recreation Administration	2.00	2.00	2.00	2.00
Recreation Programming	0.75	0.75	0.75	0.75
Community Recreation Center	3.00	3.00	3.00	3.00
Park Maintenance	5.50	5.50	6.00	6.00
Cable Television	1.75	1.75	1.75	1.75
Library	1.00	1.00	1.00	1.00
TOTAL CULTURE/RECREATION	<u>14.00</u>	<u>14.00</u>	<u>14.50</u>	<u>14.50</u>
TOTAL ALL DEPARTMENTS	<u><u>78.50</u></u>	<u><u>80.50</u></u>	<u><u>81.50</u></u>	<u><u>84.00</u></u>

Information for years 2005-2010 is not available

Table 29

PETERS TOWNSHIP INDICATORS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Population	19,840	20,500	20,650	20,800	20,950	21,213	21,363	21,513	21,663	21,813
Permanent Employees - All Departments	73	72.13	74.75	77	79	79	79	82	80	82
Public Works Department										
Number of Permanent Employees	13	13	12.75	13	13	13	13	14	14	14
Miles of Streets										
Municipal Owned	98.04	98.87	102.5	103	104.4	105	106.5	106.5	106.5	108.5
State Owned	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1	29.1
Private	5	5	5	5	5	5	5	5	5	5
Total Miles of Streets	132.14	132.97	136.6	137.1	138.5	139.1	140.6	140.6	140.6	140.6
Road Treatment										
Resurfaced & Overlaid (Miles)	3.8	2.78	3.95	4.3	4.16	4.47	5.38	5.53	4.9	9.6
Rejuvenator Treatment (Miles)	0	4.61	7.8	7.65	8.02	6.35	9.79	9.16	5.5	8.4
Total Road Treatment (Miles)	3.8	7.39	11.75	11.95	12.18	10.82	15.17	14.69	10.4	10.4
Storm Sewer Installation/Replace (Feet)	1,460	1,375	1,852	1,215	2,581	135	2,991	2,392	374	260
Public Safety										
Police										
Number of Permanent Employees	25.25	25.75	26.25	26	27	27	27	27	27	27
Number of Stations	1	1	1	1	1	1	1	1	1	1
Services Rendered										
Traffic Tickets Issued	2,669	1,469	1,566	2,352	3,874	3,904	2,505	2,410	2,207	1,935
Parking Tickets Issued	378	543	402	317	550	417	411	492	257	292
Part I Offenses	268	228	166	192	128	114	183	145	126	133
Part II Offenses	510	482	330	439	252	253	511	403	289	262
Driving Under the Influence	103	80	74	75	80	95	95	63	66	55
% of Part 1 Offenses Cleared	49%	49%	39%	22%	21%	16%	11%	14%	25%	34%
% of Part 2 Offenses Cleared	72%	76%	52%	46%	62%	69%	50%	50%	66%	61%
Fire Department										
Number of Permanent Employees	9.38	9.38	11	12	12	12	12	13	13	13
Number of Volunteers	28	25	24	21	25	21	17	20	20	20
Volunteer on Duty Shifts						908	1,572	2,340	2,528	2,756
Number Stations	2	2	2	2	2	2	2	2	2	2
Number of Response Calls	832	958	923	1,030	1,022	1,194	942	995	1,157	1,215
Average Response Time										
7 AM to 11 PM	5.2	5.4	5.2	5	4.6	4.5	4.3	4.6	5.0	6.2
11 PM to 7 AM	12.6	12.7	13.4	12.7	11.5	10.9	10.5	7.7	5.3	7.3
Average Manpower Responses										

Table 29

PETERS TOWNSHIP INDICATORS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
7 AM to 11 PM	4	4	5	4	4	4	4	5	7	7
11 PM to 7 AM	6	7	3	2	3	2	3	4	4	6

Planning Department

Number of Permanent Employees	5.5	5.5	5.5	5.5	6	6	6	6	6	6
Number of New Residential Lots Approved	114	191	170	31	59	29	101	125	67	101
Zoning Hearing Board										
Number of Appeals	16	19	22	22	13	19	23	9	21	32
Zoning Enforcement Notifications	98	161	164	117	151	123	160	123	127	105
Building Permits										
Building Permits Issued	629	563	566	340	286	331	347	358	356	293
Building Permits New Homes	197	132	100	80	62	76	86	110	106	61

Parks and Recreation

School Age Population	4,168	4,327	4,427	4,460	4,442	4,448	4,456	4,350	4,228	4,220
Youth Sports Participation	N/A	N/A	5,455	5,056	5,019	5,032	5,179	5,081	4,911	4,818
Park Acreage	428	454	454	454	454	454	454	454	454	454
Township Owned Athletic Fields	14	14	14	14	14	14	14	18	18	18
Recreation Program Offerings	N/A	N/A	39	40	46	38	36	31	31	33
Program Registrants	N/A	N/A	4,207	4,161	3,812	3,686	3,002	2,967	3,275	2,843
Community Events Attendance	N/A	N/A	5,856	6,100	6,185	7,288	7,447	6,990	6,409	6,934
Tennis Center Participants	N/A	N/A	1,247	3,142	2,668	2,963	3,497	3,197	3,739	2,080

Library

Number of Card Holders	26,905	29,018	30,946	32,927	34,772	36,562	38,209	35,711	22,842	23,960
Circulation	397,672	411,846	387,777	390,202	413,856	406,325	395,101	345,862	337,181	349,550
Library Volumes	120,604	118,893	125,175	130,172	138,886	145,287	149,891	150,989	132,706	126,138
Library Volumes per Resident	6	6	6	6	7	7	7	7	6	6
Children and Young Adults Programs	739	868	477	719	762	724	585	882	1,069	989

Cable Television

Local Programs Hours Produced	1,201	1,756	2,667	2,174	2,832	2,373	4,220	3,700	3,593	4,584
On-line Views of Program								4,757	5,208	5,213
Community Events Hours Produced	1,603	1,499	2,316	1,854	1,813	2,361	2,413	2,857	2,903	2,705
Program Hours Aired	3,606	3,989	8,396	7,402	7,850	7,857	8,046	9,764	9,175	10,691

Tax Collection

Assessed Value	279,048,917	292,099,167	299,072,039	306,615,839	312,816,022	317,192,571	323,590,796	329,928,927	336,832,664	341,457,423
Total Property Tax Collection	3,200,180	3,378,444	3,539,511	3,625,184	3,721,485	4,371,960	4,186,492	4,240,318	4,299,914	4,360,618
Property Tax Collected as a % of Levy	95.6%	96.4%	96.4%	98.5%	99.1%	98.5%	99.5%	98.9%	98.9%	98.2%
Earned Income Tax Collection	3,542,021	3,806,119	4,160,987	4,376,357	4,462,747	4,614,173	4,782,082	5,075,430	5,469,004	6,003,743