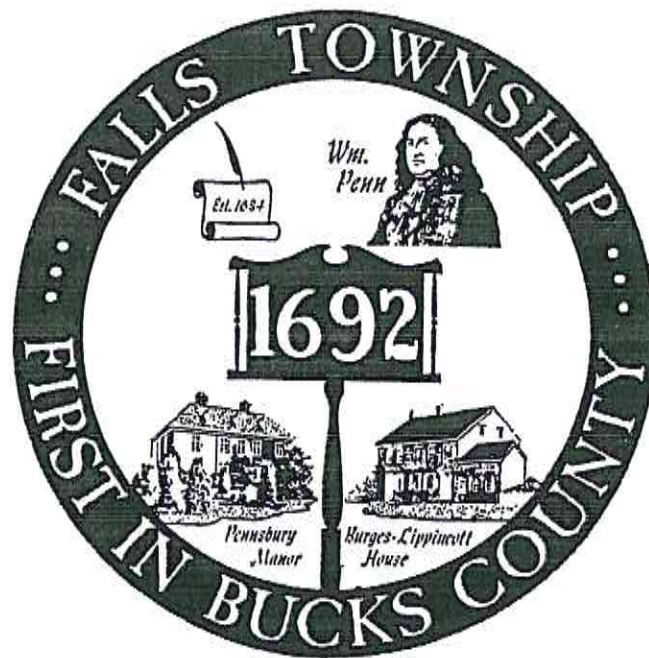


# Township of Falls County of Bucks, Pennsylvania

“322 Years of Service to the Community”

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2014



Prepared by Jean E. Reukauf  
Finance Director

**TOWNSHIP OF FALLS**  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2014

TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	3
GFOA Certificate of Achievement	9
Organizational Chart	10
List of Elected and Appointed Officials	11
Map of the Township	12
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report	15
Management's Discussion and Analysis	19
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	32
Statement of Activities	33
Fund Financial Statements:	
<i>Governmental Funds</i>	
Balance Sheet	34
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	35
Statement of Revenues, Expenditures, and Changes in Fund Balances	36
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	37
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	38
<i>Proprietary Funds</i>	
Statement of Net Position	39
Statement of Revenues, Expenses, and Changes in Fund Net Position	40
Statement of Cash Flows	41
<i>Fiduciary Funds</i>	
Combined Statement of Fiduciary Net Position	42
Combined Statement of Changes in Fiduciary Net Position – Pension Trust Funds	43
Notes to the Basic Financial Statements	44

**TOWNSHIP OF FALLS**  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2014

TABLE OF CONTENTS  
 (Continued)

Required Supplementary Information:	
Schedule of Funding Progress – Police Pension Plan	66
Schedule of Employer Contributions – Police Pension Plan	67
Schedule of Changes in the Net Pension Liability and Related Ratios – Police Pension Plan	68
Schedule of Contributions – Police Pension Plan	69
Schedule of Investment Returns	70
Schedule of Funding Progress – Other Post Employment Benefits	71
Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	76
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Fire Hydrant Special Revenue Fund	77
Highway Aid Special Revenue Fund	78
Street Lighting Special Revenue Fund	79
Fire Protection Special Revenue Fund	80
Library Special Revenue Fund	81
Park and Recreation Special Revenue Fund	82
Rescue Squad Special Revenue Fund	83
Crime Prevention Special Revenue Fund	84
Capital Reserve Capital Projects Fund	85
Combining Statement of Plan Net Position – all Pension Trust Funds	88
Combining Statement of Changes in Plan Net Position – all Pension Trust Funds	89
Statement of Changes in Assets and Liabilities – Township Escrow Subdivision Fund	90
Capital Assets Used in the Operation of Governmental Funds	
Comparative Schedules by Source	92
Schedule by Function and Activity	93
Schedule of Changes by Function and Activity	94
STATISTICAL SECTION	
Net Position by Components	97
Changes in Net Position	98
Fund Balances of Governmental Funds	101
Changes in Fund Balances of Governmental Funds	102

**TOWNSHIP OF FALLS**  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2014

TABLE OF CONTENTS  
(Continued)

General Governmental Tax Revenues by Source	104
Assessed and Estimated Actual Value of Taxable Property	105
Property Tax Rates – Direct and Overlapping Governments	106
Principal Property Taxpayers	107
Property Tax Levies and Collections	108
Ratios of Outstanding Debt by Type	109
Ratio of General Bonded Debt Outstanding	110
Direct and Overlapping Governmental Activities Debt	111
Legal Debt Margin Information	112
Revenue Bond Coverage – Water/Sewer Funds	113
Demographic and Economic Statistics	114
Principal Employers	115
Full-time Equivalent Township Employees by Function	116
Operating Indicators by Function	117
Capital Asset Statistics by Function	118
Schedule of Insurance	119
Miscellaneous Statistics	120



This Page Intentionally Left Blank

# INTRODUCTORY SECTION

This Page Intentionally Left Blank

# Township of Falls

BUCKS COUNTY, PA



188 Lincoln Highway  
Suite 100  
Fairless Hills, PA 19030  
(215) 949-9000

E-Mail: [admin@fallstwp.com](mailto:admin@fallstwp.com)  
Website: [www.fallstwp.com](http://www.fallstwp.com)

August 18, 2015

Board of Supervisors

Jeff Boraski  
Jeffry E. Dence  
Brian M. Galloway  
Robert J. Harvie, Jr.  
Jeffrey Rocco

To the Board of Supervisors and the Citizens of Falls Township:

The Comprehensive Annual Financial Report of the Township of Falls, Bucks County, Pennsylvania for the year ended December 31, 2014 is hereby submitted.

This report presents the financial position of the Township of Falls as of December 31, 2014, and the results of its operations and cash flows for its proprietary fund types for the year then ended. The financial statements and supporting schedules have been prepared by the Township's Finance Department in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by Major & Mastro, LLC, Certified Public Accountants.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has been established for this purpose. Because the cost of internal control 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.

To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Township of Falls.

The organization, form, and contents of this Comprehensive Annual Financial Report and the accompanying financial statements and the statistical tables were prepared in accordance with standards established by the Governmental Accounting Standards Board (GASB), the Government Finance Officers' Association (GFOA), the American Institute of Certified Public Accountants (AICPA), and the Second Class Township Code of the Commonwealth of Pennsylvania.

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

## **Financial Entity**

The Township of Falls provides a full range of municipal services including police and fire protection, construction and maintenance of streets and storm sewers, recycling, residential solid waste pickup, zoning regulations, building inspections, park and recreational activities, and maintenance and replacement of street lights. In addition to general government activities, the governing body has a fiduciary responsibility for pension trust funds and agency trust funds. Contributions to Fire Companies, Rescue Squads and the Library serving Falls Township residents are funded through real estate tax levies.



### **General Information**

The Township of Falls is a Township of the Second Class under Pennsylvania law. The governing body of the Township is the Board of Supervisors which is comprised of five (5) members who are elected at large and serve six (6) year terms. The Board is empowered with legislative functions that include enacting ordinances and resolutions, adopting a budget, levying taxes, providing for appropriations, awarding bids and contracts, and making appointments to various boards and commissions. The chief executive officer of the Township is the Township Manager who is appointed by the Board of Supervisors. The Township Manager is responsible for implementing ordinances and resolutions of the Board, supervising the administration of all departments and boards, and preparing and submitting the annual budget and capital improvement programs for the Township.

The Township of Falls, incorporated July 27, 1692, encompasses approximately 26.5 square miles of the southeastern corner of Bucks County, Pennsylvania between the larger cities of Trenton, New Jersey and Philadelphia, Pennsylvania (6 miles and 9 miles apart, respectively) and is bordered by Tullytown Borough, Middletown Township, Lower Makefield Township, Morrisville Borough and the Delaware River with the State of New Jersey on the opposite side of the river. The Township and neighboring municipalities are closely related in terms of both economics and physical development, and are served in some cases by the same highways, water lines and sewer lines. The 2010 U.S. Census reports a population of 34,300.

The Township is principally residential, commercial, and industrial in character. There are a number of major retail shopping areas in the Township, most notable of which are the Court at Oxford Valley and the Fairless Hills Shopping Center. Aria Health's Bucks County Campus, one of three major hospitals that serve the Lower Bucks County area, is located in Falls Township.

The Falls Township Police Department is a full service police agency, providing all police services within our community. The agency embraces the concept of Community Policing and emphasizes problem oriented policing. They work in partnership with the community, addressing all issues affecting our citizens. The department is also an accredited police department under the Pennsylvania Chiefs of Police Association/Pennsylvania Law Enforcement Accreditation Commission receiving the status in 2003. This accreditation was the first in Bucks County and the twelfth in the Commonwealth of Pennsylvania. The department followed procedures for recertification in May 2012 and was able to retain the accreditation status for an additional three years. The Chief of Police and four Lieutenants oversee the operations of 46 full time police officers assigned to the Patrol, Detectives and Community Partnership Units and 7 civilian employees ranging from Animal Control to Clerical to Court Liaison. The department also has a fleet of 59 police vehicles.

The Falls Township Police K9 Unit was started in 2002. It consisted of Lt. Ward and his K9 partner Dante, then Sgt. Beauchmin and his K9 partner Jessie. Today, the K9 unit consists of three teams. They are: Ofc. Elmore and his K9 partner Monty who are an explosives detection team, and Ofc. Langan and his K9 partner Tag along with Ofc. Lundquist and his K9 partner Trigger both narcotic detection teams. All K9s are patrol trained and are Belgian Malinois. To date, they have successfully apprehended and tracked numerous felons as well as finding lost persons. They have participated in many successful searches and seizures. Throughout every year, the officers conduct several K9 demonstrations and go to schools to teach students about safety and law enforcement. Having a K9 unit in Falls Township has not only protected the public, but kept the officers safe as well.

The Pennsbury School District administrative offices are located within Falls Township. Pennsbury High School campus, east and west, and six grade schools serve the community with an approximate enrollment of 10,457. The district provides educational services to Falls Township and three neighboring municipalities. The school district has been named a model high school by the Federal Department of Education. Education from nursery school through the eighth grade is also provided by the Pen Ryn School, a private school within the Township's boundaries.

The Fire Marshal's department continually strives to achieve goals in fire safety and environmental concerns. The department is continuing to upgrade its operations by expanding its radio system for emergency management and municipal use. This radio system is also used as a backup for the police



department in the event the County's radio system goes down. An ongoing project in the department includes an Emergency Preparedness Planning and training of various hotel/motel and business operators in the event of an emergency. This project helps both the responders and the community by gathering and distributing contact information before emergencies happen and training entities in the procedures to follow until rescue services arrive. The department also uses the Fire Safety Trailer for community functions to promote safety awareness for children and adults. The trailer simulates smoke in a home and fire officials train citizens what to do in the event of a fire and how to exit the home. They also distribute fire related materials, smoke detectors and offer free safety inspections. This department is made up of the fire marshal, one part-time and two full-time inspectors, and one secretary.

Falls Township is served by three volunteer Fire Companies – Falls Fire Company, Levittown Fire Company and the Fairless Hills Fire Company. The Township is also served by two Rescue Squads – the Levittown Fairless Hills Rescue Squad and the Morrisville Rescue Squad. These agencies provide professional emergency services to Falls Township twenty-four hours a day and seven days a week as well as serving neighboring communities in Pennsylvania and New Jersey, when requested. All agencies receive financial aid from tax dollars contributed by the Township (a total of \$533,000 in support for 2014) although tax funding covers only a portion of their operating costs. Most of the funding for operations comes from individual contributions via fund drives and other fund raising events. On average, one hundred individuals volunteer for the Fire Companies and seventy volunteer at the Rescue Squads.

The Falls Township Parks and Recreation Department oversees sixteen parks which contain playgrounds, athletic fields, tot lots, basketball courts, gardens, trails and pavilions encompassing over 408 acres. Our parks are also home to: the Challenger Field at the Levittown Continental Little League field located off of Mill Creek Road, which provides our special needs youths a fully accessible baseball field; an Inclusive Playspace on Phase I of the Township Community Park, which is completely accessible for anyone using a wheelchair or walker, allowing children of any ability to play; and, a boat ramp located in Quaker Penn Park, which provides area boaters access to the Delaware River. These parks and facilities are maintained by the Township's Public Works department, a Park Security staff patrols the Falls Community Park, and overall supervision is provided by the Parks and Recreation Department. This department also provides year round programs and activities for residents.

In addition to the aforementioned parks, the Parks and Recreation Department oversees operations at the Pinewood Pool. The pool was fully renovated in 2003, transforming a forty year old pool into a state of the art facility designed for the safety and enjoyment of all swimmers. This pool provides entertainment for the community at extremely reasonable prices while maintaining the finest amenities. A new water slide was installed on the pool property in 2010.

#### **Economic Conditions and Outlook**

The Township of Falls' initial growth was due largely to the location of the United States Steel plant in the Township in March of 1951. On 3,800 acres of farm land, the steel plant, referred to as the Fairless Works, employed 9,000 to 10,000 individuals from Falls Township and its surrounding communities. To accommodate the migration of steelworkers to Falls Township, Danhurst Corporation developed 1,100 single-family homes and William Levitt developed 4,000 single-family homes increasing the township's population from 3,000 to 30,000 residents. The Danhurst development was named Fairless Hills and the Levitt development called Levittown. Land values rose rapidly, enticing farmers to sell their land to developers.

From 1950 through the 1970s, the township experienced significant commercial development due largely to the mill operations. The Fairless Hills Shopping Center, along with several strip malls, was built to accommodate the needs of the growing population. Unfortunately, in 1973, the steel making operations at the Fairless Works began a steady decline. The downturn had a devastating effect on the Township's economy.



In the southern portion of Falls Township, the Warner Company developed a 46 acre landfill and began operations in August of 1970. The Warner Company, through its subsidiary Geological Reclamation Operations and Waste Systems, Inc. (G.R.O.W.S.), was issued permits to operate a solid waste disposal facility in the Morrisville section of the Township. The facility, which was subsequently sold to Waste Management, Inc., has expanded to approximately 566 acres since operations began. These operations provide the Township, as the host community, with waste disposal tonnage fees and benefit the residents through refuse removal and recycling pick up at no charge based on Solid Waste Agreements negotiated by Township Officials.

In 1991, a Development Agreement was signed with Wheelabrator Falls Inc., a subsidiary of Waste Management, Inc., to permit the construction of the first recycling and energy recovery facility in Bucks County. Operations began in May of 1994 providing the Township with an additional revenue stream of per ton fees for refuse delivered to the plant.

Over the past twenty-two years, the Township has experienced renewed economic growth due to the redevelopment of the former Fairless Works site. Although the major steel operations are no longer continuing, the sections of land previously occupied by the mill are being subdivided and redeveloped into building lots with several large industries locating, or in the process of locating, at this site.

In 2004, a large portion of the former Fairless Works site was designated a Keystone Opportunity Improvement Zone (KOIZ). This designation was approved by Falls Township, Pennsbury School District and Bucks County. As a KOIZ designated area, fifteen-year tax abatement is granted in an attempt to make the former mill site more attractive to businesses opting to relocate into Falls Township. United States Steel Corporation has renamed the site the Keystone Industrial Port Center (KIPC). Some of the companies now located there include: CSC Sugar, Reed Minerals, Air Products, Sika Corporation, Dominion Power, Toll Brothers, International Salt, Kinder Morgan, Gamesa Wind, Excelon, A.L. Patterson, Abington Reldon, and Hiossen.

One of the standards used by the financial industry to determine the financial condition of a municipality is an examination of the entity's ability to borrow funds. As of December 31, 1991, the Township could legally borrow up to \$5 million dollars. As of December 31, 2014, the Township is legally able to borrow in excess of \$54 million dollars. The Board of Supervisors has not incurred debt since January 1, 1992 and has no plans to borrow funds in the future.

#### **Long-Term Financial Planning**

The Township continues to maintain a long-term restricted savings account designed to be available when tipping fees from the landfill, operated by Waste Management, are no longer received. By December 31, 2014, the Township had over \$31,400,000 in the account. With aggressive savings and competitive interest rates, it is anticipated that the interest earned can assist the General Fund with a revenue stream on an annual basis achieving the Township's goal of funding operating costs long after tipping fees have ceased.

The 2006 sale of the Township's Water and Sewer department created a \$15,000,000 receivable from the Township of Falls Authority (TOFA). In the years leading up to the sale, the cost of purchasing water and the sale of wastewater had become increasingly expensive. Coupled with the cost of operating expenses, it became apparent the best interest of the Township was to form the Authority to allow autonomy in increasing rates for customer billing. TOFA repaid the Township in full on September 21, 2011, well in advance of the balloon principle due date of December 31, 2011.

### **Relevant Financial Policies**

**Internal Control Structure:** Management of the Township is responsible for establishing and maintaining an internal control structure that is designed to ensure that the assets of the Township are protected from loss, theft or misuse, that transactions are executed in accordance with management's integrity, and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

**Budgeting Controls:** The annual budget is the financial blueprint for Falls Township. By documenting the allocation of funds, the budget reflects the policies and projects that are priorities to the Township. As per section 3201 of the Second Class Township Code, the Township's fiscal year begins on the first day in January and ends on December 31<sup>st</sup> of that calendar year. Generally, a proposed budget for the ensuing fiscal year is approved by the Board of Supervisors in mid-December. The Second Class Township Code permits the Board to amend the budget following any municipal election. The amended budget must then be adopted by February 15<sup>th</sup> and no proposed amended budget shall, before final adoption, be revised upward in excess of 10% in the aggregate or in excess of 25% of the amount of any major category. Activities of the general fund, special revenue funds, and capital projects funds are included in the annual appropriated budget.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by departmental classification.

The Township also maintains an encumbrance accounting system as an additional technique of budgetary control. Encumbrances outstanding at year-end are liquidated.

### **Major Initiatives**

During 2014, the Township continued its participation in the Bucks County Consortium of Municipalities. The Consortium is comprised of all municipalities in Bucks County that employ professional management staff. The goal of the Consortium is to encourage inter-municipal cooperation in such areas as purchasing of materials and supplies, household hazardous waste collection and disposal, and personnel related matters.

Fiscal year 2014 marks the twelfth year of the Township's participation in the NPDES (National Pollution Discharge Elimination System) Phase II. This is a program mandated by the Commonwealth of Pennsylvania. The Township continues to enforce all requirements associated in accordance with NPDES.

The Township took a brief hiatus from its annual road program in 2014 in order to reevaluate the necessary scope of additional reconstruction. This construction historically has consisted of new curbs, driveway aprons, various sidewalks, storm sewer pipes and the roadway itself. The Township is nearing completion of its goal, begun in the early 1990's, of the reconstruction of all Township-owned roadways. The Township anticipates completion of its road program within the next five years.

### **Other Information**

The independent auditor appointed by the Board of Supervisors for the year ended December 31, 2014 is the firm of Major & Mastro, LLC. The independent auditor's report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is included in the Financial Section of this report. Major & Mastro, LLC has issued an unmodified opinion for the year ended December 31, 2014.



**Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Township of Falls for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2013. This was the sixteenth consecutive year that the Township has received this prestigious award. In order to be awarded a Certificate of Achievement, the Township published an easily readable and efficiently organized report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Township believes the current report continues to conform to the Certificate of Achievement program requirements, and is submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgements**

The preparation of the 2014 Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Members of the Administration, Code Enforcement, Zoning, Fire Marshal, Parks and Recreation, Public Works, and Police departments who assisted and contributed to the preparation of this report have my sincere appreciation for their contributions. Due credit should be given as well to the Board of Supervisors for their interest, support and leadership in planning and conducting the operations of the Township in a responsible and progressive manner. Without their support, the preparation of this report would not have been possible.

Respectfully Submitted,



Jean E. Reukauf  
Finance Director  
August 18, 2015



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

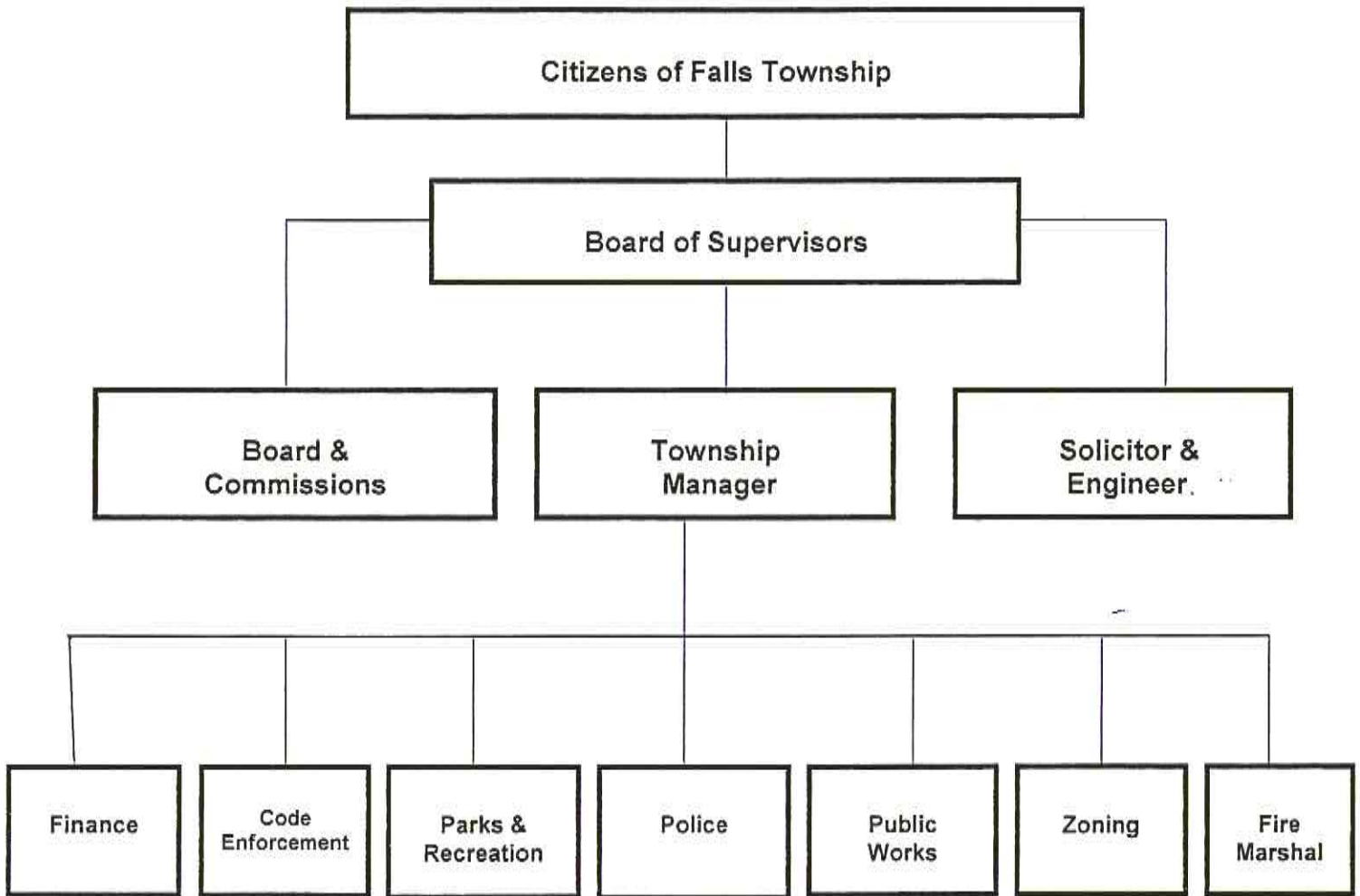
**Township of Falls  
Pennsylvania**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

**Falls Township  
Organizational Chart**



**Appointed Citizen Advisory Boards and Commissions**

- |  |                                   |
|--|-----------------------------------|
| <b>Board of Auditors</b>                             | <b>Cable Advisory Board</b>       |
| <b>Environmental Advisory Council</b>                | <b>Board of Appeals</b>           |
| <b>Disabled Persons Advisory Board</b>               | <b>Parks and Recreation Board</b> |
| <b>Planning Commission</b>                           | <b>Zoning Hearing Board</b>       |
| <b>Police Pension Committee</b>                      | <b>Shade Tree Commission</b>      |
| <b>Community and Economic Development Commission</b> |                                   |
| <b>Historic Preservation Commission</b>              |                                   |

**2014 BOARD OF SUPERVISORS**

**Robert J. Harvie, Jr., Chairperson**

**Jeffry E. Dence, Vice Chairperson**

**Jeffrey Rocco, Secretary/Treasurer**

**Brian M. Galloway, Member**

**Jeff Boraski, Member**

**CURRENT EXECUTIVE OFFICIALS**

**Peter F. Gray, Township Manager**

**Michael P. Clarke, Esq., Township Solicitor**

**James C. Sullivan, P.E., Township Engineer**

**William Wilcox, Police Chief**

**Jean E. Reukauf, Finance Director**

**Richard Dippolito, Fire Marshal**

**Thomas Bennett, Zoning Officer**

**Joseph P. Arnao, Public Works Foreman**

**Brian Andrews, Parks & Recreation Director**

**Todd Pletnick, Police Lieutenant**

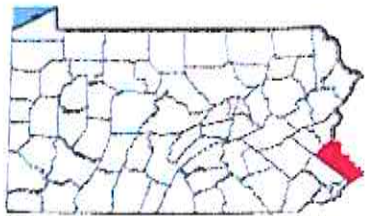
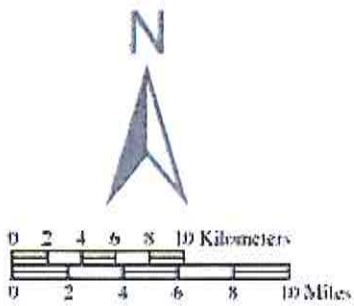
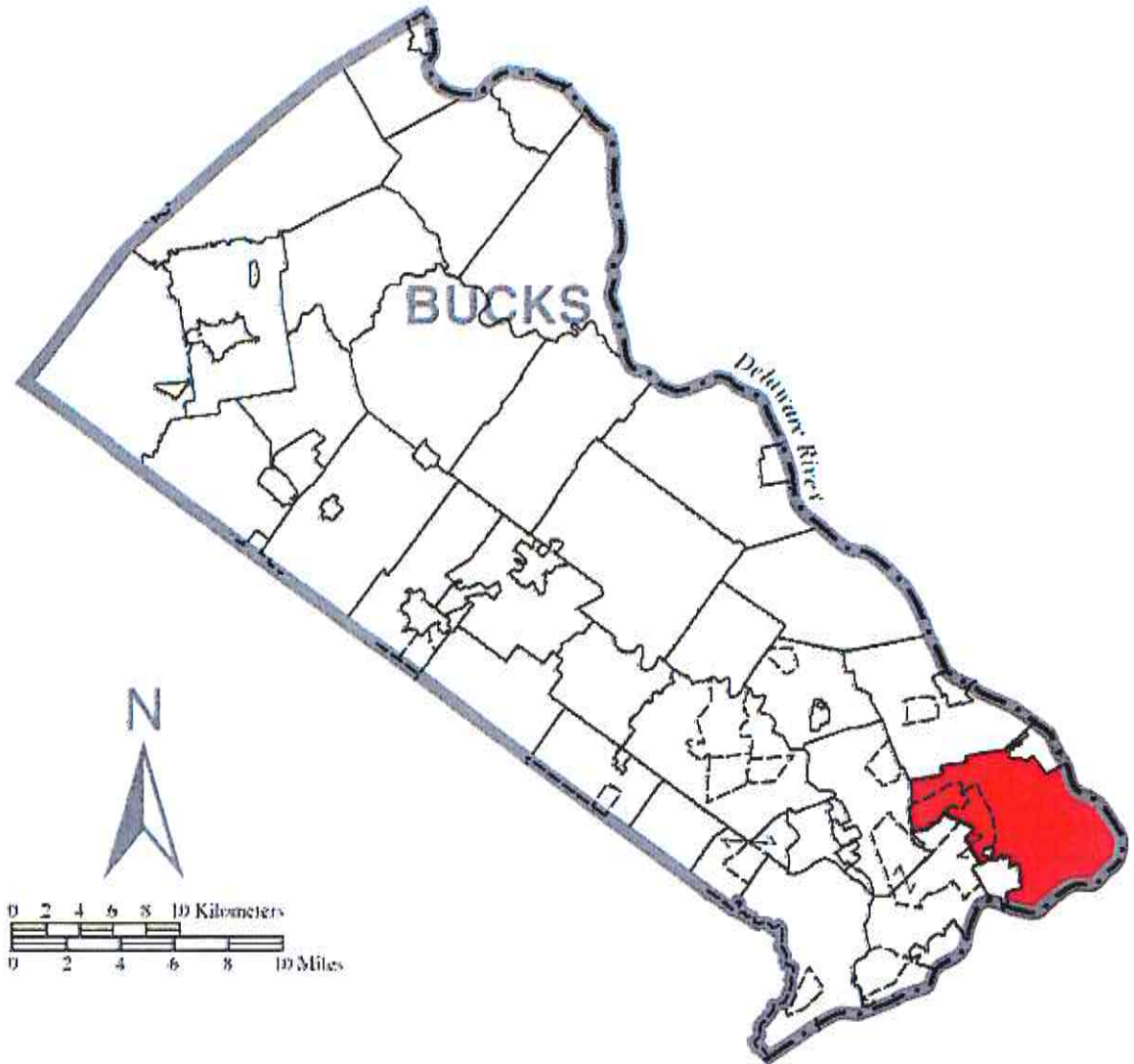
**Donald Airey, Police Lieutenant**

**Henry Ward, Police Lieutenant**

**Nelson Whitney, Police Lieutenant**



**TOWNSHIP OF FALLS**  
**BUCKS COUNTY, PENNSYLVANIA**



# FINANCIAL SECTION

This Page Intentionally Left Blank



INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
TOWNSHIP OF FALLS  
Fairless Hills, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the TOWNSHIP OF FALLS, Pennsylvania (the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes



evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the TOWNSHIP OF FALLS, Pennsylvania, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund 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, schedule of funding progress – police pension plan, schedule of employer contributions, schedule of changes in the net pension liability and related ratios, schedule of contributions, schedule of investment returns, and schedule of funding progress - other post employment benefits on pages 19 through 30 and pages 66 through 71 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 historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the TOWNSHIP OF FALLS' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, capital asset schedules and statistical section are

presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, capital asset schedules and the 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, capital asset schedules and the budgetary comparison schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

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

August 18, 2015

MAJOR & MASTRO, LLC  
Montgomeryville, Pennsylvania  
*Certified Public Accountants*

A handwritten signature in black ink that reads "Major & Mastro LLC". The signature is written in a cursive, slightly slanted style.

This Page Intentionally Left Blank



**Falls Township  
Bucks County, Pennsylvania**

**Management's Discussion and Analysis (MD&A)  
Required Supplementary Information (RSI)  
For the Fiscal Year Ended December 31, 2014**

**Unaudited**

As management of the Township of Falls, we offer readers of the Falls Township financial statements this narrative overview and analysis of the financial activities of Falls Township for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 3-8 of this report. Readers should also review the independent auditor's opinion letter, the notes to the basic financial statements, and the financial statements themselves to enhance their understanding of the Township's financial performance. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**FINANCIAL HIGHLIGHTS**

The assets of Falls Township exceeded its liabilities by \$133,690,943 and \$136,815,561 at the close of the years ended December 31, 2014 and 2013, respectively. Of the 2014 amount, \$36,458,178 may be used to meet the government's ongoing obligations for general operations of the Township, whereas in 2013 \$40,530,435 was available for that purpose.

The Township's governmental net position decreased by a total of \$3,142,473 over the prior year. This decrease is primarily due to a decrease in the Township's cash reserves.

As of the end of 2014, Falls Township's governmental funds reported combined ending fund balances of \$40,336,603. As a comparison, at the end of 2013, the balance was \$44,058,145, a reduction of \$3,721,542.

Business-type activities' net position increased by \$17,855 from (\$876) in 2013 to \$16,979 in 2014. The reason for this increase is a reduction in current liabilities, specifically interfund payable.

At the end of the 2014, the unassigned fund balance for the general fund was \$26,488,008 or 110% of the total general fund expenditures.

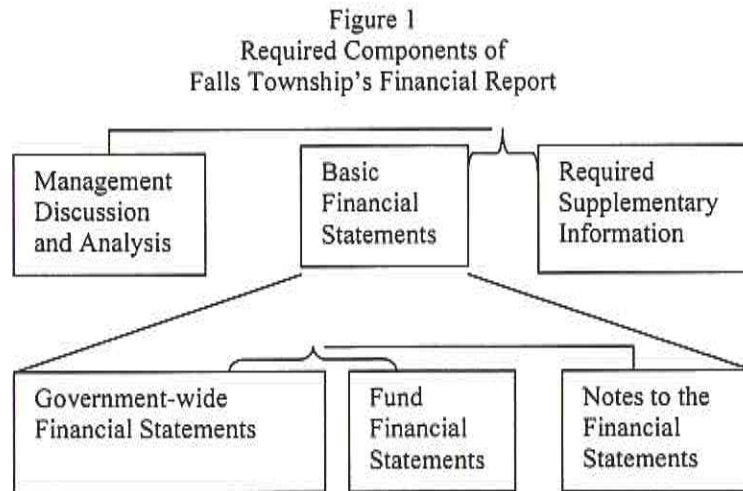
**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to Falls Township's basic financial statements. Falls Township's basic financial statements are comprised of three components:

- 1) government-wide financial statements
- 2) fund financial statements
- 3) notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

Figure 1 shows how the required parts of the Financial Section are arranged and relate to one another.



**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of Falls Township's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Falls Township's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Falls Township is improving or deteriorating. To assess the overall health of the Township, you need to consider additional non-financial factors, such as changes in the property tax base or the condition of Township infrastructure.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes and earned but unused leave.

Both of the government-wide financial statements distinguish functions of Falls Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Falls Township include general government, public safety, highways and culture and recreation. The business-type activities of the Township of Falls include the ongoing operation of a recreational pool.

The government-wide financial statements can be found on pages 32 and 33 of this report.



### **Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Falls Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Falls Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

#### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Falls Township maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund and the Capital Reserve fund, which are considered major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Falls Township adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 34-38 of this report.

#### Proprietary Funds

Falls Township maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Falls Township uses an enterprise fund to account for its Pinewood Pool fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 39-41 of this report.

#### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds.

The basic fiduciary fund financial statements can be found on pages 42 and 43 of this report.



**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 44-63 of this report.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 66 - 71 of this report.

The combining statements referred to earlier in connection with the non-major governmental funds are presented immediately following the required supplementary information on pensions and other post-employment benefits. Combining and non-major governmental fund budget comparison schedules can be found on pages 75-85 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. For Falls Township, assets exceed liabilities by \$133,690,943 and \$133,815,561 at the close of the years ended December 31, 2014 and 2013, respectively.

The following table provides a summary of the Township's net position at December 31, 2014 compared to the prior year's figures:

**FALLS TOWNSHIP  
NET POSITION**

	Governmental		Business-Type		Totals	
	Activities		Activities			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 42,596,518	\$ 46,735,933	\$ -	\$ -	\$ 42,596,518	\$ 46,735,933
Capital assets	96,366,263	95,245,962	172,565	174,538	96,538,828	95,420,500
Other noncurrent assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>138,962,781</b>	<b>141,981,895</b>	<b>172,565</b>	<b>174,538</b>	<b>139,135,346</b>	<b>142,156,433</b>
Long-term liabilities outstanding	3,225,797	2,673,485	-	-	3,225,797	2,673,485
Other liabilities	<u>2,063,020</u>	<u>2,491,973</u>	<u>155,586</u>	<u>175,414</u>	<u>2,218,606</u>	<u>2,667,387</u>
<b>Total Liabilities</b>	<b>5,288,817</b>	<b>5,165,458</b>	<b>155,586</b>	<b>175,414</b>	<b>5,444,403</b>	<b>5,340,872</b>
<b>Net Position:</b>						
Invested in capital assets	96,366,263	95,245,962	172,565	174,538	96,538,828	95,420,500
Restricted	693,937	864,626	-	-	693,937	864,626
Unrestricted	<u>36,613,764</u>	<u>40,705,849</u>	<u>(155,586)</u>	<u>(175,414)</u>	<u>36,458,178</u>	<u>40,530,435</u>
<b>Total Net Position</b>	<b>\$ 133,673,964</b>	<b>\$ 136,816,437</b>	<b>\$ 16,979</b>	<b>\$ (876)</b>	<b>\$ 133,690,943</b>	<b>\$ 136,815,561</b>

The largest portion of Falls Township's net position, 72.2%, reflects its investment in capital assets (land, building, machinery, equipment, open space, and roads/road improvements). Falls Township uses these capital assets to provide services to the citizens and, therefore, these assets are not available for future spending. Note that all capital assets reported have no outstanding debt on their initial purchases.

A very small portion of Falls Township's net position, 0.52%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$36,458,178, may be used to meet the government's ongoing obligations to citizens and creditors of the Township.

At the end of the current fiscal year, Falls Township is able to report positive balances in all three categories of net position for the government as a whole.

## **CHANGES IN NET POSITION**

### **Governmental activities**

Governmental activities decreased Falls Township's net position by \$3,142,473 for the year ended December 31, 2014 in addition to the decrease in net position by \$1,589,165 for the year ended December 31, 2013. The 2014 and 2013 decreases are both due to a reduction in the Township's cash reserve. Falls Township is committed to maintaining high quality services and recreation facilities for its residents without increasing real estate taxes or charging exorbitant user fees. Some cash reserves have been expended in order to meet rising costs without burdening our residents.

### **Business-type activities**

Business-type activities increased Falls Township's net position by \$17,855 for the year ended December 31, 2014 in addition to the increase of \$26,143 for the prior year. These activities represent ongoing operations at the Pinewood Pool for 2014.

The results of this year's operations as a whole are reported in the Statement of Activities on page 33. All expenses are reported in the first column. Specific charges, grants, and contributions that directly relate to specific expense categories are netted against them to determine the final amount of the Township's activities that are supported by other general revenues, primarily Host Community Fees and Property Taxes. Basically, the Statement shows which Township expenses are funded by specific program revenues and the balance of expenses left to be funded by general revenues.

The following table takes the information from the Statement of Activities and rearranges it slightly, so you can see the Township's total revenues for the year ended December 31, 2014 compared to the prior year's figures.

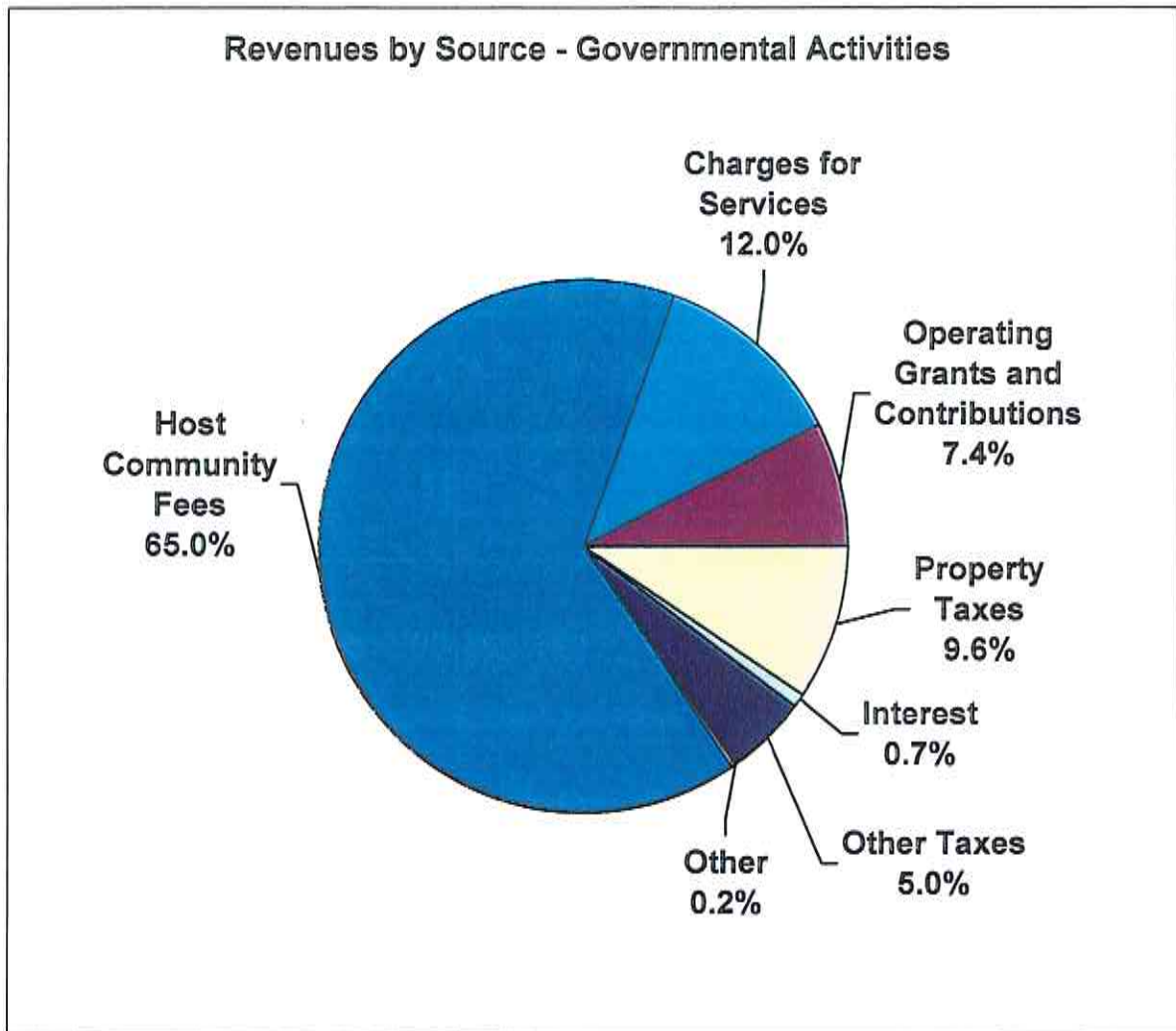
**FALLS TOWNSHIP  
CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 2,847,688	\$ 2,877,268	\$ 156,949	\$ 173,989	\$ 3,004,637	\$ 3,051,257
Operating Grants and Contributions	1,750,266	1,643,377	-	-	1,750,266	1,643,377
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues:						
Property taxes	2,270,450	2,263,235	-	-	2,270,450	2,263,235
Other taxes	1,192,753	1,352,917	-	-	1,192,753	1,352,917
Host Community Fees	15,419,498	16,082,578	-	-	15,419,498	16,082,578
Other	227,380	114,575	-	-	227,380	114,575
Total Revenues	<u>\$ 23,708,035</u>	<u>\$ 24,333,950</u>	<u>\$ 156,949</u>	<u>\$ 173,989</u>	<u>\$ 23,864,984</u>	<u>\$ 24,507,939</u>
<b>EXPENSES:</b>						
General Government	\$ 2,713,828	\$ 2,573,012			\$ 2,713,828	\$ 2,573,012
Public Safety	16,080,941	15,554,489			16,080,941	15,554,489
Highway and Streets	6,198,874	5,817,812			6,198,874	5,817,812
Culture and Recreation	1,826,865	1,902,802			1,826,865	1,902,802
Pinewood Pool	-	-	\$ 169,094	\$ 222,846	169,094	222,846
Total Expenses	<u>26,820,508</u>	<u>25,848,115</u>	<u>169,094</u>	<u>222,846</u>	<u>26,989,602</u>	<u>26,070,961</u>
Change in net position before transfers	(3,112,473)	(1,514,165)	(12,145)	(48,857)	(3,124,618)	(1,563,022)
Transfers	(30,000)	(75,000)	30,000	75,000	-	-
Change in Net Position	(3,142,473)	(1,589,165)	17,855	26,143	(3,124,618)	(1,563,022)
Net Position, Beginning	136,816,437	138,405,602	(876)	(27,019)	136,815,561	138,378,583
Net Position, Ending	<u>\$ 133,673,964</u>	<u>\$ 136,816,437</u>	<u>\$ 16,979</u>	<u>\$ (876)</u>	<u>\$ 133,690,943</u>	<u>\$ 136,815,561</u>



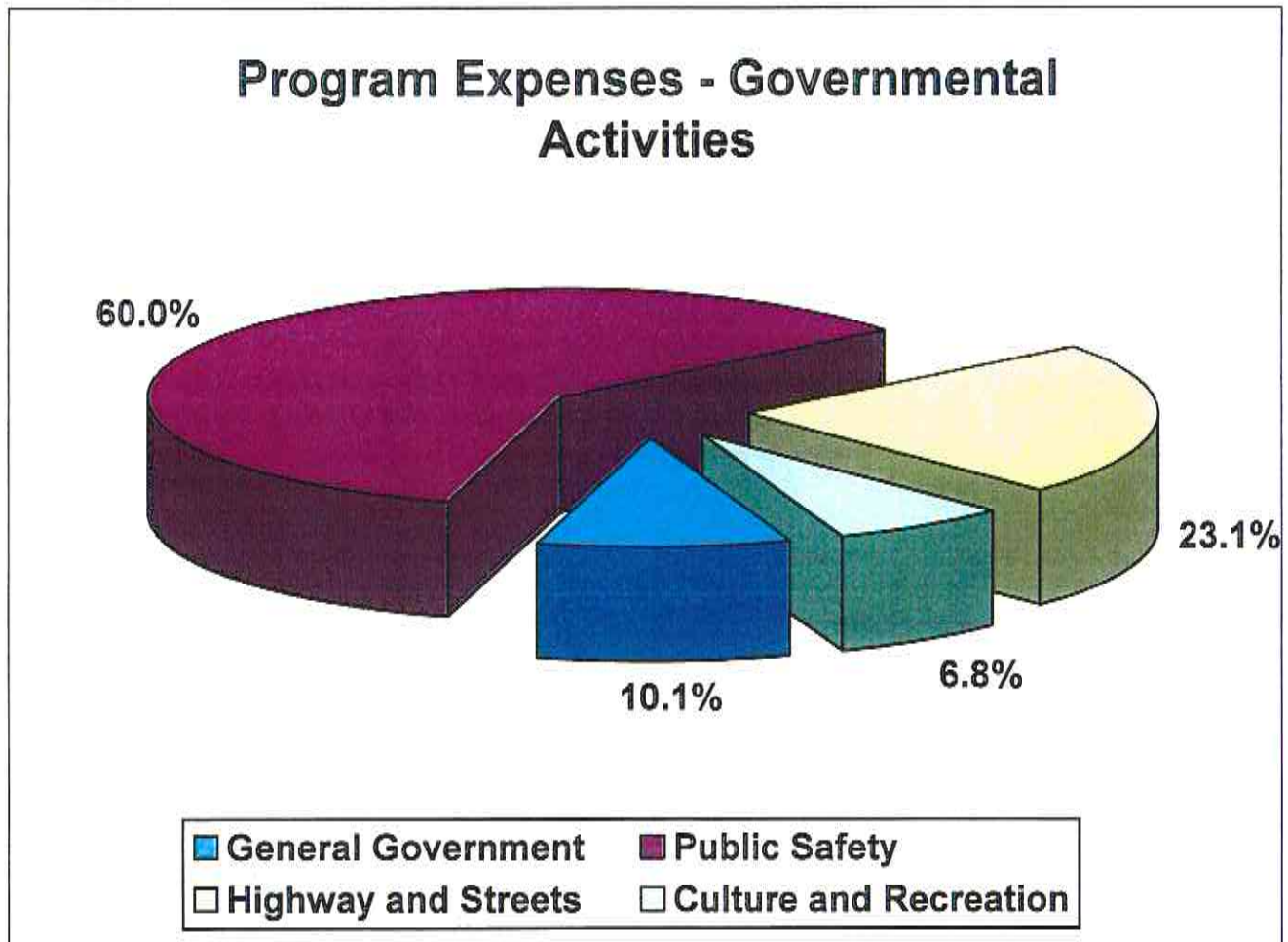
**Governmental Activities**

The following chart shows the Government-wide sources of revenues for the year ended December 31, 2014:



Of the total Government-wide revenues of \$23,708,035, \$15,419,498 were Host Community Fees or “tipping” fees received from Waste Management for the landfill and incinerator operations. Also contributing to the Township’s revenue stream were Charges for Services with revenues of \$2,847,688 which were generated for various items from business licenses to permits. Property taxes netted the Township \$2,270,450, Other Taxes brought in \$1,192,753, Operating Grants and Contributions added \$1,750,266, Interest Earnings netted \$176,550 and Other (miscellaneous) revenues were \$50,830.

The following chart shows the Government-wide sources of program expenses and revenues for the year ended December 31, 2014:

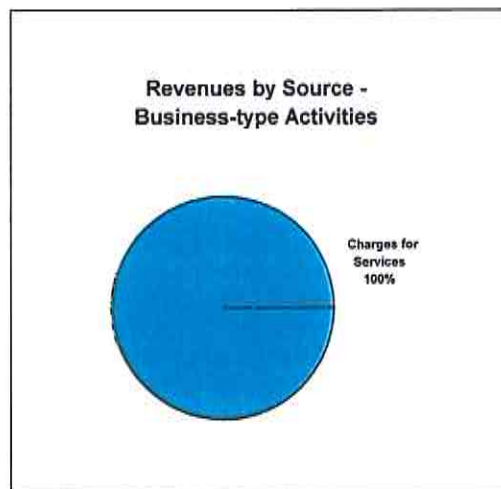
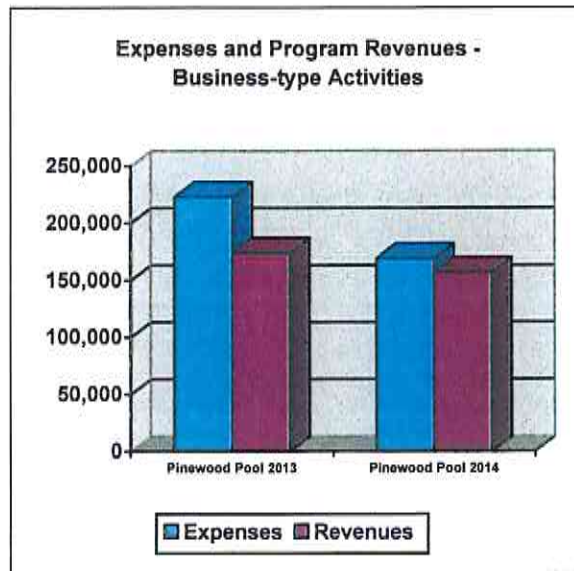


Most of the expenses that occurred in the year 2014 were related to Public Safety. Public Safety expenses were \$16,080,941. This broad category encompasses police protection, animal control, fire marshal's services, code enforcement, zoning services and environmental protection. Highway and Streets expenses were \$6,198,874 which includes road reconstruction, engineering costs, construction and rebuilding of storm sewers, operation and maintenance of traffic signals, and snow removal. Culture and Recreation expenses were \$1,826,865 which includes maintenance/upgrades at over 16 parks including the Falls Township Community Park. General Government expenses were \$2,713,828 and include costs for staffing, benefits, insurance and various other administrative costs.

**Business-type activities**

Business-type activities increased the Township's net position by \$17,855. The single business-type activity of Falls Township is the operation of the Pinewood Pool.

The Pinewood Pool fund experienced an operating loss of \$12,145 in 2014. The Pool underwent a reconstruction in 2003 and was reopened to the public in 2004. 2014 was the eleventh full year of operation for the renovated site. The loss is attributed to continued increases in operating costs outpacing revenues, along with a declining number of pool membership registrations.



Charges for services represent 100% of program revenues for the Pinewood Pool. Although the pool is operating at a loss, the Township continues to offer low membership rates to residents in the interest of providing affordable family entertainment.



## FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

As Falls Township completed the year, its governmental funds reported a combined fund balance of \$40,336,603 a decrease of \$3,721,542 compared to the previous year. Of the combined fund balance total: \$26,431,423 constitutes *unassigned fund balance*, which is available to meet the Township's current and future needs at the Township's discretion; an additional \$12,977,696 is assigned for specific purposes; \$693,937 is restricted for particular purposes; and, the remaining \$233,547 is non-spendable.

As noted earlier, Falls Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental funds**

The focus of Falls Township's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing Falls Township's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

#### General Fund

The General Fund is the chief operating fund of Falls Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$26,488,008 while total fund balance reached \$36,720,970. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of Falls Township's general fund decreased \$3,619,992 during 2014. Overall expenditures for the General Fund decreased by over \$3.2 million; however, the fund's expenses continue to outpace revenues and total revenues saw a decrease of over \$600,000 due to lower income from Waste Management for tipping fees. As opposed to the prior year, there was no transfer from the Capital Reserve to help cover rising costs resulting in the large decrease in fund balance.

#### Capital Reserve

The Capital Reserve fund serves the Township to finance various Township purchases and projects. At the end of 2014, the assigned and total fund balance was \$2,978,281. This is a decrease in the amount of \$76,050.

### **Proprietary Funds**

Falls Township's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

#### Pinewood Pool

The Pinewood Pool fund accounts for the operations of a recreational community pool. At the end of 2014, the net position was \$16,979. This represents an increase of \$17,855 over the prior year. Expenses continue to outpace revenues at the community pool. The Township strives to offer a state of the art facility at an affordable rate for our residents.

### **General Fund Budgetary Highlights**

No differences between the original budget and the final amended budget occurred during the year. Some of the highlights of the comparison between the original budget and actual were as follows. Overall, total revenues were over budget by \$2,928,543 for 2014. The single largest contributing factor was Host Community Fees revenue coming in over budget by \$3,079,798. Total expenditures for the year were under budget by a total of \$1,978,281. The greatest savings occurred in expenditures for Capital Outlays with Public Safety under budget by \$1,124,672, General Government under budget by \$953,377, Culture and Recreation under budget by \$701,603, and Public Works under budget by \$365,012. These savings were more than sufficient to offset operating expenditures coming in over budget for 2014.

**Capital Asset and Debt Administration**

Capital Assets

The Township's investment in capital assets for its governmental and business type activities as of December 31, 2014, amount to \$96,538,828 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, open space, roads, and bridges.

Major capital asset events during 2014 included the following:

The purchase of a 2014 Street Sweeper cost \$258,167.

Road improvements for various roads in the Township amounted to just over \$4,500,000 in construction and engineering costs. Also improving our roadways were continuing upgrades to Township street lights at a cost of \$20,353.

Park improvements in the form of repairs to the baby pool at the Pinewood Pool facility cost \$27,800; engineering costs for the Biles Island master plan cost \$25,036; construction and engineering costs for the repair of the Quaker Penn Boat Ramp amounted to \$80,831; and, construction of dugouts at the Babe Ruth Field at Quaker Penn Park cost \$8,347.

Capital purchases for the Police Department, including three new vehicles, 46 bullet proof vests, and 40 mobile radio replacements, were just over \$150,000.

FALLS TOWNSHIP  
Capital Assets  
(net of accumulated depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 16,460,926	\$ 16,460,926	\$ 162,700	\$ 162,700
Construction in Progress	197,927	24,263	-	-
Building and System	2,887,167	3,106,473	-	-
Improvements other than Building	2,175,292	2,760,352	-	-
Machinery and Equipment	2,000,040	2,045,841	9,865	11,838
Infrastructure	72,644,911	70,848,107	-	-
	<u>\$ 96,366,263</u>	<u>\$ 95,245,962</u>	<u>\$ 172,565</u>	<u>\$ 174,538</u>

Additional information on Falls Township's capital assets can be found in Note D on pages 54 and 55 of this report.

Falls Township prepared a ten year capital purchase plan in 2004. All long-term planning for the acquisition of these various assets would be primarily funded through host community fees. The capital assets for the year 2014 in the Township's ten year capital purchase plan were acquired in accordance with the budget. These assets were the Township's significant additions or improvements for the year.



### Debt Administration

As of December 31, 2009, Falls Township had no outstanding long term debt. The previous balance of \$3,055,000 on the Township-held Water and Sewer Revenue Bonds, Series 2004, was paid in full on December 15, 2009. The outstanding balance of the revenue bonds had been transferred from the proprietary funds to a governmental fund in 2007 due to the sale of the Township's water and sewer operations. The bonds were originally set to mature through December 15, 2016. Calling these bonds for early redemption resulted in an interest savings to the Township of just under \$325,000.

Additional information on Falls Township's long-term debt can be found in Note F on page 56 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

1) Tipping fees received from the landfill located in the Township have been on the rise since 2010, netting \$866,000 more than budgeted for that year. In 2011, earnings recovered even further coming in over budget by \$1,465,421. Fiscal years 2012 and 2013 saw a large increase in landfill revenues topping \$13 million and \$14 million respectively. Fiscal year 2014 brought in over \$14 million as well, in spite of earlier unfavorable projections. Waste Management has projected that tonnages will decrease next year netting Falls Township revenues of just over \$11 million.

2) The Pinewood Pool is expected to continue operations while trying to contain costs and exceed projected revenues. The Township has continued in-house management of the pool for 2014 in an effort to control costs. Pool membership registration declined in 2014 leading the Township to reevaluate its advertising and programming for the pool for next season. And, the Host Community Fees fund will provide another cash transfer in 2015, if needed.

3) The Parks and Recreation department will receive additional funding from the Host Community Fees fund as the department continues to offer an extensive list of programs and events in the Community. Also as the Falls Township Community Park grows, additional spending will be required to maintain the quality of service needed to operate at a superior level.

All of these factors were considered in preparing the Falls Township budget for 2015.

### **Requests for Information**

Falls Township's financial report is designed to provide a general overview of the Township's finances for those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, Falls Township, 188 Lincoln Highway, Suite 100, Fairless Hills, PA 19030.



## BASIC FINANCIAL STATEMENTS

**TOWNSHIP OF FALLS**

STATEMENT OF NET POSITION

DECEMBER 31, 2014

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash & cash equivalents	\$ 21,775,276	\$	\$ 21,775,276
Investments	18,202,649		18,202,649
Taxes receivable	85,055		85,055
Accounts receivable (net of allowance for uncollectibles)	2,294,730		2,294,730
Prepaid assets	238,808		238,808
Total Current Assets	42,596,518	-	42,596,518
Noncurrent Assets:			
Capital Assets (net of accumulated depreciation):			
Land	16,460,926	162,700	16,623,626
Construction in progress	197,927		197,927
Buildings and systems	2,887,167		2,887,167
Infrastructure	72,644,911		72,644,911
Improvements other than buildings	2,175,292		2,175,292
Machinery, equipment, and vehicles	2,000,040	9,865	2,009,905
Total Capital Assets	96,366,263	172,565	96,538,828
<b>TOTAL ASSETS</b>	<b>138,962,781</b>	<b>172,565</b>	<b>139,135,346</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	506,931	-	506,931
Accrued salary and benefits	46,242	74	46,316
Unearned revenue	246,297		246,297
Deposits	810,467		810,467
Internal balances	(155,512)	155,512	-
Portion due or payable within one year			
Compensated absences	608,595		608,595
Total Current Liabilities	2,063,020	155,586	2,218,606
Long-term Liabilities:			
Portion due or payable after one year			
Compensated absences	870,989		870,989
Other post-employment benefits	2,354,808		2,354,808
Total Long-term Liabilities	3,225,797	-	3,225,797
<b>TOTAL LIABILITIES</b>	<b>5,288,817</b>	<b>155,586</b>	<b>5,444,403</b>
<b>NET POSITION</b>			
Investment in capital assets	96,366,263	172,565	96,538,828
Restricted for			
Recycling expenditures	446,335		446,335
Rescue squad	3,509		3,509
Highway aid	178,854		178,854
Street lighting	65,239		65,239
Unrestricted	36,613,764	(155,586)	36,458,178
<b>TOTAL NET POSITION</b>	<b>\$ 133,673,964</b>	<b>\$ 16,979</b>	<b>\$ 133,690,943</b>

See accompanying notes to the basic financial statements

TOWNSHIP OF FALLS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>GOVERNMENTAL ACTIVITIES</b>							
General government	\$ 2,713,828	\$ 1,089,257	\$ 630,338	\$	\$ (994,233)	\$	\$ (994,233)
Public safety	16,080,941	1,547,850	296,721		(14,236,370)		(14,236,370)
Public works - highways and streets	6,198,874	55,208	822,537		(5,321,129)		(5,321,129)
Culture and recreation	1,826,865	155,373	670		(1,670,822)		(1,670,822)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>26,820,508</b>	<b>2,847,688</b>	<b>1,750,266</b>	<b>-</b>	<b>(22,222,554)</b>	<b>-</b>	<b>(22,222,554)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Pinewood Pool	169,094	156,949				(12,145)	(12,145)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>169,094</b>	<b>156,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,145)</b>	<b>(12,145)</b>
<b>TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 26,989,602</b>	<b>\$ 3,004,637</b>	<b>\$ 1,750,266</b>	<b>\$ -</b>	<b>(22,222,554)</b>	<b>(12,145)</b>	<b>(22,234,699)</b>
<b>GENERAL REVENUES</b>							
Property taxes, levied for general purposes					2,270,450		2,270,450
Real estate transfer taxes					664,784		664,784
Local services taxes					404,511		404,511
Mechanical device tax					34,285		34,285
Other taxes					14,173		14,173
Payment in lieu of taxes					75,000		75,000
Contributions not restricted to specific programs					15,419,498		15,419,498
Interest earnings					176,550		176,550
Miscellaneous revenues					46,510		46,510
Gain on sale of capital assets					4,320		4,320
Transfers					(30,000)	30,000	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<b>19,080,081</b>	<b>30,000</b>	<b>19,110,081</b>
<b>CHANGE IN NET POSITION</b>					<b>(3,142,473)</b>	<b>17,855</b>	<b>(3,124,618)</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>					<b>136,816,437</b>	<b>(876)</b>	<b>136,815,561</b>
<b>NET POSITION AT END OF YEAR</b>					<b>\$ 133,673,964</b>	<b>\$ 16,979</b>	<b>\$ 133,690,943</b>



**TOWNSHIP OF FALLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2014**

	General	Capital Reserve	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash & cash equivalents	\$ 17,316,131	\$ 3,757,549	\$ 701,596	\$ 21,775,276
Investments	18,202,649			18,202,649
Accounts receivable (net of allowance for uncollectibles)	2,294,729	1		2,294,730
Taxes receivable	31,317		53,738	85,055
Interfund receivable	174,200		4,085	178,285
Prepaid items	233,547		5,261	238,808
<b>TOTAL ASSETS</b>	<b>\$ 38,252,573</b>	<b>\$ 3,757,550</b>	<b>\$ 764,680</b>	<b>\$ 42,774,803</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 463,523	\$ 7,016	\$ 36,392	\$ 506,931
Deposits	37,964	772,253	250	810,467
Interfund payable	4,085		18,688	22,773
Salaries and benefits payable	630,986		23,851	654,837
Unearned revenue	365,595			365,595
<b>TOTAL LIABILITIES</b>	<b>1,502,153</b>	<b>779,269</b>	<b>79,181</b>	<b>2,360,603</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - real estate taxes	28,373		48,147	76,520
Unavailable revenue - other	1,077			1,077
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>29,450</b>	<b>-</b>	<b>48,147</b>	<b>77,597</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	233,547			233,547
Restricted for:				
Recycling expenditures			446,335	446,335
Rescue squad			3,509	3,509
Highway aid			178,854	178,854
Street lighting			65,239	65,239
Assigned to:				
Capital projects	9,201,402	2,978,281		12,179,683
Subsequent year's budget: appropriation of fund balance	798,013			798,013
Unassigned	26,488,008		(56,585)	26,431,423
<b>TOTAL FUND BALANCES</b>	<b>36,720,970</b>	<b>2,978,281</b>	<b>637,352</b>	<b>40,336,603</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 38,252,573</b>	<b>\$ 3,757,550</b>	<b>\$ 764,680</b>	<b>\$ 42,774,803</b>

See accompanying notes to the basic financial statements

**TOWNSHIP OF FALLS**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**

DECEMBER 31, 2014

TOTAL GOVERNMENTAL FUND BALANCES	\$ 40,336,603
Amounts reported for governmental activities on the statement of net position are different because of the following:	
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets is \$154,165,060 and the accumulated depreciation is \$57,798,797	96,366,263
Certain revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds	196,895
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Those liabilities consist of:	
Other post employment benefits	(2,354,808)
Compensated absences	<u>(870,989)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 133,673,964</u>

**TOWNSHIP OF FALLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Capital Reserve	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes				
Property	\$ 833,173	\$	\$ 1,451,625	\$ 2,284,798
Real estate transfer	664,784			664,784
Local services	410,435			410,435
Mechanical device	34,285			34,285
Motor fuel tax			671,686	671,686
Payment in lieu of taxes	27,320		47,680	75,000
Host community fees	15,419,498			15,419,498
Licenses and permits	840,523			840,523
Fines and forfeits	182,573			182,573
Interest earnings	169,557	3,404	3,589	176,550
Rents	90,848		8,684	99,532
Intergovernmental	644,511		260,871	905,382
Charges for services	1,542,057		155,373	1,697,430
Contributions and donations	150,851		36,520	187,371
Refunds of prior years	42,788			42,788
<b>TOTAL REVENUES</b>	<b>21,053,203</b>	<b>3,404</b>	<b>2,636,028</b>	<b>23,692,635</b>
<b>EXPENDITURES</b>				
Current				
General government	2,461,760	63,427	-	2,525,187
Public safety	13,968,706		1,284,502	15,253,208
Public works - highways and streets	2,287,101		971,465	3,258,566
Culture and recreation	113,631		907,235	1,020,866
Capital outlay				
General government	240,184			240,184
Public safety	150,105			150,105
Public works - highways and streets	4,723,393	16,027	54,326	4,793,746
Culture and recreation	146,635			146,635
<b>TOTAL EXPENDITURES</b>	<b>24,091,515</b>	<b>79,454</b>	<b>3,217,528</b>	<b>27,388,497</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,038,312)</b>	<b>(76,050)</b>	<b>(581,500)</b>	<b>(3,695,862)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,000		557,000	558,000
Transfers out	(587,000)		(1,000)	(588,000)
Sale of capital assets	4,320			4,320
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(581,680)</b>	<b>-</b>	<b>556,000</b>	<b>(25,680)</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<b>(3,619,992)</b>	<b>(76,050)</b>	<b>(25,500)</b>	<b>(3,721,542)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>40,340,962</b>	<b>3,054,331</b>	<b>662,852</b>	<b>44,058,145</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 36,720,970</b>	<b>\$ 2,978,281</b>	<b>\$ 637,352</b>	<b>\$ 40,336,603</b>

See accompanying notes to the basic financial statements



**TOWNSHIP OF FALLS**

**RECONCILIATION OF GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (3,721,542)
<p>Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense:</p>	
Capital outlay	5,330,670
Depreciation expense	(4,210,369)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	11,080
<p>Compensated absences do not require the use of current financial resources, therefore, are not reported as expenditures in Governmental Funds.</p>	
	(62,385)
<p>On the Statement of Activities the actual and projected long term expenditures for post-employment benefits are reported, whereas on the governmental funds only the actual expenditures are recorded for post employment benefits.</p>	
	<u>(489,927)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (3,142,473)</u>

**TOWNSHIP OF FALLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property	\$ 866,070	\$ 866,070	\$ 833,173	\$ (32,897)
Real estate transfer	700,000	700,000	664,784	(35,216)
Local services	400,000	400,000	410,435	10,435
Mechanical device	35,000	35,000	34,285	(715)
Payment in lieu of taxes	27,320	27,320	27,320	-
Host community fees	12,339,700	12,339,700	15,419,498	3,079,798
Licenses and permits	839,000	839,000	840,523	1,523
Fines and forfeits	210,000	210,000	182,573	(27,427)
Interest earnings	303,800	303,800	169,557	(134,243)
Rents	92,520	92,520	90,848	(1,672)
Intergovernmental	780,350	780,350	644,511	(135,839)
Charges for services	1,530,800	1,530,800	1,542,057	11,257
Contributions and donations	-	-	150,851	150,851
Refunds of prior years	-	-	42,788	42,788
Miscellaneous revenues	100	100	-	(100)
<b>TOTAL REVENUES</b>	<u>18,124,660</u>	<u>18,124,660</u>	<u>21,053,203</u>	<u>2,928,543</u>
<b>EXPENDITURES</b>				
Current				
General government				
Supervisors	36,336	36,336	37,640	(1,304)
Manager	389,710	389,710	430,741	(41,031)
Finance and administration	540,475	540,475	579,877	(39,402)
Attorney	330,000	330,000	378,405	(48,405)
Other	882,772	882,772	1,035,097	(152,325)
Total general government	<u>2,179,293</u>	<u>2,179,293</u>	<u>2,461,760</u>	<u>(282,467)</u>
Public safety				
Police	12,024,566	12,024,566	12,311,222	(286,656)
Fire	521,384	521,384	527,883	(6,499)
Code Enforcement	1,080,999	1,080,999	1,129,601	(48,602)
Total public safety	<u>13,626,949</u>	<u>13,626,949</u>	<u>13,968,706</u>	<u>(341,757)</u>
Public works				
Highways and streets	1,858,573	1,858,573	2,287,101	(428,528)
Total public works	<u>1,858,573</u>	<u>1,858,573</u>	<u>2,287,101</u>	<u>(428,528)</u>
Total culture and recreation	<u>-</u>	<u>-</u>	<u>113,631</u>	<u>(113,631)</u>
Capital outlay				
General government	1,193,561	1,193,561	240,184	953,377
Public safety	1,274,777	1,274,777	150,105	1,124,672
Public works - highway and streets	5,088,405	5,088,405	4,723,393	365,012
Culture and recreation	848,238	848,238	146,635	701,603
Total capital outlay	<u>8,404,981</u>	<u>8,404,981</u>	<u>5,260,317</u>	<u>3,144,664</u>
<b>TOTAL EXPENDITURES</b>	<u>26,069,796</u>	<u>26,069,796</u>	<u>24,091,515</u>	<u>1,978,281</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(7,945,136)</u>	<u>(7,945,136)</u>	<u>(3,038,312)</u>	<u>4,906,824</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,000	1,000	1,000	-
Transfers out	(587,000)	(587,000)	(587,000)	-
Sale of assets	2,000	2,000	4,320	2,320
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(584,000)</u>	<u>(584,000)</u>	<u>(581,680)</u>	<u>2,320</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<u>(8,529,136)</u>	<u>(8,529,136)</u>	<u>(3,619,992)</u>	<u>4,909,144</u>
<b>FUND BALANCE, BEGINNING</b>	<u>40,340,962</u>	<u>40,340,962</u>	<u>40,340,962</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 31,811,826</u>	<u>\$ 31,811,826</u>	<u>\$ 36,720,970</u>	<u>\$ 4,909,144</u>

See accompanying notes to the basic financial statements

**TOWNSHIP OF FALLS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2014**

	Business-type Activities - Enterprise Funds	
	Pinewood Pool Current Year	Pinewood Pool Prior Year
<b>ASSETS</b>		
Noncurrent Assets:		
Capital Assets (net of accumulated depreciation):		
Land	\$ 162,700	\$ 162,700
Machinery and equipment	9,865	11,838
<b>TOTAL CAPITAL ASSETS</b>	<u>172,565</u>	<u>174,538</u>
<b>TOTAL ASSETS</b>	<u>172,565</u>	<u>174,538</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable		1,907
Interfund payable	155,512	172,778
Salaries and benefits payable	74	729
<b>TOTAL CURRENT LIABILITIES</b>	<u>155,586</u>	<u>175,414</u>
<b>NET POSITION</b>		
Investment in capital assets	172,565	174,538
Unrestricted	<u>(155,586)</u>	<u>(175,414)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 16,979</u>	<u>\$ (876)</u>



**TOWNSHIP OF FALLS**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds	
	Pinewood Pool Current Year	Pinewood Pool Prior Year
OPERATING REVENUES		
Charges for sales and services		
Pool memberships	\$ 140,492	\$ 156,186
Concession income	16,457	17,803
	156,949	173,989
TOTAL OPERATING REVENUES		
OPERATING EXPENSES		
Costs of sales and services	153,760	195,011
Administration	13,361	25,862
Depreciation on capital assets	1,973	1,973
	169,094	222,846
TOTAL OPERATING EXPENSES		
Operating Loss	(12,145)	(48,857)
Transfers in	30,000	75,000
CHANGE IN NET POSITION	17,855	26,143
NET POSITION, BEGINNING	(876)	(27,019)
NET POSITION, ENDING	\$ 16,979	\$ (876)

**TOWNSHIP OF FALLS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Pinewood Pool Current Year</u>	<u>Pinewood Pool Prior Year</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 156,949	\$ 173,989
Payments to suppliers	(71,544)	(98,504)
Payments to employees	(98,139)	(120,492)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(12,734)</u>	<u>(45,007)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer from other funds	12,734	45,007
<b>NET CASH PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>12,734</u>	<u>45,007</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	-	-
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	-	-
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (12,145)	\$ (48,857)
Adjustments to reconcile operating loss to net cash provided (used) by operating expenses		
Depreciation expense	1,973	1,973
Increase (decrease) in accounts payable	(1,907)	1,787
Increase (decrease) in salaries and benefits payable	(655)	90
<b>TOTAL ADJUSTMENTS</b>	<u>(589)</u>	<u>3,850</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>\$ (12,734)</u>	<u>\$ (45,007)</u>

See accompanying notes to the basic financial statements

**TOWNSHIP OF FALLS**

**COMBINED STATEMENT OF FIDUCIARY NET POSITION**

**FIDUCIARY FUNDS**

**DECEMBER 31, 2014**

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,946,417	\$ 2,238,115
Receivables	161,883	
Accounts receivable		1,704
Investment, at fair value		
Certificates of deposit	494,000	
Common stock, mutual funds	<u>22,480,427</u>	
<b>TOTAL ASSETS</b>	26,082,727	<u>\$ 2,239,819</u>
<b>LIABILITIES</b>		
Pension payable	<u>518,939</u>	
Escrow deposits		<u>\$ 2,239,819</u>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<u>\$ 25,563,788</u>	

See accompanying notes to the basic financial statements



TOWNSHIP OF FALLS

COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PENSION TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Employer	\$ 1,336,146
Plan member	314,428
Commonwealth	518,939
Total Contributions	<u>2,169,513</u>
Investment Income	
Interest	(5,525)
Dividend income	492,893
Net appreciation in fair market value of investments	877,453
Total investment income	<u>1,364,821</u>
Less: investment expenses	<u>83,707</u>
Net investment income	<u>1,281,114</u>
TOTAL ADDITIONS	<u>3,450,627</u>
DEDUCTIONS	
Benefits	2,048,049
Administrative expenses	663
Total deductions	<u>2,048,712</u>
Change in Net Position	1,401,915
NET POSITION BEGINNING OF YEAR	<u>24,161,873</u>
NET POSITION END OF YEAR	<u>\$ 25,563,788</u>

See accompanying notes to the basic financial statements

# TOWNSHIP OF FALLS

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **A. Financial Reporting Entity**

The Township of Falls, County of Bucks, Commonwealth of Pennsylvania, was founded in 1692. The Township is a second-class township and is governed by an elected board of five supervisors and a board-appointed Township Manager. Falls Township covers approximately 26.5 square miles in Lower Bucks County and has a population of 34,865 per the 2000 U.S. Census.

The Township of Falls provides a full range of municipal services. These services include police protection; fire protection; park and recreation activities; highway maintenance and reconstruction operations; refuse; and general administrative services.

The Township has followed the guidelines of the Governmental Accounting Standards Board's Statement No. 61 and has determined that no entities should be consolidated into its basic financial statements as component units. Therefore, the reporting entity consists of the primary government financial statements only.

The financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

#### **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the Township. 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. The fiduciary funds are excluded from the government-wide financial statements. These statements present each major fund as a separate column on the fund financial statements, and all non-major funds are aggregated and presented in a single column.



# TOWNSHIP OF FALLS

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

#### **C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities. All assets and liabilities are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The accounts of the Township are organized and operated on the basis of funds.

The Township reports the following major governmental funds:

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

The *Capital Reserve Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities and capital assets, other than those financed by proprietary and fiduciary funds.

The Township reports the following major proprietary fund:

The *Pinewood Pool Fund* accounts for operations of a recreational pool.



## TOWNSHIP OF FALLS

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

##### **C. Measurement focus, basis of accounting, and financial statement presentation, continued**

Additionally, the Township reports the following Fiduciary funds:

The *Police Pension Trust Fund* accounts for the accumulation of resources for pension benefit payments to qualified uniformed police officers.

The *Non-uniformed Pension Trust Fund* accounts for the accumulation of resources for pension benefit payments to qualified employees of the Township other than uniformed officers.

The *Township Escrow and Subdivision Fund* is used to account for assets held by the Township in an agent capacity for developers as required by developer agreements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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 Pinewood pool fund are charges to customers for pool memberships. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

##### **D. GASB Pronouncements not yet effective**

Governmental Accounting Standards Board (GASB) issued Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement NO. 27*. The township is required to adopt GASB Statement No. 68 for the calendar year 2015. The Township has not yet completed the analysis required to estimate the financial statement impact of this new pronouncement.

# TOWNSHIP OF FALLS

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

#### **E. Assets, Liabilities, and Net Position or Equity**

##### ***1. Deposits and Investments***

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the Township are reported at fair market value. The State Treasurer's Investment Pool operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair market value of the pool shares.

##### ***2. Receivables and Payables***

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

Real estate taxes are levied on March 1 and payable under the following terms: 2% discount March 1 through May 1; face amount May 2 through July 1; and a 10% penalty after July 1. Taxes unpaid are liened in January of the subsequent year.

##### ***3. 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.

##### ***4. Capital Assets***

Capital assets, which include land, buildings and systems, improvements, machinery and equipment, and infrastructure (roads, bridges, sidewalks and similar items), are reported in the governmental or business-type activities columns in the government-wide financial statements.

The Township defines capital assets as assets with an estimated useful life in excess of two years and an initial, individual cost greater than \$5,000. Such assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair value at the date of donation. Infrastructure includes retroactive reporting of assets prior to June 30, 1980.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.



# TOWNSHIP OF FALLS

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

#### **E. Assets, Liabilities, and Net Position or Equity**, continued

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

	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	5
Office equipment	5
Computer equipment	5

#### ***5. Compensated Absences***

It is the Township's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### ***6. Long-Term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund type statement of net position. The Township does not have any bonds payable outstanding. In the fund financial statements, Governmental Funds recognize issuance of long term debt during the current period. The face amount of debt issued is reported as other financing sources and payment of principal and interest reported as expenditures.

#### ***7. Other Post Employment Benefits ("OPEB") Other than Pensions***

The Township provides other post employment benefits to police officers as part of their collective bargaining agreement. The actuarial liability amortized over 30 years is reported in the government-wide financial statements.

#### ***8. Comparative data***

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

#### ***9. Net Position***

Net position is considered restricted if the use is constrained to a particular purpose. The government-wide statement of net position reports \$693,937 of restricted net position, \$3,509 is restricted by enabling legislation.



## TOWNSHIP OF FALLS

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

##### **E. Assets, Liabilities, and Net Position or Equity**, continued

##### ***10. Fund Equity***

The Township reports fund balance in accordance with GASB Statement No. 54. GASB Statement No. 54 establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Additionally, the definitions of the general fund, special revenue fund type, debt service fund type and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain items within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types have also been modified for clarity and consistency.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board of Supervisors – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Supervisors removes the specified use by taking the same type of action imposing the commitment.

*Assigned fund balance.* This classification reflects amounts constrained by the township’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Supervisors or the finance director, who has been given the authority by a resolution of the Board of Supervisors have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

*Use of fund balance.* The restricted fund balance shall be reduced to the extent that the underlying reason for the restriction has been eliminated. Then committed, assigned and unassigned in that order as needed.



# TOWNSHIP OF FALLS

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the recycling fund. All appropriations lapse at fiscal year end. All agencies of the government submit requests for appropriations to the township manager and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by fund, function, and department. The Township's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board of Supervisors. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the department level. There were no budgetary transfers during the year.

Encumbrance accounting is employed in governmental funds. All encumbrances are liquidated at year end.

#### **B. Excess of Expenditures over Appropriations**

For the year end December 31, 2014, expenditures exceeded appropriations in the following funds. These over-expenditures were funded by interfund transfers and available fund balances.

Fund	Excess
Fire Hydrant Fund	\$ 10,157
Rescue Squad Fund	1,484
Crime Prevention Fund	17,319

#### **C. Deficit Fund Balance**

At December 31, 2014, the nonmajor special revenue funds have deficit fund balances as follows: Fire Hydrant - \$12,157, Fire Protection - \$11,703, Library \$420, Parks & Recreation - \$18,404, and Crime Prevention - \$13,901. These deficits will be eliminated through a combination of increased revenues, decreased expenditures, and interfund transfers.

### 3. DETAILED NOTES ON ALL FUNDS

#### **A. Deposits and Investments**

Under Act No. 72 enacted by the general assembly of the Commonwealth of Pennsylvania, the funds deposited with the depository are permitted to be secured on a pooled basis with all other public funds which the banking institution has on deposit in excess of the Federal Depository Insurance limit. These may be bonds of the United States, any State of the United States, or bonds of any political subdivision of Pennsylvania, or the general state authority or other authorities created by the General Assembly of the Commonwealth of Pennsylvania or insured with the Federal Depository Insurance Corporation. The uninsured deposits, (as defined by Statement No. 40 of the Government Accounting Standards Board) of the Township in the amount of \$7,112,697 were collateralized by this pool of assets maintained by the Township's depository institutions.

**TOWNSHIP OF FALLS**

NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

**A. Deposits and Investments**, continued

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Township’s deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. As of December 31, 2014, \$7,112,697 of the Township’s bank balance of \$8,098,049 was exposed to custodial credit risk as follows:

Collateral held by pledging bank’s trust department not in the Township’s name	\$7,112,697
---	-------------

State statutes authorize the Township to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer’s Investment Pool.

As of December 31, 2014, the Township had the following investments:

Government-Wide Investments (not including Fiduciary):

Investment	Fair Value
PA Local Government Investment Trust	\$ 9,326,050
PA Treasury Invest Community Pool	36,513
First National Bank Money Market	5,222,500
SEI Government Fund	1,514,420
Federal Home Loan Mortgage Corp	7,824,197
Federal Home Loan Bank	2,800,246
Federal National Mortgage Association	7,578,206
	\$ 34,302,132

Fiduciary Investments:

Investment	Fair Value
Mutual Funds	\$ 22,480,427
Certificate of Deposit	494,000
PA Local Government Investment Trust	2,946,417
	\$ 25,920,844

*Custodial Credit Risk – Investments.* Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Township has no investments subject to custodial credit risk.



## TOWNSHIP OF FALLS

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### 3. DETAILED NOTES ON ALL FUNDS, continued

##### **A. Deposits and Investments**, continued

*Credit Risk.* Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The Township has no investment policy that would limit its investment choices to certain credit ratings. As of December 31, 2014, the Township's investments were rated as:

Investment	Standard & Poor's
PA Local Government Investment Trust	AA+ / A-1+
PA Treasury Invest Community Pool	AAA
Federal Home Loan Mortgage Corp	Unavailable
Federal Home Loan Bank	Unavailable
Federal National Mortgage Association	Unavailable
Bond Mutual Funds	B,BB,A

*Concentration of Credit Risk.* A concentration of investments in any one single user of debt securities presents a greater risk for loss in the event the issuer fails on its obligations. The Township does not have a formal policy regarding concentration of credit risk. More than five percent of the Government-wide investments are invested in the following single issuers:

Investment	Fair Value	Percent of total Government Wide Investments
Federal Home Loan Mortgage Corp	\$ 7,824,197	23%
Federal National Mortgage Association	7,578,206	22%

*Interest Rate Risk.* Interest Rate risk is the risk that changes in interest rates will adversely affect an investment's value. The Township does not have a formal policy regarding interest rate risk. As of December 31, 2014, the Township's investments had the following weighted average maturities:

Investment	Fair Value	Weighted Average Maturity (Years)
Federal Home Loan Mortgage Corp	\$ 7,824,197	2.09
Federal Home Loan Bank	2,800,246	2.14
Federal National Mortgage Association	7,578,206	2.3
Bond Mutual Funds	1,273,190	1 - 5
Bond Mutual Funds	7,352,174	6 - 10

These mortgage pass-through investments are highly sensitive to changes in interest rate changes because of prepayment options.

## TOWNSHIP OF FALLS

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### 3. DETAILED NOTES ON ALL FUNDS, continued

##### **A. Deposits and Investments**, continued

A portion of the Township's investments are in the Pennsylvania Local Government Investment Trust (PLGIT) and the Pennsylvania Treasury Investment Community Pool, which both act like money market mutual funds in that the objective is to maintain a stable net asset value of \$1 per share. These investments are not subject to interest rate risk.

##### **B. Receivables**

Receivables as of year end for the government's individual major funds, fiduciary funds and non-major funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	General	Capital Reserve	Nonmajor Funds	Fiduciary Funds	Total
Receivables:					
Taxes	\$ 31,317	\$ -	\$ 53,738	\$ -	\$ 85,055
Accounts	2,456,808	1	-	1,704	2,458,513
Gross receivables	2,488,125	1	53,738	1,704	2,543,568
Less: allowance for uncollectibles	(162,079)	-	-	-	(162,079)
Total net receivables	\$ 2,326,046	\$ 1	\$ 53,738	\$ 1,704	\$ 2,381,489

##### **C. Unearned/Unavailable Revenue**

Governmental funds report unearned or unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Unearned revenue is considered a liability, while unavailable revenue is reported as a deferred inflow of resources. At the end of the current fiscal year, the components of unearned/unavailable revenue reported in governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable - general fund	\$ 28,373	\$
Delinquent property taxes receivable - special revenue funds	48,147	
Accounts receivable, not available	1,077	
Accounts receivable, unearned		365,595
Total Governmental unearned/unavailable revenue	\$ 77,597	\$ 365,595

**TOWNSHIP OF FALLS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

3. DETAILED NOTES ON ALL FUNDS, continued

**D. Capital Assets**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental Activities:</i>				
Capital assets not being depreciated				
Land	\$ 16,460,926	\$	\$	\$ 16,460,926
Construction in progress	24,263	173,664		197,927
Total capital assets not being depreciated	<u>16,485,189</u>	<u>173,664</u>	<u>-</u>	<u>16,658,853</u>
Capital Assets being depreciated				
Buildings	5,830,865	-		5,830,865
Improvements other than buildings	14,707,075	146,635		14,853,710
Machinery, equipment, and vehicles	7,925,282	489,559	89,849	8,324,992
Infrastructure	103,975,828	4,520,812		108,496,640
Total capital assets being depreciated	<u>132,439,050</u>	<u>5,157,006</u>	<u>89,849</u>	<u>137,506,207</u>
Less accumulated depreciation for:				
Buildings	2,724,392	219,306		2,943,698
Improvements other than buildings	11,946,723	731,695		12,678,418
Machinery, equipment, and vehicles	5,879,441	535,360	89,849	6,324,952
Infrastructure	33,127,721	2,724,008		35,851,729
Total accumulated depreciation	<u>53,678,277</u>	<u>4,210,369</u>	<u>89,849</u>	<u>57,798,797</u>
Total capital assets being depreciated, net	<u>78,760,773</u>	<u>946,637</u>	<u>-</u>	<u>79,707,410</u>
Governmental activities capital assets, net	<u>\$ 95,245,962</u>	<u>\$ 1,120,301</u>	<u>\$ -</u>	<u>\$ 96,366,263</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Business-type Activities:</i>				
Capital assets not being depreciated				
Land	\$ 162,700	\$	\$	\$ 162,700
Capital Assets being depreciated				
Machinery and equipment	19,730			19,730
Less accumulated depreciation for:				
Machinery and equipment	7,892	1,973		9,865
Business-type activities capital assets, net	<u>\$ 174,538</u>	<u>\$ (1,973)</u>	<u>\$ -</u>	<u>\$ 172,565</u>



**TOWNSHIP OF FALLS**

NOTES TO THE BASIC FINANCIAL STATEMENTS

3. DETAILED NOTES ON ALL FUNDS, continued

**D. Capital Assets, continued**

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

Governmental Activities:

General government	\$ 173,949
Public safety	317,644
Public works	2,917,724
Culture and recreation	<u>801,052</u>
Total depreciation expense - governmental activities	<u>\$ 4,210,369</u>

**E. Interfund Receivables, Payables, and Transfers**

The following is a summary of interfund receivables and payables at December 31, 2014:

	Receivable	Payable
General Fund	\$ 174,200	\$ 4,085
Pool Fund	-	155,512
Nonmajor Funds	4,085	18,688
	<u>\$ 178,285</u>	<u>\$ 178,285</u>

These 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.

Interfund transfers for the year ended December 31, 2014, consisted of the following:

	Transfers to Other Funds	Transfers from Other Funds
General Fund	\$ 587,000	\$ 1,000
Pool Fund		30,000
Nonmajor Funds	1,000	557,000
	<u>\$ 588,000</u>	<u>\$ 588,000</u>

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**TOWNSHIP OF FALLS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

3. DETAILED NOTES ON ALL FUNDS, continued

**F. Long-term Debt**

**Changes in Long-term Liabilities**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One year</u>
Governmental Activities					
Other Post-employment benefits	\$ 1,864,881	\$ 825,691	\$ 335,764	\$ 2,354,808	\$ -
Compensated Absences	1,492,445	179,926	192,787	1,479,584	608,595
Total Governmental Activities	<u>\$ 3,357,326</u>	<u>\$ 1,005,617</u>	<u>\$ 528,551</u>	<u>\$ 3,834,392</u>	<u>\$ 608,595</u>

The general fund has been used to liquidate the liability for the compensated absences and other post-employment benefits of the governmental activities.

4. OTHER INFORMATION

**A. Risk Management**

The Township is exposed to various risks of loss related to third party liability claims, damage to and loss of Township-owned property, errors and omissions by public officials, and injuries to employees. As a method of financing the risk, the Township purchases commercial insurance. The Township participates in the Delaware Valley Worker's Compensation Trust. The amount of settlement did not exceed insurance coverage for the past three years. There have been no significant reductions in insurance coverage during the year ended December 31, 2014.

**B. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Township expects such amounts, if any, to be immaterial. The Township is a defendant in several lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, in the opinion of Township Management, the resolution of these matters will not have a material adverse effect on the financial condition of the Township.

**C. Financial Guarantee**

The Township has entered into a Guarantee Agreement dated September 1, 2011, as authorized pursuant to the Debt Act, to guarantee the full and prompt payment of the Township of Falls Authority's Guaranteed Water & Sewer Revenue Bonds series 2011. The Township of Falls Authority was created pursuant to an ordinance enacted by the Board of Supervisors of the township and the Township appoints the members of the Authority Board. The guarantee extends through December 31, 2014, and the current amount outstanding is \$33,666,959 principal and interest. The Township of Falls Authority agrees in the Guarantee Agreement to reimburse the Township for any payments made.



**TOWNSHIP OF FALLS**

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. OTHER INFORMATION, continued

**D. Other Post-employment Benefits**

**Plan Description:** The Township provides postemployment healthcare benefits, as per the requirements of local ordinances, for certain retired police officers. The Township pays \$2,400 to \$16,800 per year of the premiums of healthcare coverage for police officers who retire with 25 years of full-time service or become disabled. The Township calculates its actuarial valuation once every three years, as required. Separate financial statements are not issued for the plan.

**Funding Policy:** The Township has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation. For the 2014 year, 31 eligible retirees received postemployment health care benefits. The Township provided age-adjusted contributions of \$335,764 toward the annual OPEB cost. Required contributions are based on projected age-adjusted pay-as-you-go financing.

The following table shows 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:

Description		
Normal cost (service cost for one year)	\$	166,760
Interest on Normal Cost		33,593
Amortization of Unfunded Actuarial Accrued Liability		673,055
Annual Required Contribution (ARC)		873,408
Interest on net OPEB Obligation		74,595
Adjustment to Annual Required Contribution		(122,312)
Annual OPEB Cost (expense)		825,691
Contributions toward the OPEB Cost		(335,764)
Increase in Net OPEB Obligation		489,927
Net OPEB Obligation, Beginning of Year		1,864,881
Net OPEB Obligation, End of Year	\$	<u>2,354,808</u>

**Annual OPEB Cost and Net OPEB Obligation:** The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years, was as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$ 730,379	38%	1,455,945
12/31/2013	746,173	45%	1,864,881
12/31/2014	825,691	41%	2,354,808



## TOWNSHIP OF FALLS

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### 4. OTHER INFORMATION, continued

##### **D. Other Post-employment Benefits**, continued

***Funded Status and Funding Progress:*** As of January 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$10,672,524, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$10,672,524. The covered payroll (annual payroll of active participating employees) was \$4,746,007 for the 2014 year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 224.9 percent.

***Actuarial Methods and Assumptions:*** 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 and termination, mortality, and the healthcare cost trends. 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. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The Township's OPEB actuarial valuation as of January 1, 2014 used the entry age normal actuarial cost method to estimate both the unfunded liability as of December 31, 2014 and to estimate the Township's annual required contribution. This method was selected because it produced the best estimate of the OPEB liability and annual cost. Because the OPEB liability is currently unfunded, the actuarial assumptions include a 4.0 percent rate of return on invested assets. The actuarial assumptions include an annual health care cost trend rate of 7% initially for the 2014 year, decreasing by .25% per year to an ultimate level of 5%. There is no inflation rate increase or projected salary or post-retirement benefit increases. The amortization method for the unfunded actuarial liability is "level dollar amount". The remaining amortization period at December 31, 2014 is 23 years, using level dollar open amortization.

##### **E. Pension Plans**

The Township maintains a single-employer defined benefit pension plan that covers all of the Township's full-time sworn police officers and a single-employer defined contribution pension plan that covers all full-time employees other than police officers.

# TOWNSHIP OF FALLS

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### 4. OTHER INFORMATION, continued

#### **E. Pension Plans**, continued

##### ***Police Pension Plan (the Plan)***

###### Plan Description

The Township administers the police pension plan, a single-employer defined benefit plan covering the full-time police officers. The Plan is controlled by the provisions of Ordinance 93-5, which amended Chapter 72 of the Falls Township Code and was restated by Ordinance No. 2001-16, as amended. The Plan is governed by the Board of Township Supervisors, who has delegated the authority to manage Plan assets to SEI Investments Management Corporation. The Plan provides vesting, retirement, survivor, and disability benefits to plan members and their beneficiaries. Employees are eligible for normal retirement at age 50 and 25 years of service, vesting is 100% after the completion of 12 years of vesting service. The retirement benefit is 50% of average salary during the last 36 months of employment, plus \$100 per month for each year of service in excess of 25 years, up to a maximum of \$500 per month. Survivor benefit is 100% of salary if killed-in-service or 50% of retirement benefit post-retirement; disability benefit is 50% of average 36 months compensation. Members who begin retirement benefits on or after January 1, 1992 may be provided a cost of living adjustment in accordance with Act 600, not to exceed 30% and in no case shall the benefit exceed 75% of salary. A separate, audited GAAP-basis pension plan report is not issued.

Membership of the Plan consisted of the following at December 31, 2014:

Active Plan members	46
Inactive Plan members currently receiving benefits	57
Inactive Plan members entitled to benefits but not yet receiving them	<u>0</u>
Total	<u>103</u>

###### Summary of Significant Accounting Policies

The financial statements of the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due, in accordance with Act 205, as amended by Act 189. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.



**TOWNSHIP OF FALLS**

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. OTHER INFORMATION, continued

**E. Pension Plans**, continued

*Police Pension Plan (the Plan)*, continued

Contributions and Funding Policy

As a condition of participation, full-time officers are required to contribute 5% of compensation to the Plan. This contribution is governed by the Plan's ordinances and collective bargaining agreement. The Township's annual required contribution is equal to its minimum municipal obligation (MMO) as calculated in accordance with Pennsylvania Law Act 205 of 1984. State law requires that state aid be used first to fund the Plan, then employee contributions, and finally general Township funds. In accordance with Act 205, the Township was required to contribute \$1,741,005 (Annual Required Contribution) to the plan for the year 2014. The Township contributed \$518,939 of Commonwealth State Aid, and an additional \$1,222,066 to the plan for 2014 as required. The payment from the Commonwealth for State Aid is recognized as revenue in the General Fund and an expenditure to the Fiduciary Fund. The schedule of funding progress is presented as required supplementary information (RSI) following the notes to the financial statements.

Three Year Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2012	\$ 1,318,901	100%	\$ -
12/31/2013	1,470,557	100%	-
12/31/2014	1,741,005	100%	-

Investments

The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Supervisors and Pension Board. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan's formal Investment Policy Statement which is revised periodically provides more comprehensive details on investment strategy and authorized investments. The long-term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management consultant in December 2014 in which best-estimate ranges of expected future real rates of return were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best-estimates or arithmetic real rates of return for each major class included in the Plan's target asset allocation as of December 31, 2014 are listed in the table below:

<u>Asset Class</u>	<u>Target</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Large Cap Stocks	28.4%	8.4%
Domestic Mid/Small Cap Stocks	8.1%	7.9%
International Stocks	19.0%	9.3%
Bonds	44.5%	4.3%
Total Net Blended Return		<u>6.1%</u>



# TOWNSHIP OF FALLS

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### 4. OTHER INFORMATION, continued

#### E. Pension Plans, continued

##### *Police Pension Plan (the Plan)*, continued

##### Investments, continued

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.5 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

##### Net Pension Liability

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

Total Pension Liability (TPL)	\$ 39,030,739
Plan Fiduciary Net Position	\$ 23,619,955
Net Pension Liability (NPL)	\$ 15,410,784
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.5%

##### Actuarial Methods and Assumptions

An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2013. Update procedures were used to roll forward to the Plan's fiscal plan year ending December 31, 2014. This report was based upon the Plan's actuarial assumptions, asset valuation method, and cost method as described below:

Actuarial valuation date	December 31, 2014
Actuarial cost method	Entry Age
Asset valuation method	5 year smoothing
Amortization method	Level Dollar, Open
Remaining amortization period	10 Years
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases	5%
Inflation rate	2.25%
Retirement Age	50

Mortality rates were based on the RP-2000 Mortality Table projected to 2015 using Scale AA.

# TOWNSHIP OF FALLS

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### 4. OTHER INFORMATION, continued

#### E. Pension Plans, continued

##### *Police Pension Plan (the Plan)*, continued

#### Discount Rate

The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### Net Pension Liability Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 8.0% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.0%) or 1 percentage point higher (9.0%) than the current rate.

	1% Decrease 7.0%	Current Discount Rate 8.0%	1% Increase 9.0%
Net Pension Liability	\$ 19,667,732	\$ 15,410,784	\$ 11,815,904

#### Funding Status and Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the plan was 61.1% funded. The actuarial accrued liability for benefits was \$36,942,191 and the actuarial value of assets was \$22,564,046, resulting in an unfunded actuarial accrued liability (UAAL) of \$14,378,145. The covered payroll (annual payroll of active employees covered by the plan) was \$4,956,040, and the ratio of the UAAL to the covered payroll was 290.2%. The schedule of funding progress, presented in the RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### Pre ACT 44 Deferred Retirement Option Program (DROP)

An active member who has met the eligibility requirements for normal retirement may elect to participate in the DROP for a period of up to 60 months. The monthly pension shall be calculated as of the date of participation in the DROP. The DROP plan account balance is distributed to the member in a lump sum at the termination of DROP.

As of December 31, 2014, there were 2 active members participating in the DROP. The balance of the amounts held by the Plan pursuant to the DROP was \$545,024.



## TOWNSHIP OF FALLS

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### 4. OTHER INFORMATION, continued

##### **E. Pension Plans**, continued

##### ***Non Uniform Pension Plan (NUPP)***

##### Plan Description

The Township administers the NUPP, a single-employer defined contribution pension plan in which all general and public safety employees of the Township are eligible to participate. The NUPP provides retirement, disability, and death benefits to plan members and their beneficiaries. The Township has authorized the Board of Supervisors to establish and amend all plan provisions.

##### Summary of Significant Accounting Policies

The financial statements of the NUPP are prepared using the accrual basis of accounting. The Township's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the Township's balance sheet date. The plan does not issue separate financial statements.

##### Contributions and Funding Policy

The contribution requirements of the Township are established and may be amended by the Board of Supervisors. Plan members are not required to contribute. The Township is required to contribute at a determined rate, which is currently 5% of annual covered payroll. The township contributed \$114,080 for the year ending December 31, 2014.



This Page Intentionally Left Blank

**REQUIRED**  
**SUPPLEMENTARY INFORMATION**

**TOWNSHIP OF FALLS**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS - POLICE PENSION PLAN

FOR THE YEAR ENDED DECEMBER 31, 2014

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability AAL</u>	<u>Excess of Assets Over (Unfunded) AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 2009	\$ 19,719,896	\$ 29,828,997	\$ 10,109,101	66.1%	\$ 4,190,968	241.2%
January 1, 2011	\$ 22,390,328	\$ 34,284,190	\$ 11,893,862	65.3%	\$ 4,712,541	252.4%
January 1, 2013	\$ 22,564,046	\$ 36,942,191	\$ 14,378,145	61.1%	\$ 4,956,040	290.1%



**TOWNSHIP OF FALLS**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS -POLICE PENSION PLAN**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Calendar Year</u>	<u>Annual Required Contribution</u>	<u>Contributions from Employer</u>	<u>Percentage Contributed</u>
2009	\$ 1,060,137	\$ 1,060,137	100%
2010	1,570,253	1,570,253	100%
2011	1,313,893	1,313,893	100%
2012	1,318,901	1,318,901	100%
2013	1,470,557	1,470,557	100%
2014	1,741,005	1,741,005	100%

**TOWNSHIP OF FALLS**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS -  
POLICE PENSION PLAN

Last Ten Fiscal Years \*

	2014
<b>Total Pension Liability</b>	
Service cost	\$ 662,062
Interest	2,962,558
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(1,927,596)
Net change in Total Pension Liability	1,697,024
Total Pension Liability - Beginning	37,333,715
Total Pension Liability - Ending	\$ 39,030,739
<b>Plan Fiduciary Net Position</b>	
Contributions - employer	\$ 1,222,066
Contributions - State Aid	518,939
Contribution - member	314,428
Net investment income	1,188,621
Benefit payments, including refunds of member contributions	(1,927,596)
Administrative expenses	-
Net change in Plan Fiduciary Net Position	1,316,458
Plan Net Position - Beginning	22,303,497
Plan Net Position - Ending	\$ 23,619,955
Plan's Net Pension Liability	\$ 15,410,784
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	60.5%
Covered employee payroll	\$ 5,284,622
Plan's Net Pension Liability as a percentage of covered employee payroll	291.6%

Notes to Schedule:

None.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

**TOWNSHIP OF FALLS**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - POLICE PENSION PLAN

Last Ten Fiscal Years \*

	2014
Actuarially determined contribution	\$ 1,741,005
Contributions made	1,741,005
Contribution deficiency (excess)	\$ -
 Covered-employee payroll	 \$ 5,284,622
Contributions as a percentage of covered-employee payroll	32.94%

**Notes to Schedule:**

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial valuation date	December 31, 2014
Actuarial cost method	Entry Age
Asset valuation method	5 year smoothing
Amortization method	Level Dollar, Open
Remaining amortization period	10 Years
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases	5%
Inflation rate	2.25%
Retirement Age	50

Mortality rates were based on the RP-2000 Mortality Table projected to 2015 using Scale AA.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.



**TOWNSHIP OF FALLS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF INVESTMENT RETURNS**

Last Ten Fiscal Years \*

	<u>2014</u>
Annual money-weighted rate of return, net of investment expenses	\$ 5.50%

\* This schedule is presented to illustrate the requirement to show information for 10 years.  
However, until a full 10-year trend is complete, available information is presented.

TOWNSHIP OF FALLS

OTHER POST EMPLOYMENT BENEFITS

SCHEDULE OF FUNDING PROGRESS

FOR THE YEAR ENDED DECEMBER 31, 2014

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability AAL</u>	<u>Excess of Assets Over (Unfunded) AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 2008	\$ 0	\$ 6,307,595	\$ 6,307,595	0.0%	\$ 3,689,955	170.9%
January 1, 2011	\$ 0	\$ 9,007,616	\$ 9,007,616	0.0%	\$ 3,804,499	236.8%
January 1, 2014	\$ 0	\$ 10,672,524	\$ 10,672,524	0.0%	\$ 4,746,007	224.9%

This Page Intentionally Left Blank



**SUPPLEMENTARY INFORMATION**

## **TOWNSHIP OF FALLS**

### **NONMAJOR GOVERNMENTAL FUNDS**

#### **Special Revenue Funds**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Fire Hydrant Fund – This fund is used to account for the revenue derived from a .24 mill real estate tax levy. The revenues of this fund are restricted to expenditures for the maintenance and repair of fire hydrants located within the Township.

Highway Aid Fund – This fund is used to account for the Township's share of the Liquid Fuels Grant disbursed by the Commonwealth of Pennsylvania. All monies in this fund are expended in accordance with Pennsylvania Department of Transportation rules and regulations for the construction, reconstruction and maintenance of all locally-owned roads, streets and bridges.

Street Lighting Fund – This fund is used to account for revenue derived from a 1.20 mill real estate tax levy. Major expenditures include the cost of electricity and maintenance of the highway and street lights located in the Township.

Fire Protection Fund – This fund is used to account for revenue derived from a 1.25 mill real estate tax levy in accordance with the agreement between the Township and local fire companies.

Library Fund – This fund is used to account for revenue derived from a .14 mill real estate tax levy to help support the Fallsington library.

Recycling Fund – This fund is used to account for revenue generated by the contractual agreement with GROWS and the Township. The percentage of revenue received from the dumping fees is restricted to subsequent recycling expenditures.

Parks and Recreation Fund – This fund is used to account for revenue derived from a 1.26 mill real estate tax levy that is restricted to the development of programs that are recreational in nature – such as maintenance of Township parks, Community Youth Association, the Senior Citizen's Association, Township committees, parades and civic events.

Rescue Squad Fund – This fund is used to account for revenue derived from a .50 mill real estate tax levy that is funding the local rescue squad.

Crime Prevention Fund – This fund is used to account for revenue from federal, state and local grants that are used to provide education to youth on the dangers of drug use.

**TOWNSHIP OF FALLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2014**

	Special Revenue								Total Nonmajor Governmental Funds	
	Fire Hydrant	Highway Aid	Street Lighting	Fire Protection	Library	Recycling	Parks & Recreation	Rescue Squad		Crime Prevention
<b>ASSETS</b>										
Cash and cash equivalents	\$ 2,894	\$ 175,151	\$ 67,910	\$ 14,718	\$ 1,649	\$ 446,335	\$ 6,409	\$ 2,897	\$ -	\$ 701,596
Taxes receivable	2,796		13,867	14,718	1,649		14,820	5,888	-	53,738
Interfund receivable		4,085								4,085
Prepaid items							5,261			5,261
<b>TOTAL ASSETS</b>	<u>\$ 5,690</u>	<u>\$ 179,236</u>	<u>\$ 81,777</u>	<u>\$ 14,718</u>	<u>\$ 1,649</u>	<u>\$ 446,335</u>	<u>\$ 26,490</u>	<u>\$ 8,785</u>	<u>\$ -</u>	<u>\$ 764,680</u>
<b>LIABILITIES</b>										
Accounts payable	\$ 15,342	\$ 382	\$ 4,118	\$ 171	\$ -	\$ -	\$ 8,640	\$ -	\$ 7,739	\$ 36,392
Interfund payable				13,060	592				5,036	18,688
Deposits							250			250
Salaries and benefits payable							22,725		1,126	23,851
<b>TOTAL LIABILITIES</b>	<u>15,342</u>	<u>382</u>	<u>4,118</u>	<u>13,231</u>	<u>592</u>	<u>-</u>	<u>31,615</u>	<u>-</u>	<u>13,901</u>	<u>79,181</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable revenue - real estate taxes	2,505		12,420	13,190	1,477		13,279	5,276		48,147
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>2,505</u>	<u>-</u>	<u>12,420</u>	<u>13,190</u>	<u>1,477</u>	<u>-</u>	<u>13,279</u>	<u>5,276</u>	<u>-</u>	<u>48,147</u>
<b>FUND BALANCES</b>										
Restricted for:										
Recycling expenditures						446,335				446,335
Rescue Squad								3,509		3,509
Highway aid		178,854								178,854
Street lighting			65,239							65,239
Unassigned	(12,157)			(11,703)	(420)		(18,404)		(13,901)	(56,585)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>(12,157)</u>	<u>178,854</u>	<u>65,239</u>	<u>(11,703)</u>	<u>(420)</u>	<u>446,335</u>	<u>(18,404)</u>	<u>3,509</u>	<u>(13,901)</u>	<u>637,352</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 5,690</u>	<u>\$ 179,236</u>	<u>\$ 81,777</u>	<u>\$ 14,718</u>	<u>\$ 1,649</u>	<u>\$ 446,335</u>	<u>\$ 26,490</u>	<u>\$ 8,785</u>	<u>\$ -</u>	<u>\$ 764,680</u>



**TOWNSHIP OF FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Special Revenue									Total Nonmajor Governmental Funds
	Fire Hydrant	Highway Aid	Street Lighting	Fire Protection	Library	Recycling	Parks & Recreation	Rescue Squad	Crime Prevention	
<b>REVENUES</b>										
Taxes										
Property	\$ 75,868		\$ 378,927	\$ 395,566	\$ 44,305		\$ 398,731	\$ 158,228		\$ 1,451,625
Motor fuel tax		671,686								671,686
Payment in lieu of taxes	2,494		12,465	12,984	1,454		13,089	5,194		47,680
Interest earnings	2	79	16	13	1	100	3,369	4	5	3,589
Rents							8,684			8,684
Intergovernmental				260,871						260,871
Charges for services							155,373			155,373
Contributions and donations							670		35,850	36,520
<b>TOTAL REVENUES</b>	<u>78,364</u>	<u>671,765</u>	<u>391,408</u>	<u>669,434</u>	<u>45,760</u>	<u>100</u>	<u>579,916</u>	<u>163,426</u>	<u>35,855</u>	<u>2,636,028</u>
<b>EXPENDITURES</b>										
Current										
Public safety	86,157			662,885				161,846	373,614	1,284,502
Public works - highways and streets		665,515	305,950							971,465
Culture and recreation					45,000		862,235			907,235
Capital outlay										
Public works - highways and streets		50,000	4,326							54,326
<b>TOTAL EXPENDITURES</b>	<u>86,157</u>	<u>715,515</u>	<u>310,276</u>	<u>662,885</u>	<u>45,000</u>	<u>-</u>	<u>862,235</u>	<u>161,846</u>	<u>373,614</u>	<u>3,217,528</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(7,793)</u>	<u>(43,750)</u>	<u>81,132</u>	<u>6,549</u>	<u>760</u>	<u>100</u>	<u>(282,319)</u>	<u>1,580</u>	<u>(337,759)</u>	<u>(581,500)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in							427,000		130,000	557,000
Transfers out					(1,000)					(1,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>427,000</u>	<u>-</u>	<u>130,000</u>	<u>556,000</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>(7,793)</u>	<u>(43,750)</u>	<u>81,132</u>	<u>6,549</u>	<u>(240)</u>	<u>100</u>	<u>144,681</u>	<u>1,580</u>	<u>(207,759)</u>	<u>(25,500)</u>
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	<u>(4,364)</u>	<u>222,604</u>	<u>(15,893)</u>	<u>(18,252)</u>	<u>(180)</u>	<u>446,235</u>	<u>(163,085)</u>	<u>1,929</u>	<u>193,858</u>	<u>662,852</u>
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<u>\$ (12,157)</u>	<u>\$ 178,854</u>	<u>\$ 65,239</u>	<u>\$ (11,703)</u>	<u>\$ (420)</u>	<u>\$ 446,335</u>	<u>\$ (18,404)</u>	<u>\$ 3,509</u>	<u>\$ (13,901)</u>	<u>\$ 637,352</u>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FIRE HYDRANT SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property tax	\$ 78,236	\$ 78,236	\$ 75,868	\$ (2,368)
Payment in lieu of taxes	2,493	2,493	2,494	1
Interest earnings	65	65	2	(63)
	<u>80,794</u>	<u>80,794</u>	<u>78,364</u>	<u>(2,430)</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Public safety	76,000	76,000	86,157	(10,157)
	<u>76,000</u>	<u>76,000</u>	<u>86,157</u>	<u>(10,157)</u>
TOTAL EXPENDITURES				
NET INCREASE (DECREASE) IN FUND BALANCE	<u>4,794</u>	<u>4,794</u>	<u>(7,793)</u>	<u>(12,587)</u>
FUND BALANCE (DEFICIT), BEGINNING	<u>(4,364)</u>	<u>(4,364)</u>	<u>(4,364)</u>	<u>-</u>
FUND BALANCE (DEFICIT), ENDING	<u>\$ 430</u>	<u>\$ 430</u>	<u>\$ (12,157)</u>	<u>\$ (12,587)</u>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**HIGHWAY AID SPECIAL REVENUE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Motor fuel tax	\$ 620,000	\$ 620,000	\$ 671,686	\$ 51,686
Interest earnings	200	200	79	(121)
TOTAL REVENUES	<u>620,200</u>	<u>620,200</u>	<u>671,765</u>	<u>51,565</u>
EXPENDITURES				
Current				
Public works - highways and streets	755,655	755,655	665,515	90,140
Capital outlay				
Public works - highways and streets	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>805,655</u>	<u>805,655</u>	<u>715,515</u>	<u>90,140</u>
NET INCREASE (DECREASE) IN FUND BALANCE	(185,455)	(185,455)	(43,750)	141,705
FUND BALANCE, BEGINNING	<u>222,604</u>	<u>222,604</u>	<u>222,604</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 37,149</u>	<u>\$ 37,149</u>	<u>\$ 178,854</u>	<u>\$ 141,705</u>



**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**STREET LIGHTING SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property tax	\$ 390,453	\$ 390,453	\$ 378,927	\$ (11,526)
Payment in lieu of taxes	12,465	12,465	12,465	-
Interest earnings	80	80	16	(64)
<b>TOTAL REVENUES</b>	<u>402,998</u>	<u>402,998</u>	<u>391,408</u>	<u>(11,590)</u>
EXPENDITURES				
Current				
Public works - highways and streets	352,000	352,000	305,950	46,050
Capital outlay				
Public works - highways and streets	25,000	25,000	4,326	20,674
<b>TOTAL EXPENDITURES</b>	<u>377,000</u>	<u>377,000</u>	<u>310,276</u>	<u>66,724</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	25,998	25,998	81,132	(78,314)
<b>FUND BALANCE (DEFICIT), BEGINNING</b>	<u>(15,893)</u>	<u>(15,893)</u>	<u>(15,893)</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT), ENDING</b>	<u>\$ 10,105</u>	<u>\$ 10,105</u>	<u>\$ 65,239</u>	<u>\$ 55,134</u>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FIRE PROTECTION SPECIAL REVENUE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax	\$ 408,586	\$ 408,586	\$ 395,566	\$ (13,020)
Payment in lieu of taxes	12,985	12,985	12,984	(1)
Intergovernmental	270,000	270,000	260,871	(9,129)
Interest earnings	80	80	13	(67)
TOTAL REVENUES	<u>691,651</u>	<u>691,651</u>	<u>669,434</u>	<u>(22,217)</u>
EXPENDITURES				
Current				
Public Safety	<u>670,100</u>	<u>670,100</u>	<u>662,885</u>	<u>7,215</u>
TOTAL EXPENDITURES	<u>670,100</u>	<u>670,100</u>	<u>662,885</u>	<u>7,215</u>
NET INCREASE (DECREASE) IN FUND BALANCE	21,551	21,551	6,549	(29,432)
FUND BALANCE (DEFICIT), BEGINNING	<u>(18,252)</u>	<u>(18,252)</u>	<u>(18,252)</u>	<u>-</u>
FUND BALANCE (DEFICIT), ENDING	<u>\$ 3,299</u>	<u>\$ 3,299</u>	<u>\$ (11,703)</u>	<u>\$ (15,002)</u>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**LIBRARY SPECIAL REVENUE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax	\$ 45,764	\$ 45,764	\$ 44,305	\$ (1,459)
Payment in lieu of taxes	1,454	1,454	1,454	-
Interest earnings	5	5	1	(4)
TOTAL REVENUES	<u>47,223</u>	<u>47,223</u>	<u>45,760</u>	<u>(1,463)</u>
EXPENDITURES				
Current				
Culture and recreation	45,000	45,000	45,000	-
TOTAL EXPENDITURES	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,223</u>	<u>2,223</u>	<u>760</u>	<u>(1,463)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,000)	(1,000)	(1,000)	-
NET INCREASE (DECREASE) IN FUND BALANCE	1,223	1,223	(240)	(1,463)
FUND BALANCE (DEFICIT), BEGINNING	(180)	(180)	(180)	-
FUND BALANCE (DEFICIT), ENDING	<u>\$ 1,043</u>	<u>\$ 1,043</u>	<u>\$ (420)</u>	<u>\$ (1,463)</u>



**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**PARK AND RECREATION SPECIAL REVENUE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax	\$ 412,213	\$ 412,213	\$ 398,731	\$ (13,482)
Payment in lieu of taxes	13,089	13,089	13,089	-
Rents	15,024	15,024	8,684	(6,340)
Charges for services	197,225	197,225	155,373	(41,852)
Interest earnings	75	75	3,369	3,294
Contributions and donations	-	-	670	670
<b>TOTAL REVENUES</b>	<u>637,626</u>	<u>637,626</u>	<u>579,916</u>	<u>(57,710)</u>
EXPENDITURES				
Current				
Culture and recreation	<u>951,157</u>	<u>951,157</u>	<u>862,235</u>	<u>88,922</u>
<b>TOTAL EXPENDITURES</b>	<u>951,157</u>	<u>951,157</u>	<u>862,235</u>	<u>88,922</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(313,531)</u>	<u>(313,531)</u>	<u>(282,319)</u>	<u>31,212</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>427,000</u>	<u>427,000</u>	<u>427,000</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<u>113,469</u>	<u>113,469</u>	<u>144,681</u>	<u>31,212</u>
FUND BALANCE (DEFICIT), BEGINNING	<u>(163,085)</u>	<u>(163,085)</u>	<u>(163,085)</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT), ENDING</b>	<u>\$ (49,616)</u>	<u>\$ (49,616)</u>	<u>\$ (18,404)</u>	<u>\$ 31,212</u>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**RESCUE SQUAD SPECIAL REVENUE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property tax	\$ 163,525	\$ 163,525	\$ 158,228	\$ (5,297)
Payment in lieu of taxes	5,194	5,194	5,194	-
Interest earnings	10	10	4	(6)
	<u>168,729</u>	<u>168,729</u>	<u>163,426</u>	<u>(5,303)</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Public safety	160,362	160,362	161,846	(1,484)
	<u>160,362</u>	<u>160,362</u>	<u>161,846</u>	<u>(1,484)</u>
TOTAL EXPENDITURES				
NET INCREASE (DECREASE) IN FUND BALANCE	<u>8,367</u>	<u>8,367</u>	<u>1,580</u>	<u>(6,787)</u>
FUND BALANCE (DEFICIT), BEGINNING	<u>1,929</u>	<u>1,929</u>	<u>1,929</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 10,296</u>	<u>\$ 10,296</u>	<u>\$ 3,509</u>	<u>\$ (6,787)</u>

**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**CRIME PREVENTION SPECIAL REVENUE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest earnings	\$ -	\$ -	\$ 5	\$ 5
Contributions and donations	32,000	32,000	35,850	3,850
TOTAL REVENUES	<u>32,000</u>	<u>32,000</u>	<u>35,855</u>	<u>3,855</u>
EXPENDITURES				
Current				
Public safety	356,295	356,295	373,614	(17,319)
TOTAL EXPENDITURES	<u>356,295</u>	<u>356,295</u>	<u>373,614</u>	<u>(17,319)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(324,295)</u>	<u>(324,295)</u>	<u>(337,759)</u>	<u>(13,464)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	130,000	130,000	130,000	-
NET INCREASE (DECREASE) IN FUND BALANCE	(194,295)	(194,295)	(207,759)	(13,464)
FUND BALANCE, BEGINNING	193,858	193,858	193,858	-
FUND BALANCE, ENDING	<u>\$ (437)</u>	<u>\$ (437)</u>	<u>\$ (13,901)</u>	<u>\$ (13,464)</u>



**TOWNSHIP OF FALLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**CAPITAL RESERVE CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 6,500	\$ 6,500	\$ 3,404	\$ (3,096)
TOTAL REVENUES	<u>6,500</u>	<u>6,500</u>	<u>3,404</u>	<u>(3,096)</u>
EXPENDITURES				
Current				
General Government	95,000	95,000	63,427	31,573
Public works - highways and streets			-	-
Capital Outlay				
General Government	25,000	25,000	-	25,000
Public works - highways and streets	-	-	16,027	(16,027)
TOTAL EXPENDITURES	<u>120,000</u>	<u>120,000</u>	<u>79,454</u>	<u>40,546</u>
NET INCREASE (DECREASE) IN FUND BALANCE	(113,500)	(113,500)	(76,050)	(43,642)
FUND BALANCE, BEGINNING	<u>7,590,030</u>	<u>7,590,030</u>	<u>3,054,331</u>	<u>(4,535,699)</u>
FUND BALANCE, ENDING	<u>\$ 7,476,530</u>	<u>\$ 7,476,530</u>	<u>\$ 2,978,281</u>	<u>\$ (4,579,341)</u>

This Page Intentionally Left Blank

**Fiduciary Funds**

**Combining Financial Statements**

**Pension Trust Funds**

Police Pension Trust Fund – This fund accounts for the accumulation of resources for pension benefit payments to qualified uniformed police officers.

Non-uniformed Pension Trust Fund – This fund accounts for the accumulation of resources for pension benefit payments to qualified employees of the Township other than uniformed officers.

**Schedule of Changes in Assets and Liabilities**

**Agency Fund**

Township Escrow and Subdivision Fund – This fund is used to account for assets held by the Township in agent capacity for developers as required by developer agreements



**TOWNSHIP OF FALLS**

COMBINING STATEMENT OF PLAN NET POSITION

ALL PENSION TRUST FUNDS

DECEMBER 31, 2014

	Non-Uniform Pension Fund	Police Pension Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$	\$ 2,946,417	\$ 2,946,417
Receivables		161,883	161,883
Investment, at fair value			
Certificates of deposit		494,000	494,000
Common stock, mutual funds	1,943,833	20,536,594	22,480,427
<b>TOTAL ASSETS</b>	<b>1,943,833</b>	<b>24,138,894</b>	<b>26,082,727</b>
<b>LIABILITIES</b>			
Pension payable		518,939	518,939
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>518,939</b>	<b>518,939</b>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<b>\$ 1,943,833</b>	<b>\$ 23,619,955</b>	<b>\$ 25,563,788</b>

**TOWNSHIP OF FALLS**

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION

ALL PENSION TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Non-Uniform Pension Fund	Police Pension Fund	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 114,080	\$ 1,222,066	\$ 1,336,146
Plan Member		314,428	314,428
Commonwealth		518,939	518,939
Total Contributions	114,080	2,055,433	2,169,513
Investment Income			
Interest		(5,525)	(5,525)
Dividend income		492,893	492,893
Net appreciation (depreciation) in fair market value of investments	92,493	784,960	877,453
Total investment income	92,493	1,272,328	1,364,821
Less: investment expenses		83,707	83,707
Net investment income	92,493	1,188,621	1,281,114
<b>TOTAL ADDITIONS</b>	<b>206,573</b>	<b>3,244,054</b>	<b>3,450,627</b>
<b>DEDUCTIONS</b>			
Benefits	120,453	1,927,596	2,048,049
Administrative expenses	663	-	663
Total deductions	121,116	1,927,596	2,048,712
Change in Net Position	85,457	1,316,458	1,401,915
NET POSITION BEGINNING YEAR	1,858,376	22,303,497	24,161,873
NET POSITION END OF YEAR	<b>\$ 1,943,833</b>	<b>\$ 23,619,955</b>	<b>\$ 25,563,788</b>

**TOWNSHIP OF FALLS**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

TOWNSHIP ESCROW SUBDIVISION FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance January 1	Additions	Deletions	Balance December 31
<u>TOWNSHIP ESCROW AND SUBDIVISION</u>				
ASSETS				
Cash and Cash Equivalents	\$ 2,027,168	\$ 632,291	\$ 421,344	\$ 2,238,115
Accounts receivable	1,704	-	-	1,704
TOTAL ASSETS	<u>\$ 2,028,872</u>	<u>\$ 632,291</u>	<u>\$ 421,344</u>	<u>\$ 2,239,819</u>
LIABILITIES				
Deposits	\$ 2,028,872	\$ 632,291	\$ 421,344	\$ 2,239,819
TOTAL LIABILITIES	<u>\$ 2,028,872</u>	<u>\$ 632,291</u>	<u>\$ 421,344</u>	<u>\$ 2,239,819</u>



CAPITAL ASSETS  
USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS

**TOWNSHIP OF FALLS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULES BY SOURCE**

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

	2013	2014
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land	\$ 16,460,926	\$ 16,460,926
Construction in progress	24,263	197,927
Building	5,830,865	5,830,865
Machinery and Equipment	4,963,350	5,011,359
Improvements	14,707,075	14,853,710
Infrastructure	103,975,828	108,496,640
Vehicles	2,961,932	3,313,633
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>\$ 148,924,239</b>	<b>\$ 154,165,060</b>
	2013	2014
<b>INVESTMENTS IN GOVERNMENTAL FUNDS</b>		
<b>CAPITAL ASSETS BY SOURCE</b>		
General Fund	\$ 6,482,240	\$ 6,482,240
Special Revenue Fund	2,427,348	2,481,674
Capital Reserve Fund	4,636,972	4,652,999
Host Community Fees Fund	129,636,092	134,806,560
Donations	5,741,587	5,741,587
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>\$ 148,924,239</b>	<b>\$ 154,165,060</b>

**TOWNSHIP OF FALLS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**

FOR THE YEAR ENDED DECEMBER 31, 2014

Function and Activity	Land	Construction in progress	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Vehicles	Total
<b>General government:</b>								
Supervisors			\$ 29,444					\$ 29,444
Manager					\$ 17,741			17,741
Finance and Administration			2,690,051		543,183			3,233,234
Other-unclassified		\$ 173,664	458,969		87,872			720,505
Total general government	-	173,664	3,178,464	-	648,796	-	-	4,000,924
<b>Public Safety</b>								
Police			176,991		1,964,215		\$ 2,058,823	\$ 4,200,029
Fire and Emergency					44,204		133,758	177,962
License and Inspection					46,847		84,135	130,982
Total public safety		-	176,991	-	2,055,266	-	2,276,716	4,508,973
<b>Highways and Streets:</b>								
Engineering			\$ 646,771			\$ 4,968,954		\$ 5,615,725
Maintenance				\$ 19,375	\$ 2,003,382	213,686	\$ 984,419	3,220,862
Street System	\$ 1,757,000					103,314,000		105,071,000
Total highways and streets	1,757,000	-	646,771	19,375	2,003,382	108,496,640	984,419	113,907,587
Culture and recreation	14,703,926	24,263	1,828,639	14,834,335	303,915	-	52,498	31,747,576
<b>Total governmental funds capital assets</b>	<b>\$ 16,460,926</b>	<b>\$ 197,927</b>	<b>\$ 5,830,865</b>	<b>\$ 14,853,710</b>	<b>\$ 5,011,359</b>	<b>\$ 108,496,640</b>	<b>\$ 3,313,633</b>	<b>\$ 154,165,060</b>



**TOWNSHIP OF FALLS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**

FOR THE YEAR ENDED DECEMBER 31, 2014

<u>Function and Activity</u>	Governmental Funds Capital Assets <u>January 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Governmental Funds Capital Assets <u>December 31, 2014</u>
<b>General Government</b>				
Supervisors	\$ 29,444	\$ -	\$ -	\$ 29,444
Manager	17,741	-	-	17,741
Finance and Administration	3,203,167	30,067	-	3,233,234
Other-Unclassified	510,388	210,117	-	720,505
<b>Total general government</b>	<u>3,760,740</u>	<u>240,184</u>	<u>-</u>	<u>4,000,924</u>
<b>Public Safety</b>				
Police	4,049,924	150,105	-	4,200,029
Fire and Emergency Management	177,962	-	-	177,962
License and Inspection	130,982	-	-	130,982
<b>Total public safety</b>	<u>4,358,868</u>	<u>150,105</u>	<u>-</u>	<u>4,508,973</u>
<b>Highway and Streets</b>				
Engineering	5,496,644	119,081	-	5,615,725
Maintenance	3,017,424	293,287	89,849	3,220,862
Street system	100,689,622	4,381,378	-	105,071,000
<b>Total highways and streets</b>	<u>109,203,690</u>	<u>4,793,746</u>	<u>89,849</u>	<u>113,907,587</u>
<b>Culture and recreation</b>	<u>31,600,941</u>	<u>146,635</u>	<u>-</u>	<u>31,747,576</u>
<b>Total governmental funds capital assets</b>	<u>\$ 148,924,239</u>	<u>\$ 5,330,870</u>	<u>\$ 89,849</u>	<u>\$ 154,165,060</u>

# STATISTICAL SECTION

**TOWNSHIP OF FALLS  
COUNTY OF BUCKS, PENNSYLVANIA**

**Statistical Section**

This part of the Falls Township Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health.

**Contents**

**Financial trends**

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

**Revenue capacity**

These schedules contain information to help the reader assess the Township's most significant local revenue source, the property tax.

**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.

**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.

**Operating information**

These schedules contain service and miscellaneous data to help the reader understand how the information in the Township's financial report relates to the service the Township provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



TOWNSHIP OF FALLS  
Net Position by Components  
Last Ten Fiscal Years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Governmental activities</b>										
Net position, invested in capital assets	\$ 95,366,263	\$ 95,245,962	\$ 89,871,750	\$ 88,258,738	\$ 85,897,168	\$ 86,400,724	\$ 78,869,984	\$ 74,447,001	\$ 75,381,478	\$ 74,700,662
Restricted	693,937	864,626	1,137,956	1,095,729	654,164	5,993,448	11,198,559	11,479,422	4,131,652	3,921,225
Unrestricted	36,613,764	40,705,849	47,395,696	51,226,521	55,366,230	51,556,593	53,721,633	58,458,352	41,615,006	39,116,207
<b>Total governmental activities net position</b>	<b>\$ 133,673,964</b>	<b>\$ 136,816,437</b>	<b>\$ 138,405,602</b>	<b>\$ 140,580,988</b>	<b>\$ 141,917,562</b>	<b>\$ 143,950,765</b>	<b>\$ 143,790,176</b>	<b>\$ 144,384,775</b>	<b>\$ 121,128,136</b>	<b>\$ 117,738,094</b>
<b>Business-type activities</b>										
Net position, invested in capital assets	\$ 172,565	\$ 174,538	\$ 176,511	\$ 178,484	\$ 180,457	\$ 162,700	\$ 162,700	\$ 146,486	\$ 130,210	\$ 10,787,336
Restricted	-	-	-	-	-	-	-	-	647,533	644,983
Unrestricted	(155,586)	(175,414)	(203,530)	(155,563)	(258,693)	(253,056)	(171,955)	(111,962)	20,311,052	8,853,492
<b>Total business-type activities net position</b>	<b>\$ 16,979</b>	<b>\$ (876)</b>	<b>\$ (27,019)</b>	<b>\$ 22,921</b>	<b>\$ (78,236)</b>	<b>\$ (90,356)</b>	<b>\$ (9,255)</b>	<b>\$ 34,524</b>	<b>\$ 21,088,795</b>	<b>\$ 20,285,811</b>
<b>Primary government</b>										
Net position, invested in capital assets	\$ 95,538,828	\$ 95,420,500	\$ 90,048,261	\$ 88,437,222	\$ 86,077,625	\$ 86,563,424	\$ 79,032,684	\$ 74,593,487	\$ 75,511,688	\$ 85,487,998
Restricted	693,937	864,626	1,137,956	1,095,729	654,164	5,993,448	11,198,559	11,479,422	4,779,185	4,566,208
Unrestricted	36,458,178	40,530,435	47,192,366	51,070,958	55,107,537	51,303,537	53,549,678	58,346,390	61,926,058	47,969,699
<b>Total primary government net position</b>	<b>\$ 133,690,943</b>	<b>\$ 136,815,561</b>	<b>\$ 138,378,583</b>	<b>\$ 140,603,909</b>	<b>\$ 141,839,326</b>	<b>\$ 143,860,409</b>	<b>\$ 143,780,921</b>	<b>\$ 144,419,299</b>	<b>\$ 142,216,931</b>	<b>\$ 138,023,905</b>

Source: Falls Township records

TOWNSHIP OF FALLS  
Changes in Net Position  
Last Ten Fiscal Years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Expenses</b>										
Governmental activities										
General government	\$ 2,713,828	\$ 2,573,012	\$ 2,415,703	\$ 2,240,103	\$ 2,139,446	\$ 1,820,889	\$ 3,532,145	\$ 1,907,185	\$ 1,824,208	\$ 1,868,348
Public safety	16,080,941	15,554,489	14,588,506	14,122,814	13,656,438	12,209,438	11,834,328	10,786,841	10,377,900	9,400,156
Public works - highways and streets	6,198,874	5,817,812	5,530,481	5,289,057	5,078,350	4,808,901	4,520,005	4,141,085	4,063,823	3,649,827
Culture and recreation	1,826,865	1,902,802	1,837,690	1,782,852	1,477,633	1,393,156	1,372,976	1,254,797	1,153,181	1,671,044
Debt service interest	-	-	-	-	-	102,594	168,129	53,091	1,284	-
Total governmental activities expenses	<u>26,820,508</u>	<u>25,848,115</u>	<u>24,372,380</u>	<u>23,434,826</u>	<u>22,351,867</u>	<u>20,334,978</u>	<u>21,427,583</u>	<u>18,142,999</u>	<u>17,420,396</u>	<u>16,589,375</u>
Business-type activities										
Water	-	-	-	-	-	-	-	235,803	2,776,859	2,773,620
Sewer	-	-	-	-	-	-	-	231,348	3,091,923	3,027,368
Pinewood Pool	169,094	222,846	226,079	215,598	198,378	195,939	190,687	192,640	163,141	172,441
Total business-type activities expenses	<u>169,094</u>	<u>222,846</u>	<u>226,079</u>	<u>215,598</u>	<u>198,378</u>	<u>195,939</u>	<u>190,687</u>	<u>659,791</u>	<u>6,031,923</u>	<u>5,973,429</u>
<b>Total primary government expenses</b>	<u>\$ 26,989,602</u>	<u>\$ 26,070,961</u>	<u>\$ 24,598,459</u>	<u>\$ 23,650,424</u>	<u>\$ 22,550,245</u>	<u>\$ 20,530,917</u>	<u>\$ 21,618,270</u>	<u>\$ 18,802,790</u>	<u>\$ 23,452,319</u>	<u>\$ 22,562,804</u>
<b>Program revenues</b>										
Governmental activities										
Charges for services										
General government	\$ 1,089,257	\$ 1,021,066	\$ 953,299	\$ 945,872	\$ 911,525	\$ 713,199	\$ 971,180	\$ 1,150,847	\$ 1,287,467	\$ 1,367,533
Public safety	1,547,850	1,537,430	1,496,699	1,431,035	1,194,309	1,581,276	1,606,185	1,952,591	2,253,651	2,261,760
Public works - highways and streets	55,208	140,425	59,570	38,004	50,025	163,665	54,018	176,171	16,066	69,057
Culture and recreation	155,373	178,347	174,219	180,091	153,921	155,546	173,908	156,120	902,232	131,292
Operating grants & contributions										
General government	630,338	628,019	579,781	867,321	514,492	501,355	501,659	517,199	489,879	377,401
Public safety	296,721	312,828	278,797	467,220	328,894	303,046	338,679	320,010	305,123	309,937
Public works - highways and streets	822,537	702,500	864,175	645,539	959,143	643,554	592,683	683,726	818,839	546,033
Culture and recreation	670	30	32	-	2,500	5,085	8,410	-	-	-
Total governmental activities program revenues	<u>4,597,954</u>	<u>4,520,645</u>	<u>4,406,572</u>	<u>4,575,082</u>	<u>4,114,809</u>	<u>4,066,726</u>	<u>4,246,722</u>	<u>4,956,664</u>	<u>6,073,257</u>	<u>5,063,013</u>
Business-type activities										
Charges for service										
Water	-	-	-	-	-	-	-	99,127	2,642,232	2,756,786
Sewer	-	-	-	-	-	-	-	11,849	3,557,819	3,377,887
Pinewood Pool	156,949	173,989	176,139	166,755	140,498	114,838	135,695	131,196	130,005	135,339
Total business-type activities program revenues	<u>156,949</u>	<u>173,989</u>	<u>176,139</u>	<u>166,755</u>	<u>140,498</u>	<u>114,838</u>	<u>135,695</u>	<u>242,172</u>	<u>6,330,056</u>	<u>6,270,012</u>
<b>Total primary government program revenues</b>	<u>\$ 4,754,903</u>	<u>\$ 4,694,634</u>	<u>\$ 4,582,711</u>	<u>\$ 4,741,837</u>	<u>\$ 4,255,307</u>	<u>\$ 4,181,564</u>	<u>\$ 4,382,417</u>	<u>\$ 5,198,836</u>	<u>\$ 12,403,313</u>	<u>\$ 11,333,025</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	<u>\$(22,222,554)</u>	<u>\$(21,327,470)</u>	<u>\$(19,965,808)</u>	<u>\$(18,859,744)</u>	<u>\$(18,237,058)</u>	<u>\$(16,268,252)</u>	<u>\$(17,180,861)</u>	<u>\$(13,186,335)</u>	<u>\$(11,347,139)</u>	<u>\$(11,526,362)</u>
Business-type activities	<u>(12,145)</u>	<u>(48,857)</u>	<u>(49,940)</u>	<u>(48,843)</u>	<u>(57,880)</u>	<u>(81,101)</u>	<u>(54,992)</u>	<u>(417,619)</u>	<u>298,133</u>	<u>296,583</u>
<b>Total primary government net expense</b>	<u>\$(22,234,699)</u>	<u>\$(21,376,327)</u>	<u>\$(20,015,748)</u>	<u>\$(18,908,587)</u>	<u>\$(18,294,938)</u>	<u>\$(16,349,353)</u>	<u>\$(17,235,853)</u>	<u>\$(13,803,954)</u>	<u>\$(11,049,006)</u>	<u>\$(11,229,779)</u>

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General revenues and other changes in net position										
Governmental activities										
Property taxes, levied for general purposes	\$ 2,270,450	\$ 2,263,235	\$ 2,274,529	\$ 2,279,128	\$ 2,280,492	\$ 2,321,546	\$ 2,315,362	\$ 2,492,057	\$ 2,478,706	\$ 2,486,722
Real estate transfer taxes	664,784	858,764	582,059	361,953	323,164	531,353	686,834	776,351	1,277,361	790,944
Local Services taxes	404,511	371,842	371,546	376,399	402,011	393,200	389,125	-	-	-
Emergency Municipal Services taxes	-	-	-	-	-	-	-	635,217	509,277	210,960
Mechanical device tax	34,285	34,023	33,583	36,372	32,513	23,778	23,207	26,432	29,325	27,881
Other taxes	14,173	13,288	14,328	12,938	13,539	14,109	13,907	15,213	14,834	16,642
Payment in lieu of taxes	75,000	75,000	75,459	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Contributions not restricted to specific programs	15,419,498	16,082,578	14,104,136	13,179,521	11,979,130	11,617,345	10,298,608	8,323,221	8,209,904	8,974,871
Investment earnings	176,550	37,434	288,455	958,489	1,113,180	1,273,281	2,647,142	2,891,638	1,999,579	991,172
Contributions/donations	-	-	-	-	-	-	-	14,511	20,453	29,316
Miscellaneous revenues	46,510	77,141	46,327	529,619	54,826	179,229	154,257	78,743	132,683	170,734
Gain / Loss on sale of capital assets	4,320	-	-	-	-	-	-	(23,677)	1,335	349,050
Transfers	(30,000)	(75,000)	-	(150,000)	(70,000)	-	(11,213)	21,138,268	(11,276)	27,724
Total governmental activities	<u>19,080,081</u>	<u>19,738,305</u>	<u>17,790,422</u>	<u>17,659,419</u>	<u>16,203,855</u>	<u>16,428,841</u>	<u>16,592,229</u>	<u>36,442,974</u>	<u>14,737,181</u>	<u>14,151,016</u>
Business-type activities										
Investment earnings	-	-	-	-	-	-	-	501,616	442,774	237,828
Capital contributions	-	-	-	-	-	-	-	-	50,801	1,350,391
Transfers	30,000	75,000	-	150,000	70,000	-	11,213	(21,138,268)	11,276	(27,724)
Total business-type activities	<u>30,000</u>	<u>75,000</u>	<u>-</u>	<u>150,000</u>	<u>70,000</u>	<u>-</u>	<u>11,213</u>	<u>(20,636,652)</u>	<u>504,851</u>	<u>1,560,495</u>
Total primary government	<u>\$ 19,110,081</u>	<u>\$ 19,813,305</u>	<u>\$ 17,790,422</u>	<u>\$ 17,809,419</u>	<u>\$ 16,273,855</u>	<u>\$ 16,428,841</u>	<u>\$ 16,603,442</u>	<u>\$ 15,806,322</u>	<u>\$ 15,242,032</u>	<u>\$ 15,711,511</u>
Change in net position										
Governmental activities	\$ (3,142,473)	\$ (1,589,165)	\$ (2,175,396)	\$ (1,200,325)	\$ (2,033,203)	\$ 160,589	\$ (588,632)	\$ 23,256,639	\$ 3,390,042	\$ 2,624,654
Business-type activities	17,855	26,143	(49,940)	101,157	12,120	(81,101)	(43,779)	(21,054,271)	802,984	1,857,078
Total primary government	<u>\$ (3,124,618)</u>	<u>\$ (1,563,022)</u>	<u>\$ (2,225,326)</u>	<u>\$ (1,099,168)</u>	<u>\$ (2,021,083)</u>	<u>\$ 79,488</u>	<u>\$ (632,411)</u>	<u>\$ 2,202,368</u>	<u>\$ 4,193,026</u>	<u>\$ 4,481,732</u>

Source: Falls Township records

This Page Intentionally Left Blank



TOWNSHIP OF FALLS  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>General Fund</b>										
Nonspendable:										
Prepaid Items	\$ 233,547	\$ 196,903	\$ 204,163	\$ 169,290						
Assigned to:										
Capital Projects	9,201,402	8,429,981	17,326,670	10,520,582						
Subsequent year's budget	798,013	8,932,781	9,926,276	818,577						
Unassigned	26,488,008	22,781,297	14,616,130	24,783,566						
Unreserved					\$ 1,224,634	\$ 1,182,347	\$ (168,386)	\$ (182,733)	\$ (279,387)	\$ 2,205
Reserved					175,009	109,817	172,148	183,767	174,350	176,056
<b>Total General fund</b>	<u>\$ 36,720,970</u>	<u>\$ 40,340,962</u>	<u>\$ 42,073,239</u>	<u>\$ 36,292,015</u>	<u>\$ 1,399,643</u>	<u>\$ 1,292,164</u>	<u>\$ 3,762</u>	<u>\$ 1,034</u>	<u>\$ (105,037)</u>	<u>\$ 178,261</u>
<b>All other governmental funds</b>										
Restricted for:										
Culture and recreation	\$ -	\$ -	\$ 120,805	\$ 333,961						
Fire protection	-	-	1,663	-						
Library support	-	-	372	922						
Rescue squad services	3,509	1,929	-	135						
Recycling expenditures	446,335	446,235	446,108	445,943						
Highway aid	178,854	222,604	427,175	290,572						
Street Lighting	65,239	-	-	-						
Drug prevention	-	193,858	141,833	24,196						
Assigned to:										
Capital projects	2,978,281	3,054,331	7,590,030	16,576,441						
Unassigned	(56,585)	(201,774)	(128,119)	(63,334)						
Unreserved, reported in:					\$ 38,871,974	\$ 34,903,155	\$ 42,223,283	\$ 45,614,258	\$ 42,510,983	\$ 40,324,763
Special revenue funds					65,642	65,557	65,394	-	-	-
Permanent funds					111,729	5,261,072	10,367,764	10,492,506	3,092,635	2,939,735
Capital projects funds										
Reserved, reported in:										
Capital projects funds					16,795,212	16,795,212	16,878,212	16,879,081	-	-
<b>Total all other governmental funds</b>	<u>\$ 3,615,633</u>	<u>\$ 3,717,183</u>	<u>\$ 8,599,867</u>	<u>\$ 17,608,836</u>	<u>\$ 55,844,557</u>	<u>\$ 57,024,996</u>	<u>\$ 69,534,653</u>	<u>\$ 72,985,845</u>	<u>\$ 45,603,618</u>	<u>\$ 43,264,498</u>
<b>Total Governmental Funds</b>	<u>\$ 40,336,603</u>	<u>\$ 44,058,145</u>	<u>\$ 50,673,106</u>	<u>\$ 53,900,851</u>	<u>\$ 57,244,200</u>	<u>\$ 58,317,160</u>	<u>\$ 69,538,415</u>	<u>\$ 72,986,879</u>	<u>\$ 45,498,581</u>	<u>\$ 43,442,759</u>

Note: GASB Statement No. 54 has been implemented prospectively beginning in the 2011 year and the prior years have not been restated.

Source: Falls Township records

TOWNSHIP OF FALLS  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues</b>										
<b>Taxes</b>										
Property	\$ 2,284,798	\$ 2,268,738	\$ 2,268,828	\$ 2,279,211	\$ 2,269,754	\$ 2,321,546	\$ 2,312,152	\$ 2,480,393	\$ 2,523,820	\$ 2,478,146
Real estate transfer	664,784	858,764	582,059	361,953	323,164	531,353	686,834	776,351	1,277,361	790,944
Local Services tax	410,435	371,787	371,209	376,414	401,538	407,309	395,037	-	-	-
Emergency municipal services	-	-	-	-	-	-	-	623,804	509,277	210,960
Mechanical device	34,285	34,023	33,583	36,372	32,513	23,778	23,207	26,432	29,325	27,881
Motor Fuel tax	671,686	621,321	633,435	633,393	620,034	643,554	669,559	605,850	585,839	546,033
Payment in lieu of taxes	75,000	75,000	75,459	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Host Community fees	15,419,498	16,082,578	14,104,136	13,079,521	11,529,130	11,067,346	9,749,608	7,773,222	8,209,904	8,974,871
Licenses and permits	840,523	816,356	797,257	749,112	737,645	651,484	630,848	599,457	899,336	871,825
Fines and forfeits	182,573	200,345	186,362	162,229	204,078	202,820	210,517	218,614	225,914	265,215
Interest earnings	176,550	37,431	288,457	1,210,431	1,223,805	1,163,901	2,647,141	2,638,452	1,999,581	991,172
Rents	99,532	104,771	98,081	135,933	81,190	166,526	203,061	396,594	406,296	278,778
Intergovernmental	905,382	973,464	1,070,995	1,327,844	1,163,164	761,887	801,925	807,606	951,955	678,711
Charges for services	1,697,430	1,747,987	1,627,068	1,711,050	1,939,089	2,134,991	2,340,809	2,612,743	2,158,850	2,471,310
Contributions and donations	187,371	62,685	33,588	33,035	38,510	47,600	71,989	63,998	73,920	29,316
Refunds of prior years	42,788	34,674	34,101	30,278	26,646	-	94,471	86,752	56,450	1,994
Miscellaneous	-	-	-	115	1,946	9,428	3,193	178	112,610	136,523
<b>Total revenue</b>	<b>23,692,635</b>	<b>24,289,924</b>	<b>22,204,618</b>	<b>22,201,891</b>	<b>20,667,206</b>	<b>20,208,523</b>	<b>20,915,351</b>	<b>19,785,446</b>	<b>20,095,438</b>	<b>18,828,679</b>
<b>Expenditures</b>										
<b>Current</b>										
General government	2,525,187	2,389,076	2,283,123	2,091,505	1,992,847	2,470,190	1,740,389	1,838,680	1,702,810	1,690,097
Public safety	15,253,208	14,903,972	13,802,918	13,315,061	13,271,102	11,769,814	11,291,262	10,579,431	10,086,596	9,108,870
Public works - highway and street	3,258,566	3,035,945	2,905,706	2,830,061	2,620,414	2,437,359	2,383,332	2,296,124	1,969,486	1,696,079
Culture and recreation	1,020,866	1,134,638	1,046,577	1,055,873	903,860	884,786	794,497	740,625	634,206	599,702
Miscellaneous	-	-	-	-	-	-	-	-	-	4,466
<b>Capital outlay</b>										
General government	240,184	399,969	65,462	185,890	23,241	92,992	120,767	20,791	6,678	44,499
Public safety	150,105	839,433	277,014	307,440	325,579	296,309	223,162	238,450	313,945	366,052
Highways and streets	4,793,746	6,888,844	4,303,795	3,932,673	1,823,288	10,142,639	6,304,675	1,382,535	2,472,064	5,388,866
Culture and recreation	146,635	1,277,434	758,629	1,554,258	710,658	181,370	826,117	271,719	832,214	387,950
<b>Debt service principal</b>	-	-	-	-	-	3,055,000	542,066	47,453	10,392	11,676
<b>Debt service interest</b>	-	-	-	-	-	102,594	121,298	661	1,284	-
<b>Total expenditures</b>	<b>27,388,497</b>	<b>30,869,311</b>	<b>25,443,224</b>	<b>25,272,761</b>	<b>21,670,989</b>	<b>31,433,053</b>	<b>24,347,565</b>	<b>17,416,469</b>	<b>18,029,675</b>	<b>19,298,257</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>(3,695,862)</b>	<b>(6,579,387)</b>	<b>(3,238,606)</b>	<b>(3,070,870)</b>	<b>(1,003,783)</b>	<b>(11,224,530)</b>	<b>(3,432,214)</b>	<b>2,368,977</b>	<b>2,065,763</b>	<b>(469,578)</b>

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Other financing sources(uses)										
Transfer in	558,000	5,352,064	9,309,500	463,700	12,590,837	10,336,951	7,345,097	26,762,798	4,678,733	4,552,920
Transfer out	(588,000)	(5,427,064)	(9,309,500)	(613,700)	(12,660,837)	(10,336,951)	(7,356,310)	(5,624,530)	(4,690,009)	(4,525,196)
Transfer of bonds payable	-	-	-	-	-	-	-	3,093,068	-	-
Capital lease obligation	-	-	-	-	-	-	-	102,686	-	33,083
Sale of capital assets	4,320	39,426	10,861	13,770	823	3,274	930	15,244	1,335	351,050
Total other financing sources(uses)	<u>(25,680)</u>	<u>(35,574)</u>	<u>10,861</u>	<u>(136,230)</u>	<u>(69,177)</u>	<u>3,274</u>	<u>(10,283)</u>	<u>24,349,266</u>	<u>(9,941)</u>	<u>411,857</u>
Net change in fund balance	<u>\$ (3,721,542)</u>	<u>\$ (6,614,961)</u>	<u>\$ (3,227,745)</u>	<u>\$ (3,207,100)</u>	<u>\$ (1,072,960)</u>	<u>\$ (11,221,256)</u>	<u>\$ (3,442,497)</u>	<u>\$ 26,718,243</u>	<u>\$ 2,055,822</u>	<u>\$ (57,721)</u>
Debt service as a percentage of non-capital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	15.24%	3.93%	0.31%	0.08%	0.09%

Source: Falls Township records

TOWNSHIP OF FALLS  
 General Governmental Tax Revenues by Source  
 Last Ten Fiscal Years

Year ending December 31,	Property	Local Services	Emergency Municipal Services	Real Estate Transfer	Mechanical Device	Total
2005	\$ 2,478,146	\$ -	\$ 210,960	\$ 790,944	\$ 27,881	\$ 3,507,931
2006	2,523,820	-	509,277	1,277,361	29,325	4,339,783
2007	2,480,393	-	623,804	776,351	26,432	3,906,980
2008	2,315,362	389,125	-	686,834	23,207	3,414,528
2009	2,321,546	393,200	-	531,353	23,778	3,269,877
2010	2,280,492	402,011	-	323,164	32,513	3,038,180
2011	2,279,211	376,414	-	361,953	36,372	3,053,950
2012	2,268,828	371,209	-	582,059	33,583	3,255,679
2013	2,268,738	371,787	-	858,764	34,023	3,533,312
2014	2,284,798	410,435	-	664,784	34,285	3,394,302

Sources: Township documents



TOWNSHIP OF FALLS  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Year	Real Property Assessed Value <sup>(a)</sup>	Less: Tax Exempt Property	Total Taxable Assessed Value	Estimated Actual Values of Real Property	Ratio of Total Assessed Value to Total Estimated Actual Value <sup>(b)</sup>	Falls Twp Municipal Millage Rate
2005	\$ 372,380,460	\$ 56,738,040	\$ 315,642,420	\$ 3,761,418,788	9.90%	7.72
2006	375,312,350	54,595,170	320,717,180	4,124,311,538	9.10%	7.72
2007	377,048,910	57,615,300	319,433,610	4,011,158,617	9.40%	7.72
2008	377,657,160	58,205,330	319,451,830	3,893,372,784	9.70%	7.22
2009	379,763,660	60,384,750	319,378,910	3,484,070,275	10.90%	7.22
2010	380,379,040	60,975,730	319,403,310	4,148,081,134	9.17%	7.22
2011	379,439,470	61,043,290	318,396,180	4,287,451,638	8.85%	7.22
2012	378,157,270	60,545,010	317,612,260	4,083,771,814	9.26%	7.22
2013	378,687,490	60,508,530	318,178,960	4,165,978,988	9.09%	7.22
2014	378,528,240	60,583,740	317,944,500	4,087,777,970	9.26%	7.22

Source: Falls Township Tax Department (Bucks County, PA Real Estate Assessment Roll)

<sup>(a)</sup> Assessed value of real property includes all property within the Township. County assessment records do not provide categorization use or ownership.

<sup>(b)</sup> Information provided by Pennsylvania State Tax Equalization Board (STEB) for Bucks County, PA.

TOWNSHIP OF FALLS  
Property Tax Rates  
Direct & Overlapping Governments  
Per \$1,000 of Assessed Value  
Last Ten Fiscal Years

<u>Year</u>	<u>Falls Township</u>			<u>Overlapping Rates</u>		<u>All Government Totals</u>
	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total Township Millage</u>	<u>Bucks County Total Millage (a)</u>	<u>Pennsbury SD Total Millage (a)</u>	
2005	7.72	0.00	7.72	20.49	128.60	156.81
2006	7.72	0.00	7.72	21.94	134.70	164.36
2007	7.72	0.00	7.72	21.94	139.40	169.06
2008	7.22	0.00	7.22	21.94	145.00	174.16
2009	7.22	0.00	7.22	21.94	148.80	177.96
2010	7.22	0.00	7.22	21.94	150.30	179.46
2011	7.22	0.00	7.22	23.20	150.30	180.72
2012	7.22	0.00	7.22	23.20	150.30	180.72
2013	7.22	0.00	7.22	23.20	150.30	180.72
2014	7.22	0.00	7.22	23.20	153.45	183.87

(a) Information supplied by Falls Township Tax Collector

TOWNSHIP OF FALLS  
Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	Type of Business	2014			2005		
		Taxable Assessed valuation (a)	Rank	Percentage of total taxable assessed valuation	Taxable Assessed valuation	Rank	Percentage of total taxable assessed valuation
Oxford Valley Road Associates	Retail Stores	\$ 6,314,040	1	1.99%	\$ 6,355,880	1	1.96%
Healey, Robert T. & William J.	Apartment	4,935,880	2	1.55%	4,974,720	2	1.53%
Pennwood Assoc. Ltd. Partnership	Mobile Home Park	4,579,320	3	1.44%	3,802,320	5	1.17%
National Property Investments	Apartment	4,320,000	4	1.36%	4,320,000	4	1.33%
WMI Properties	Industrial	4,001,400	5	1.26%	4,888,720	3	1.50%
K-Mart Corporation	Industrial	3,108,000	6	0.98%	3,788,400	6	1.17%
Bucks County Economic Development Corp.	Development	3,020,550	7	0.95%			
Wheelabrator Falls Inc.	Industrial	2,616,770	8	0.82%	3,682,320	7	1.13%
BRE Hospitality	Hotel	2,235,320	9	0.70%			
N S 200 Cabot PA LLC (General Motors Tax Staff)	Industrial	2,070,490	10	0.65%			
Penn Lake Realty Associates	Realty				1,773,600	8	0.55%
United States Steel	Industrial				1,332,040	9	0.41%
JCPenney Properties, Inc.	Warehouse				1,323,400	10	0.41%
<b>Totals</b>		<b>\$ 37,201,770</b>		<b>11.70%</b>	<b>\$ 36,241,400</b>		<b>11.16%</b>

(a) Total Assessed Valuation equal to \$ 317,944,500

Source: Falls Township records

TOWNSHIP OF FALLS  
Property Tax Levies & Collections  
Last Ten Fiscal Years

<u>Year</u>	<u>Total Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2005	\$ 2,556,266	\$ 2,383,329	93.23%	\$ 172,863	\$ 2,556,192	99.997%
2006	2,556,269	2,434,614	95.24%	121,581	2,556,195	99.997%
2007	2,556,271	2,409,921	94.27%	146,255	2,556,176	99.996%
2008	2,336,093	2,254,217	96.50%	81,766	2,335,983	99.995%
2009	2,335,472	2,283,391	97.77%	50,603	2,333,994	99.937%
2010	2,305,916	2,215,102	96.06%	89,150	2,304,252	99.928%
2011	2,298,820	2,213,694	96.30%	83,316	2,297,010	99.921%
2012	2,293,161	2,203,440	96.09%	87,083	2,290,523	99.885%
2013	2,297,252	2,243,219	97.65%	32,296	2,275,515	99.054%
2014	2,295,559	2,250,485	98.04%	-	2,250,485	98.036%

Source: Falls Township Tax Collector



TOWNSHIP OF FALLS  
 Ratios of Outstanding Debt by Type  
 Last Ten Years

Fiscal year	Governmental activities		Business-Type activities		Total Primary government	Percentage of personal income	Per Capita	Per W/S customer
	General obligation bonds	General obligation notes	General obligation bonds	General obligation notes				
2005	-	-	\$ 4,555,000	-	\$ 4,555,000	1.23%	-	456
2006	-	-	4,065,000	-	4,065,000	1.43%	-	407
2007	\$ 3,565,000	-	-	-	3,565,000	1.68%	106	-
2008	3,055,000	-	-	-	3,055,000	2.03%	91	-
2009	-	-	-	-	-	0.00%	-	-
2010	-	-	-	-	-	0.00%	-	-
2011	-	-	-	-	-	0.00%	-	-
2012	-	-	-	-	-	0.00%	-	-
2013	-	-	-	-	-	0.00%	-	-
2014	-	-	-	-	-	0.00%	-	-

Source: Falls Township records

Note: The Township-held Water & Sewer Revenue Bonds, Series 2004, were paid in full on December 15, 2009. As of December 31, 2009, Falls Township has no outstanding bonded debt.

TOWNSHIP OF FALLS  
Ratio of General Bonded Debt Outstanding  
Last Ten Years

<u>Year</u>	<u>Population(a)</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Debt Payable From Enterprise Revenues</u>	<u>Net Bonded Debt</u>	<u>Ratio Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2005	33,982	\$ 324,841,420	\$ 4,555,000	\$ 4,555,000	0.00	0.000	0
2006	33,915	320,717,180	4,065,000	4,065,000	0.00	0.000	0
2007	33,769	319,433,610	3,565,000	-	3,565,000	0.011	106
2008	33,579	319,451,830	3,055,000	-	3,055,000	0.010	91
2009	34,865	319,378,910	-	-	0.00	0.000	0
2010	34,300	319,403,310	-	-	0.00	0.000	0
2011	33,522	318,396,180	-	-	0.00	0.000	0
2012	34,300	317,612,260	-	-	0.00	0.000	0
2013	34,300	318,178,960	-	-	0.00	0.000	0
2014	34,367	317,944,500	-	-	0.00	0.000	0

(a) Population Estimates Branch of the U.S. Census

Source: Falls Township records

Note: The Township-held Water & Sewer Revenue Bonds, Series 2004, were paid in full on December 15, 2009.

As of December 31, 2009, Falls Township has no outstanding bonded debt.

TOWNSHIP OF FALLS  
 Direct & Overlapping Governmental Activities Debt  
 December 31, 2014

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Township of Falls</u>	<u>Amount Applicable to Township of Falls</u>
Township of Falls (a)	\$ -	100.00%	\$ -
Pennsbury School District (b)	148,040,000	35.63%	52,746,652
Bucks County (c)	<u>316,850,553</u>	3.94%	<u>12,483,912</u>
 Total - Overlapping Debt	 \$ 464,890,553		 \$ 65,230,564

Sources:

- (a) Falls Township financial records
- (b) Pennsbury School District Business Office
- (c) Bucks County Finance Office

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping unit's taxable assessed value that is within the Township's boundaries and dividing it by the unit's total taxable assessed value.

Note: The Township-held Water & Sewer Revenue Bonds, Series 2004, were paid in full on December 15, 2009. As of December 31, 2009, Falls Township has no outstanding bonded debt.

TOWNSHIP OF FALLS  
Legal Debt Margin Information  
Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 51,937,905	\$ 46,377,600	\$ 45,679,860	\$ 47,310,563	\$ 47,380,837	\$ 47,821,747	\$ 48,405,976	\$ 50,041,011	\$ 53,255,417	\$ 54,681,043
Total Net Debt applicable to limit	-	-	3,565,000	3,055,000	-	-	-	-	-	-
Legal Debt Margin	\$ 51,937,905	\$ 46,377,600	\$ 42,114,860	\$ 44,255,563	\$ 47,380,837	\$ 47,821,747	\$ 48,405,976	\$ 50,041,011	\$ 53,255,417	\$ 54,681,043
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	8%	6%	0%	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Year 2014

Borrowing Base Revenues: (a)		
	2012	20,657,972
	2013	22,859,962
	2014	22,099,318
		<u>\$ 65,617,252</u>
Average Borrowing Base Revenues:		\$ 21,872,417
Debt Limit Percentage	X	<u>250.00%</u>
Debt Limit		\$ 54,681,043
Less: Total Amount Of Debt Applicable to Debt Limit (b)		<u>-</u>
Legal Debt Margin		\$ 54,681,043

(a) Borrowing Base revenues represent total revenues less governmental grants received for a specific purpose and enterprise fund revenues which are pledged for specific self-liquidating debt, interest on monies in sinking funds, grants and gifts for specified projects, proceeds from the disposition of capital assets and other non-recurring items not considered income under generally accepted accounting principles.

(b) Bonds and Notes Payable, less Sinking Fund credits and self liquidating debt.

Source: Falls Township records



TOWNSHIP OF FALLS  
 Revenue Bond Coverage  
 Water/Sewer Funds  
 Last Ten Years

<u>Year</u>	<u>Gross Revenues (a)</u>	<u>Operating Expenses (b)</u>	<u>Net Revenues Available (Unavailable) for Debt Service</u>	<u>Debt Requirements</u>	<u>Coverage</u>
2005	\$ 6,372,501	\$ 5,095,035	\$ 1,277,466	\$ 628,769	2.03
2006	6,642,825	5,117,872	1,524,953	628,519	2.43
2007	612,592	337,432	275,160	629,719	0.44
2008	-	-	-	625,344	0.00
2009	-	-	-	-	0.00
2010	-	-	-	-	0.00
2011	-	-	-	-	0.00
2012	-	-	-	-	0.00
2013	-	-	-	-	0.00
2014	-	-	-	-	0.00

(a) Total revenues including interest income.

(b) Total expenses excluding depreciation & debt payments.

Source: Falls Township Records

Note: The Township-held Water & Sewer Revenue Bonds, Series 2004, were paid in full on December 15, 2009.

As of December 31, 2009, Falls Township has no outstanding bonded debt.

TOWNSHIP OF FALLS  
Demographic and Economic Statistics  
Last Ten Years

<u>Year</u>	<u>Population (a)</u>	<u>Per Capita Income</u>	<u>School District Enrollment (b)</u>	<u>Number of Dropouts (b)</u>	<u>Dropouts as % of Enrollment</u>	<u>Unemployment Rate (c)</u>
2005	33,982	N/A	11,631	28	0.24%	4.6%
2006	33,915	N/A	11,291	38	0.34%	4.2%
2007	33,769	N/A	11,584	31	0.27%	3.6%
2008	33,579	N/A	11,660	30	0.26%	4.0%
2009	34,865	N/A	11,423	35	0.31%	7.4%
2010	34,300	N/A	11,362	38	0.33%	7.2%
2011	33,522	N/A	10,967	32	0.29%	7.5%
2012	34,300	N/A	10,605	30	0.28%	6.6%
2013	34,300	N/A	10,673	30	0.28%	5.8%
2014	34,367	N/A	10,457	29	0.28%	5.7%

Data Sources:

(a) Population Estimates Branch of the U.S. Census

(b) Pennsbury School District, as of 6/30/14

(c) Bucks County Planning Commission, State of Pennsylvania

N/A Data not available

TOWNSHIP OF FALLS  
Principal Employers  
Current Year and Nine Years Ago

Employer	Description	2014			2005		
		Employees	Rank	Percentage of Total Township Employment	Employees	Rank	Percentage of Total Township Employment
Pennsbury School District	Public Education	933	1	3.36%	966	2	3.96%
Aria Health - Bucks County Campus	Hospital	891	2	3.21%	1,117	1	4.58%
Eckerd/Rite Aid	Retail Store	468	3	1.68%	413	5	1.69%
Kmart Distribution Center	Warehouse Distribution	291	4	1.05%	495	3	2.03%
Best Buy	Retail Store	180	5	0.65%			
Peruzzi	Auto Sales	177	6	0.64%	310	7	1.27%
Home Depot	Retail Store	174	7	0.63%	300	8	1.23%
Waste Management	Waste Collector	153	8	0.55%	343	6	
Univar	Chemicals	148	9	0.53%			
Giant Food	Food Store	147	10	0.53%			
Walmart	Retail Store				490	4	2.01%
Bucks County Courier Times	Newspaper				291	9	1.19%
Burger King	Restaurant				280	10	1.15%
<b>Total</b>		<b>3,562</b>		<b>12.82%</b>	<b>5,005</b>		<b>19.11%</b>

Source: Respective Companies and Township Records

FALLS TOWNSHIP  
 FULL TIME EQUIVALENT TOWNSHIP EMPLOYEES BY FUNCTION  
 LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government	11	11	11	13	16	16	16	16	16	16
Public Safety										
Police										
Officers	52	52	51	52	53	52	53	51	51	51
Civilians	7	7	7	7	7	7	7	7	7	7
Fire										
Civilians	3	3	3	3	4	4	4	4	4	4
Highway and Streets										
Maintenance	13	13	14	15	15	15	16	16	16	16
Sanitation										
Culture and Recreation	2	2	2	2	3	3	3	3	3	4
Water	4	4	0	0	0	0	0	0	0	0
Sewer	4	4	0	0	0	0	0	0	0	0
Totals	<u>96</u>	<u>96</u>	<u>88</u>	<u>92</u>	<u>98</u>	<u>97</u>	<u>99</u>	<u>97</u>	<u>97</u>	<u>98</u>

Sources: Township documents



FALLS TOWNSHIP  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police										
Criminal Arrests	1,746	1,449	1,365	1,420	1,277	1,058	1,334	942	861	926
Parking Violations	564	432	381	211	167	296	107	125	192	106
Traffic Violations	2,703	2,544	2,340	2,080	2,012	2,076	1,283	1,403	1,413	1,958
Animal Control Investigations	293	317	333	300	326	341	326	272	272	255
Fire										
Number of calls answered	1,628	1,572	1,619	1,653	1,497	1,584	1,518	1,494	1,416	1,475
License and Inspection										
Business Licenses	1,836	1,640	1,611	1,572	1,450	1,360	1,384	1,481	1,363	1,764
Building Permits	1,550	1,801	1,753	909	593	737	747	564	645	571
Electrical Permits	3,362	2,987	2,778	763	477	332	331	430	445	495
Highways and Streets										
Road Reconstruction (lineal feet)	6,000	2,500	5,925	10,900	20,172	6,450	6,848	11,939	11,596	-
Culture and Recreation										
Community Park Watercraft Permits	144	140	134	177	210	180	N/A	N/A	N/A	N/A
Community Park Pavillion Rentals	109	105	83	110	94	100	99	103	87	84
Water										
Water Permits	3	15	-	-	-	-	-	-	-	-
Sewer										
Sewer Permits	3	69	-	-	-	-	-	-	-	-

Sources: Various government departments

Note: As of 2011, the Township no longer requires Watercraft Permits for the Community Park Lake

FALLS TOWNSHIP  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Function</b>										
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicle Units	46	46	49	50	51	53	55	55	60	59
Fire Stations	3	3	3	3	3	3	3	3	3	3
Highways and Streets										
Streets (miles)	85.88	86.25	86.25	86.75	86.75	86.75	86.75	86.75	86.75	86.75
Streetlights - R	2,455	2,462	2,465	2465	2465	2465	2465	2465	2465	2465
Streetlights - H	83	83	83	83	83	83	83	83	83	83
Traffic Signals	N/A	N/A	33	34	34	34	34	34	34	34
Culture and Recreation										
Parks Acreage	413.11	413.11	413.11	413.11	413.11	413.11	413.33	413.33	413.33	413.33
Parks	16	16	16	16	16	16	16	16	16	16
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains	6,389	3,290	3,290	3290	3290	3290	3290	3290	3290	3290
Sewer										
Sanitary Sewers	-	-	-	-	-	-	-	-	-	-

Sources: Various government departments

Note: Indicators not available for General Government Function

TOWNSHIP OF FALLS  
Schedule of Insurance  
As of December 31, 2014

Name of Company	Policy Number	Policy Period		Type of Coverage	Liability		Annual Premium
		From	To		Limits	Deductible	
Delaware Valley Insurance Trust	389280342	1/1/2014	1/1/2015	Workers Compensation	\$1M/\$1M/\$1M	\$ -	\$ 413,263
Fidelity & Deposit	POB08877912	3/1/2014	3/1/2015	Public Official Bond for Manager	\$ 2,000,000	\$ -	\$ 2,919
	POB08927696	5/1/2014	5/1/2015	Public Official Bond for Finance Dir	2,000,000	-	2,919
	POB09107657	1/1/2014	1/1/2015	Public Official Bond for Sec/Treas	2,000,000	-	2,919
Chartis Insurance Company	SRG9142988/2979/2980	1/11/2014	1/11/2015	Volunteer Accident for Vol Fire Cos.	\$ 250,000	\$ -	\$ 1,743
	SRG9493148	10/17/2014	10/17/2015	Volunteer Accident for Rescue Squad	250,000	-	600
	SRG9411599/1602	2/12/2014	2/12/2015	Volunteer Accident for Ambulance	250,000	-	1,741
Travelers Indemnity Company	630-3022R17A	6/18/2014	6/18/2015	Property	\$ 18,831,455	\$ 1,000	\$ 131,958
	630-3022R17A			Contractors Equipment	1,054,198	1,000	Included
	630-3022R17A			EDP	945,708	1,000	Included
	ZLP14R94416			General Liability	2,000,000	-	Included
	ZLP14R94416			Employee Benefits Liability	3,000,000	1,000	Included
	630-3022R17A			Crime	As Specified	As Specified	Included
	H-810-3031P575			Automobile	1,000,000	1,000	134,387
	ZUP14R94428			Umbrella	3,000,000	10,000	Included
	ZLP14R94416			Employment Practices Liability	2,000,000	15,000	Included
	ZLP14R94416			Public Officials Liability	2,000,000	10,000	Included
	ZLP14R94416			Law Enforcement Liability	2,000,000	15,000	58,836
	630-3022R17A			Flood & Surface Water	500,000	50,000	Included
	630-3022R17A			Earthquake or Volcanic	500,000	50,000	Included
630-3022R17A	Boiler & Machinery	Included in Property	1,000	Included			
ZPL61M08315-14-PB	Cyber Liability	25,000	1,000	Included			
Markell/Evanston Insurance	11EIL00488	6/18/2014	6/18/2015	Pollution	\$ 500,000	\$ 10,000	\$ 4,108
Hartford Insurance Company	ETB-116037	12/14/2014	12/14/2015	Police Pension/Act 30	\$ 500,000	\$ -	\$ 9,568
Philadelphia Insurance Company	8702611506	1/22/2014	1/22/2015	Primary Flood	\$ 500,000	\$ 1,000	\$ 2,610
WNC First/Philadelphia Insurance	5129812	11/26/2014	11/26/2015	Excess Flood	\$ 500,000	\$ -	\$ 3,083
<b>Total premium</b>							<b>\$ 770,654</b>

Source: Falls Township records.

TOWNSHIP OF FALLS  
Miscellaneous Statistics  
December 31, 2014

<u>Area:</u>	26.516 sq. miles
<u>Date of Incorporation:</u>	July 27, 1692
<u>Form of Government:</u>	Second Class Township
<u>Governing Body:</u>	Board of Supervisors
<u>Population:</u>	1890 - 2,463 1900 - 1,886 1910 - 1,851 1920 - 1,788 1930 - 2,004 1940 - 2,364 1950 - 3,540 1960 - 29,082 1970 - 35,850 1980 - 36,083 1990 - 34,997 2000 - 34,865 2010 - 34,300
<u>Median Age:</u>	1980 - 28.8 1990 - 33.6 2000 - 36.4 2010 - 39.1
<u>2010 Census Profile:</u>	<u>Race / Ethnicity</u> 86.5% - White 5.8% - Black or African American 0.2% - American Indian and Alaskan Native 4.2% - Asian 1.3% - Some Other Race 2.1% - Two or More Races 4.4% - Hispanic or Latino (of any race)
<u>Current Statistics:</u>	<u>Housing</u> 13,609 - Total Housing Units (in 2010) \$213,900 - Median Home Price (in 2014) \$ 972 - Median Rent (in 2014)

Source: Falls Township records



TOWNSHIP OF FALLS  
Miscellaneous Statistics  
December 31, 2014

Park & Recreation Facilities:

- 1 Public Swimming Pool
- 16 Parks: 8 with playgrounds; others with baseball-softball fields, outdoor basketball and tennis courts, and one Challenger Field
- 1 Boat Ramp (access to Delaware River)
- 1 County Park - Lake, Pool, Golf Course
- 1 State Park

Parks & Recreation:

Acreage  
323.82 acres Township Parks  
138.00 acres Greenbelts / Open Space  
231.09 acres County / Lake, Pool  
43.00 acres State Park

Cultural & Historical Facilities:

Township - Three Arches  
State - Pennsbury Manor

Street System:

86.75 Local Miles  
45.60 State miles

Highways:

U.S. Route #1  
Route #13  
East & West Lincoln Highway

Number of Street Lights:  
(All Township Owned)

2,465 Residential  
83 Highway

Sanitary Sewage:

308,904 L.F. Mains (a)  
Maximum Average Daily Treatment 2.406 MGD

Water:

311,162 L.F. Mains (a)  
Maximum Average Daily Treatment 2.85MGD

(a) Source: Township of Falls Authority

TOWNSHIP OF FALLS  
Miscellaneous Statistics  
December 31, 2014

Education: Pennsbury School District  
                   11 Elementary Schools  
                   3 Middle Schools  
                   1 High Schools (East & West Campus)  
                   10,457 Students

Libraries: Fallsington Library

<u>Apartment Complexes:</u>	<u>Name</u>	<u># of Units</u>
	Village of Pennbrook	722
	Alexandria	201
	Castle Club	158
	Commons of Fallsington	477
	Dorilyn Terrace	158
	Falls Creek Village	253
	Lakeview Terrace	288
	Newport Village	179
	Rock Spring	169
	Pennsbury Woods	110
	Aspen Falls	112
	Nolan Park	80
	Woodcrest Village	60

Banks: Bank of America  
                   Wells Fargo Bank  
                   Citizens Bank  
                   TD Bank

Rail: No rail stations

Bus: No terminal

Airfield: No airfield

Source: Falls Township records

TOWNSHIP OF FALLS  
Miscellaneous Statistics  
December 31, 2014

Public Utilities:

Verizon (Phone)  
PECO Energy (Electric / Gas)  
Township of Falls Authority (Water)  
Township of Falls Authority (Sewer)  
Morrisville Borough Authority (Water)  
Morrisville Borough Authority (Sewer)  
Lower Bucks County Joint Municipal  
Authority (Water and Sewer)  
Bucks County Water and Sewer  
Authority (Sewer)  
PA American Company (Water)

Newspapers:

The Bucks County Courier Times  
The Philadelphia Inquirer  
The Trenton Times (Trenton, NJ)  
The Trentonian (Trenton, NJ)  
The Philadelphia Daily News  
The Levittown Leader  
The Yardley News

Television:

KYW - Channel 3 - Philadelphia  
WPHL - Channel 17 - Philadelphia  
WHYY - Channel 12 - Philadelphia  
WTFX - Channel 29 - Philadelphia  
WPVI - Channel 6 - Philadelphia  
WCAU - Channel 10 - Bala Cynwyd  
Comcast Cable Company (Cable Provider)  
Verizon FIOS Service (Fiber Optic Network)  
Direct TV (Satellite)  
Dish Network (Satellite)  
Channel 22 - Government Access Channel - Comcast  
Channel 40 - Government Access Channel - Verizon FIOS

Churches:

13

Hospitals:

1 Aria Health - Bucks County Campus  
1 Assisted Living - Galilee Pavilion

Senior Housing:

Avenrowe - 55 & over Community  
Galilee Pavilion - Assisted Living  
Galilee Village Estates - Independent Living

Source: Falls Township records