

**COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT**



**BUCKINGHAM TOWNSHIP,  
PENNSYLVANIA**

For the year ended December 31, 2015

**BUCKINGHAM TOWNSHIP  
BUCKS COUNTY, PENNSYLVANIA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

Year ended December 31, 2015

Prepared by:  
Buckingham Township Finance Department  
Jill G. Pistory, CPA, Treasurer/Finance Director

BUCKINGHAM TOWNSHIP

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2015

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# **INTRODUCTORY SECTION**

# BUCKINGHAM TOWNSHIP

P.O. Box 413, Buckingham, Pennsylvania 18912  
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Website - [www.buckinghampa.org](http://www.buckinghampa.org)



June 21, 2016

To the Board of Supervisors and Citizens of Buckingham Township, Pennsylvania:

We hereby submit the Comprehensive Annual Financial Report (CAFR) of Buckingham Township, Pennsylvania for the year ended December 31, 2015. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a framework of internal control that it has 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.

Bee, Bergvall & Co., an independent firm of certified public accountants, has issued an unqualified opinion on Buckingham Township's financial statements for the year ended December 31, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD & A complements this letter of transmittal and should be read in conjunction with it.

Following the MD & A are the basic financial statements, including the government-wide financial statements, the fund financial statements, the notes to the financial statements, and the statistical section, complete the CAFR.

## ***REPORTING ENTITY***

Buckingham Township, incorporated in 1700, lies in the center of Bucks County, in the southeastern part of the state and is part of the Philadelphia Metropolitan Area. The 33 square mile area makes it the largest of the county's fifty-four townships. The Township is bisected by Old York Road, which follows the original route to New York City from Philadelphia established in colonial times. The governing body of the Township is the Board of Supervisors, which consists of three members, elected at large to a six-year term.

The Township provides a full range of municipal services. The public safety program includes police protection, fire marshal, building inspection, planning, zoning, and emergency management. The Highway programs include street sweeping, snow removal, traffic signalization and street markings, street lighting, storm sewer maintenance, bridge and highway construction and maintenance. The park and recreation department owns and operates three community parks and provides a variety of recreational facilities and programs. The Township also fully operates and maintains the water and waste water systems for most of its residents who have public sewer and water connections.

This report includes all the funds of Buckingham Township. There are no separate component units included or excluded. The Township sponsors two defined benefit pension plans, the Police Pension Plan and the Non-Uniform Pension Plan. The plans are administered by the Pennsylvania Municipal Retirement System (PMRS). PMRS is an agent, multi-employer pension system with the purpose to administer sound, cost-effective pensions for local government employees.

### ***ECONOMIC CONDITION***

Buckingham Township is characterized by gentle rolling hills and productive agricultural soils. The land use composition of the Township in 2012, according to the Delaware Valley Regional Planning Commission, is comprised of 6,342 acres of agricultural use; 5,834 acres of family residential; 3,826 acres of rural residential; 1,525 acres of transportation and utilities; 1,422 acres for parks, recreational use and open space; 491 acres of government and institutional use; 389 acres of commercial use; 89 acres of mining and manufacturing use; 26 acres of water use; 1,165 acres of vacant land; Over 5,000 acres have been preserved from future development.

The 2010 census states Buckingham Township's population as 20,075, which represents an 18% increase from 2000, and the third highest in the County. The Township had experienced steady residential development during the past decade, driving taxable growth averaging 3.9% annually from 2001 to 2008. Beginning in 2009, Buckingham has been affected by the nationwide construction downturn and downturn in home values. During 2014 and 2013, the township issued 15 and 45 new housing permits, respectively. The Township's current residential development projects include approximately 51 new housing units, with an additional proposed housing projects currently under review. Taxable property assessed values increased 0.7% in 2014 and decreased by 0.2% in 2013. Real Estate Transfer Taxes revenues have increased steadily since 2011. Earned Income Taxes revenues increased by 5.6 % in 2014. Current unemployment levels, 3.5 percent, are significantly lower than the state (4.7 percent) and national averages (5.0 percent). Wealth and income levels well exceed state and national medians. Per capita income as a percentage of the state is 117% and median family income as a percentage of the state is 219%.

Buckingham Township has maintained General Fund balances of at least \$3.5 million since fiscal year 2001. At the end of fiscal year 2015, the total balance increased to \$4,749,959, an ample 54.9% of General Fund expenditures and other financing uses. The increase in 2015 was \$451,719. The increase was primarily the result of an increase in tax revenues of \$378,292.

In 2016, the General Fund budgeted expenditures plus transfers to other funds equal budgeted revenues. Budgeted fund balance at the end of 2016 will be an ample \$4,066,080.

In mid-2014, “*Standard & Poor’s Ratings Services raised its rating on the township of Buckingham, Pa.’s general obligation (GO) debt one notch to ‘AAA’ from ‘AA+’ based on very strong budgetary flexibility and performance. The outlook is stable. At the same time, Standard & Poor’s assigned its ‘AAA’ rating and stable outlook to the township’s series 2014 GO bonds.*”

### **MAJOR INITIATIVES**

Highlights for Buckingham Township in 2015 included major improvements to our largest wastewater pump station - Pump Station 8, acquiring a conservation easement on the Serwell property, purchasing the 7.87 acre DeChamps property adjacent to our Open Space property and our Lindquist wastewater site, and joining our neighboring municipalities and the Bucks County Planning Commission to begin efforts in redeveloping the Cross Keys corridor area.

Pump Station 8 was installed in 1988 as part of the original Buckingham Village and Lahaska wastewater system. It is the final pump station for the conveyance system extending from Lahaska to the Buckingham Village treatment plant conveying on average 107,800 gallons of wastewater per day (2/3 of the total flow to the plant). Next to the influent pump station at the plant, it is the pump station that receives the highest flows in the system. The station has been plagued with frequent power outages, faulty controls, failing pumps and was not meeting current Department of Environmental Protection, electrical and safety code requirements.

The original pump station was also constructed within an easement that was within the right of way of State Route 263. The Township took the opportunity of the upgrade to acquire additional easement area so that the pump station could be moved out of the right of way of the state road. This was very important as the state could need the right of way in the future and the Township would be in the position of having to completely relocate our main pump station at any time at great cost to the wastewater program. The physical upgrades to the station included a new and larger wet well, a permanent emergency generator, a flow meter, all new controls, and significant site improvements to correct drainage and access issues.

In 2008 the residents of Buckingham voted to approve an Open Space referendum to borrow an additional \$20 million to purchase open space and agricultural conservation easements. On April 15, 2009 Buckingham issued General Obligation Bonds (the 2009 GOB) of \$7,560,000 solely for the purpose of acquiring open space. The proceeds were used to purchase conservation easements on the Wicen, Histan, Trycieki, Goodwin and Feeney properties.

In 2014, the Township refunded the 2009 General Obligation Bonds and issued 2014 General Obligation Bonds. As part of that refinance, the Township was re-rated and upgraded in 2014 to become the only township or school district in Bucks County, and one of only seven townships in Pennsylvania to earn an AAA rating.

In 2015 the Township partnered with Bucks County Agricultural Preservation program to purchase a conservation easement on the Serwell property. These eighteen acres of property are located adjacent to the preserved 56 acre preserved Comly property and in the same agricultural area as the previously preserved Elliot, Black and Garton properties. The preservation of the Serwell property brings the total acreage preserved to 179 acres within the Forest Grove Agricultural area which continues into the Bucks County parkland running along the Dark Hollow Creek.

The Township has also entered an agreement of sale in partnership with the Bucks County Agricultural Program to purchase a conservation easement on the 67 acre Garton Farm which should be completed in 2016.

Expanding existing trail systems and connecting neighborhoods is vital to increasing our residents' recreational opportunities. In the Furlong area of the Township, Buckingham has required developers to provide both open space and sidewalks within the developments. Two such developments are Buckingham Forest and Upper Mountain Estates. Buckingham Forest has an existing trail system that stopped at the DeChamps property. The open space of the Upper Mountain Estates development borders the other side of the DeChamps property. In February 2016, the Township purchased the 7.87 acre DeChamps property adjacent to these two developments and adjacent to our Lindquist wastewater site. The goal of the Township is to continue the path and connect these two developments.

The Cross Keys area is a corner of Buckingham Township where the Township meets three neighboring municipalities including Plumstead and Doylestown Townships and Doylestown Borough. Aging businesses and the recent recession has resulted in an underutilization of many of the commercial properties in this area. Several years ago, the Township worked with our neighboring municipalities to bring public water to the area, for which we received an ICMA Program Excellence Award for Community Health and Safety in October 2012. Although bringing public water to the area has encouraged some redevelopment, traffic congestion and a lack of coordinating land use and streetscape improvements has discouraged new development in the area. With several properties up for sale it has become ripe for redevelopment.

Buckingham along with our neighbors met with the Bucks County Planning Commission on the planning in this area and the Bucks County Planning Commission has taken the lead in developing a land use and transportation plan for the Cross Keys Area through a transportation and Community Development Initiative Grant from the Delaware Valley Regional Planning Commission. The project is underway and the Township has already seen interest from developer's in revitalizing this area into a viable commercial area that will contribute to the local economy.

In the coming years, Buckingham plans to continue its aggressive agricultural preservation efforts. Additional funding for preservation has been made possible through solid financial planning. In the 2015 alone, Buckingham was able to set aside \$1,500,000 from General Fund reserves for future purchases of conservation easements and/or outright purchases of land. In 2016, another \$793,000 will be transferred from General Fund reserves for land preservation purposes. This will result in a decrease in costs, specifically financing costs, thereby providing more money for the agricultural preservation efforts.

## ***FINANCIAL OPERATIONS***

### ***Accounting Systems and Controls***

Responsibility for the completeness and reliability of the information contained in this report is based on a comprehensive framework of internal control that management established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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

### ***Budget***

Annual Budgets are adopted for all governmental funds. The Township's budget policy is for the elected officials to provide direction on goals, service levels, fund balance level and tax levels. Budgetary control is maintained at the fund level, with operating departments charged with the development and maintenance of budgeted expenditures. The Township Manager is responsible for administering the annual budget.

Buckingham Township prepares its annual budget using the technique of Zero Based Budgeting. All expenditures must be justified as if new during the annual budgeting process, thereby providing continued accountability by the operating departments. That said the Township does do a three year look forward for capital purchases and significant maintenance expenditures in order to assess projected long term financial outlays.

Encumbrance accounting is used to record an estimated amount for approved purchase orders, contracts and other commitments to vendors. Justification of all expenditures is again required during this process. Legal budgetary control is maintained by the Township Manager with the assistance of the Finance Director. All budget transfers and additional appropriations are approved by the Board of Supervisors. See Note 1 of the financial statements for additional information on the Township's budget policies.

### ***Independent Audit***

The Township engaged the independent firm of licensed certified public accountants, Bee, Bergvall & Co., to perform an audit of the financial statements. In their report, which is included in the financial section of this comprehensive annual financial report, they expressed an unqualified opinion on Buckingham Township's financial statements for the year ended December 31, 2015.

The Township was not required to comply with the provisions of the Single Audit Act, as amended, as the federal funds expended did not total more than \$500,000.

### ***Certificate of Achievement***

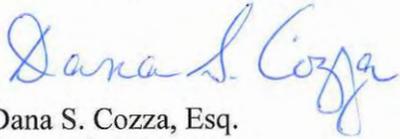
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Buckingham Township for its comprehensive annual financial report for the year ended December 31, 2014. This was the ninth consecutive year that the township has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

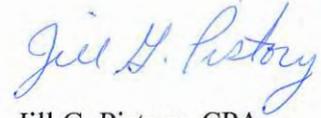
## *ACKNOWLEDGEMENTS*

The preparation of this report would not be possible without the assistance of all municipal departments. For that cooperation, we are very appreciative. We also wish to express our appreciation to the Board of Supervisors for the continued dedication to the well being of our community. We have the utmost gratitude to the elected officials of the Township for their constant and continual cooperation and interest in the financial operations of Buckingham Township. Their unfailing commitment to maintaining the highest standards of professionalism in the management of Buckingham Township but specifically the finances is what enables us to continue to provide the quality of municipal government, which makes Buckingham so outstanding.

Respectfully submitted,



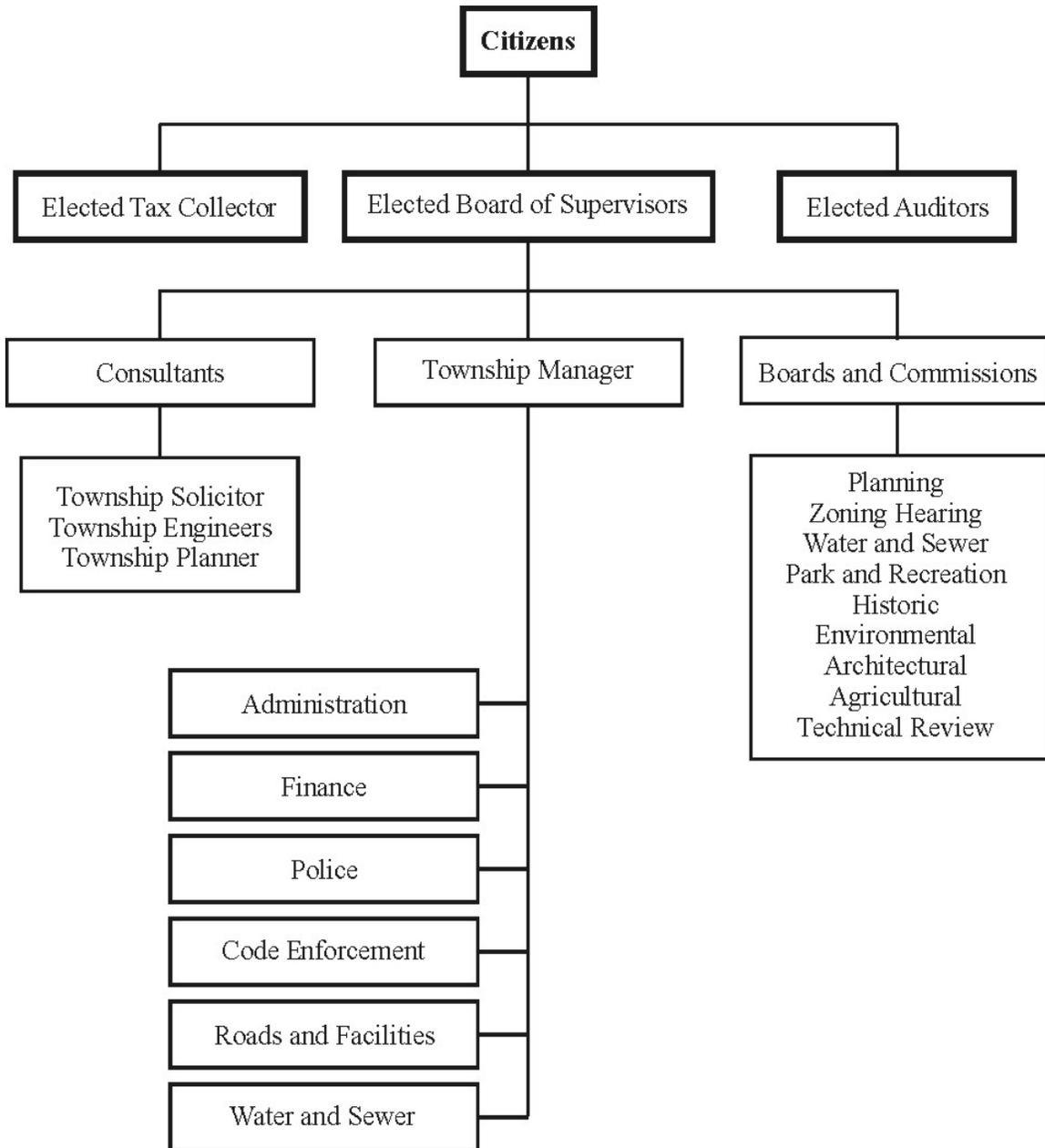
Dana S. Cozza, Esq.  
Township Manager



Jill G. Pistorio, CPA.  
Finance Director

# BUCKINGHAM TOWNSHIP, PENNSYLVANIA ORGANIZATIONAL CHART

As of December 31, 2015



# BUCKINGHAM TOWNSHIP, PENNSYLVANIA

## Elected and Appointed Officials

### Elected Officials

#### **Board of Supervisors:**

Chairperson of the Board	Jon Forest
Vice-Chairperson of the Board	Maggie Rash
Member of the Board	Paul Calderaio

#### **Elected Auditors:**

Chairperson of the Board	Sam A. Losorelli
Vice-Chairperson of the Board	Skip Salvesen
Secretary of the Board	Harry J. Veni

#### **Tax Collector**

Ann Calderaio

### Appointed Officials

Township Manager/Secretary	Dana S. Cozza, Esquire
Treasurer/Finance Director	Jill G. Pistory, CPA
Township Solicitor	Craig Smith, Esquire
Township Engineer	Knight Engineering, Inc.
Township Sewer/Water Engineer	Castle Valley Consultants
Township Planner	Lynn Bush
Township Independent Auditors	Bee, Bergvall & Co.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Buckingham Township**  
**Pennsylvania**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

# **FINANCIAL SECTION**



936 Easton Rd., PO Box 754 Warrington, PA 18976 | 163 S. Broad St., Lansdale, PA 19446  
252 W. Swamp Rd., Unit 9, Doylestown, PA 18901 | 444 South State St. Suite B2, Newtown, PA 18940  
24 Arnett Ave. Suite 111, Lambertville, NJ 08530  
215-343-2727 | [www.bbco-cpa.com](http://www.bbco-cpa.com)

## INDEPENDENT AUDITORS' REPORT

Board of Supervisors  
Buckingham Township, Pennsylvania

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

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

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

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Buckingham Township, Pennsylvania, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 on pages 4 through 14, the budgetary comparison information on page 65, and the historical trend information on pages 58 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Buckingham Township's financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Bee, Bergvall & Co.*

Bee, Bergvall and Company, P.C.  
Certified Public Accountants

June 21, 2016

**Buckingham Township  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

This narrative and analysis provides an overview of the financial activities of Buckingham Township for the year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the beginning of this report and the Township's financial statements, which follow.

**Financial Highlights**

- The assets and deferred outflows of resources of Buckingham Township exceeded its liabilities and deferred inflows of resources at the close of 2015 by \$97,219,737. Of this amount, \$19,815,709 represents unrestricted net position, which may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net position increased by \$4,411,431. Net position increased for both the governmental activities and business-type activities primarily due to an increase in tax revenues for the governmental funds and an increase in charges for services in the Business-Type Funds.
- At the close of 2015, Buckingham Township governmental funds reported combined ending fund balance of \$14,447,892, an increase of \$2,149,390 in comparison with the prior year. Most of the increase was in the general obligation bond fund as a result of a transfers from the general fund to be used towards future open space purchases. Approximately 32.0% of the total fund balance, or \$4,616,634, is available for spending at the government's discretion (*unassigned fund balance*) and another \$7,361,009 or 50.9% is committed by the Board of Supervisor's for capital improvements and debt service. Additionally, \$467,475 has been restricted for open space capital acquisitions which represent 3.2% of the governmental fund balance. Another \$1,869,449, or 12.9%, has been restricted for future public works projects.
- At the end of 2015, unassigned fund balance for the General Fund was \$4,616,634 or 65.4% of the total general fund expenditures.
- Buckingham Township's total debt decreased by \$860,664 during the current year due to principle payments on General Obligation Notes and Bonds offset by the addition of net pension liability of \$265,276.
- Buckingham Township's bond rating was upgraded to AAA by Standard & Poor's in July 2014 due to strong budgetary flexibility and performance, with a stable outlook.

## **Overview of the Financial Statements**

The Buckingham Township basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The government-wide financial statements are designed to provide readers with a broad overview of Buckingham Township's finances, in a manner similar to a private-sector business. They provide both short and long-term information about the Township's overall financial status.

The statement of net position presents financial information on all of the Township's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increase or decrease in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Buckingham Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, public works, conservation and preservation and parks and recreation. The business-type activities of the Township include Water and Waste Water operations.

The government-wide financial statements can be found on pages 16-19 of this report.

### **Fund Financial Statements**

The fund financial statements provide a detailed look at the Township's most significant funds. 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. Buckingham Township, like other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Buckingham Township can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds** – Governmental funds are used to account for those 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 assessing the Township’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, the reader 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 financial balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Buckingham Township maintains ten 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 balance for the General fund, Debt Service fund and General Obligation Bond fund, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregate presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

**Proprietary funds** – Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail. Buckingham Township has one kind of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Buckingham Township uses the enterprise funds to account for water and waste water activities.

The basic proprietary fund financial statements can be found on pages 24-26 of this report.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-55 of this report.

**Other information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Buckingham Township’s progress in funding its obligations to provide pension benefits to its employees, which can be found on page 56-65 of this report.

The combining and individual statements and schedules of governmental funds are presented immediately following the required supplementary information. They can be found on pages 66-73 of this report.

Also included in the supplementary information are the budgetary comparison schedules, which can be found on pages 74-80 of this report. Buckingham Township adopts an annual budget for all its governmental funds. A budgetary comparison schedule has been provided for the general fund and the major special revenue fund, the park and recreation fund, to demonstrate compliance with this budget. This schedule shows four columns: 1) the original budget as adopted by the board, 2) the final budget as amended by the board, 3) the actual revenues, expenditures and ending fund balance, and 4) the difference or variance between the final budget and the actual revenues and expenditures.

### Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. Buckingham Township's assets and deferred outflows of resources exceeded liabilities by \$97,219,737, at the close of 2015.

### Buckingham Township's Net Position

Figure 1

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$22,066,568	\$16,321,218	\$9,629,286	\$9,223,457	\$31,695,854	\$25,544,675
Capital assets	55,894,602	55,544,698	30,006,702	29,937,622	85,901,304	85,482,320
Total assets	77,961,170	71,865,916	39,635,988	39,161,079	117,597,158	111,026,995
Total deferred outflows of resources	641,236	135,158	134,170	8,338	775,406	143,496
Long-term liabilities outstanding	13,768,666	14,648,821	285,147	262,123	14,053,813	14,910,944
Other liabilities	6,624,252	3,034,438	281,613	416,803	6,905,865	3,451,241
Total liabilities	20,392,918	17,683,259	566,760	678,926	20,959,678	18,362,185
Total deferred inflows of resources	190,146	0	3,003	0	193,149	0
Net position:						
Net investment in capital assets	45,138,624	41,508,862	29,928,480	29,782,478	75,067,104	71,291,340
Restricted	2,336,924	3,500,104	0	0	2,336,924	3,500,104
Unrestricted	10,543,794	9,308,849	9,271,915	8,708,013	19,815,709	18,016,862
Total net position	<u>\$58,019,342</u>	<u>\$54,317,815</u>	<u>\$39,200,395</u>	<u>\$38,490,491</u>	<u>\$97,219,737</u>	<u>\$92,808,306</u>

## Buckingham Township's Net Position

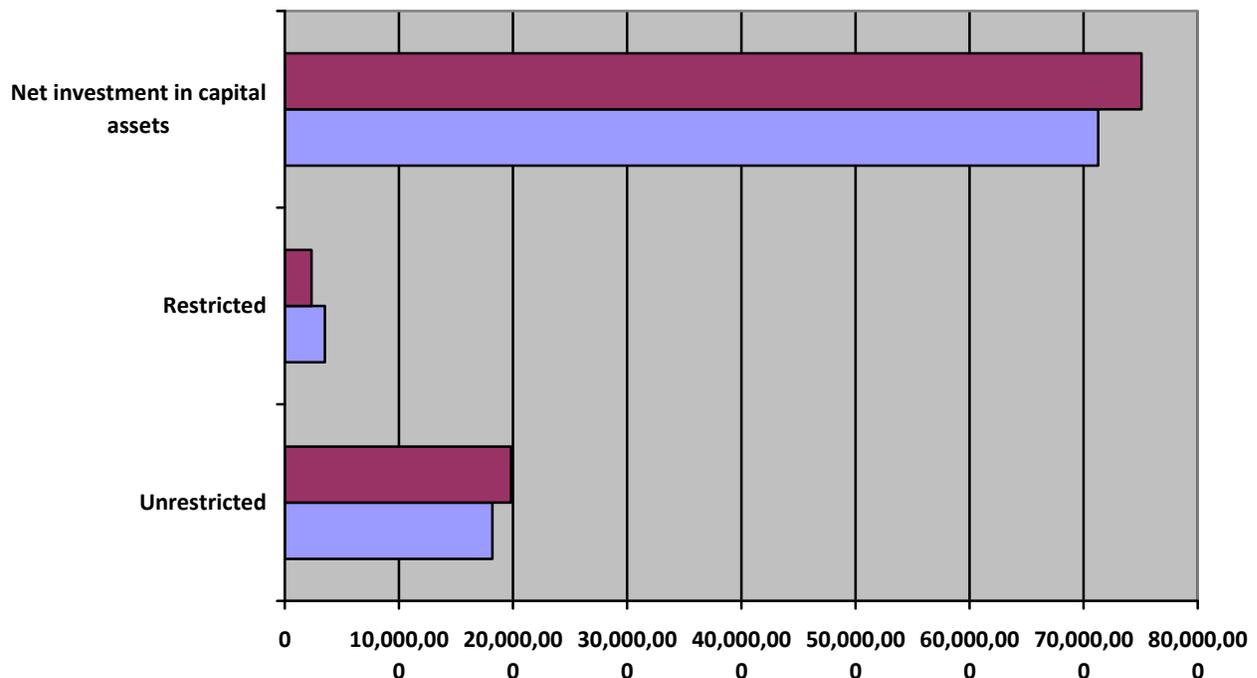
The largest portion of Buckingham Township's net position \$75,067,104 (77.2%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, infrastructure), less any related outstanding debt that was used to acquire those assets. The Township uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Township investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Buckingham Township's net position \$2,336,924 (2.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$19,815,709 (20.4%) is unrestricted and may be used to meet the township's ongoing obligations to its citizens and creditors.

At the end of 2015 Buckingham Township reported positive balances in all reported categories of net position, both for the government as a whole, as well as for its business-type activities. The same held true for the prior year.

## Buckingham Township's Net Position

Figure 2



The overall net position of Buckingham Township increased \$4,411,431 from the prior year primarily due to reasons discussed in the following sections for governmental activities and business-type activities.

Several particular aspects of the Township’s financial operations positively influenced the total unrestricted governmental net position:

- Continued low cost of debt due to the Township’s high bond rating.
- Thorough and detailed budgeting process.
- Sound financial operations for many years.
- Although expenditures are evaluated during the budgeting process, management reevaluates all expenditures during the requisitioning process.
- Police Pension is fully funded and the Nonuniform Pension is 90% funded.
- An ample tax base and continued increases in tax revenues.

### Buckingham Township’s Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	\$ 1,217,771	\$ 1,158,571	\$ 3,758,515	\$ 3,401,250	\$ 4,976,286	\$ 4,559,821
Operating grants and contributions	1,043,769	1,024,140	87,811	0	1,131,580	1,024,140
Capital grants and contributions	511,231	548,000	0	0	511,231	548,000
General revenues:						
Real estate taxes	2,093,741	2,084,937	0	0	2,093,741	2,084,937
Real estate transfer taxes	935,797	866,129	0	0	935,797	866,129
Earned income taxes	6,386,935	5,933,041	0	0	6,386,935	5,933,041
Local services tax	81,726	76,996	0	0	81,726	76,996
Investment earnings	47,736	18,277	19,966	19,857	67,702	38,134
Gain on sale of capital assets	1,595	0	10,002	0	11,597	0
Miscellaneous	0	17,796	35,448	20,084	35,488	37,880
Total revenues	12,320,301	11,727,887	3,911,742	3,441,191	16,232,043	15,169,078
Expenses:						
General government	1,418,171	1,543,910	0	0	1,418,171	1,543,910
Public safety	5,000,403	4,843,577	0	0	5,000,403	4,843,577
Public works	1,786,638	1,655,467	0	0	1,786,638	1,655,467
Parks and recreation	267,866	201,520	0	0	267,866	201,520
Conservation and preservation	24,453	30,655	0	0	24,453	30,655
Interest on long-term debt	321,243	504,779	0	0	321,243	504,779
Loss on sale of capital assets	0	99,203	0	0	0	99,203
Water	0	0	1,235,782	1,232,068	1,235,782	1,232,068
Waste Water	0	0	1,766,056	1,757,500	1,766,056	1,757,500
Total expenses	8,818,774	8,879,111	3,001,838	2,989,568	11,820,612	11,868,679
Increase in net position before transfers	3,501,527	2,848,776	909,904	451,623	4,411,431	3,300,399
Transfers	200,000	206,064	(200,000)	(206,064)	0	0
Increase in net position	3,701,527	3,054,840	709,904	245,559	4,411,431	3,300,399
Net position, beginning	54,317,815	51,262,975	38,490,491	38,244,932	92,808,306	89,507,907
Net position, ending	\$ 58,019,342	\$ 54,317,815	\$ 39,200,395	\$ 38,490,491	\$ 97,219,737	\$ 92,808,306

*Governmental activities.* Governmental activities increased the Township's net position by \$3,701,527, accounting for 83.9 percent of the total growth in net assets of Buckingham Township. Total revenues for governmental activities increased by \$592,414. Key elements of this increase are as follows:

- An increase in tax revenues of \$532,366, as the housing market continues to recover from the downturn in 2008 and as the result of stepped up collection efforts and continued improvement in the economy.
- In 2014, there was a loss on sale of capital assets of \$(99,203) due to a one time increase in depreciation. The Township changed an accounting estimates, the threshold for capital assets was increased to \$5,000 to be more consistent with best practice recommendations. This resulted in an increase in fully depreciated assets in 2014.

*Business-type activities:* Business-type activities increased the Township's net position by \$709,904 accounting for 16.1 percent of the total growth in the net position of Buckingham Township. The increase was almost entirely attributable to an increase in sewer rates midway through 2014 year, in 2015 we received a full year of revenues at the new rates. Also capital grant monies in the amount of \$52,524 from the state and federal governments for storm damage was received.

## **Financial Analysis of Governmental Funds**

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

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

The general fund is the primary operating fund of Buckingham Township. At the end of the 2015, unassigned fund balance of the General Fund was \$4,616,634, while total fund balance amounted to \$4,749,959. 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. Unassigned fund balance represents 65.4 percent of total General Fund expenditures. This represented a \$453,614 increase in unassigned fund balance.

The fund balances at the end 2015 for the other major funds are as follows; The Debt Service fund balance increased by \$363,802 to \$643,790, which is committed for the payment of debt service. This represented monies remaining from real estate tax millage for open space. The General Obligation Bond fund balance is \$3,051,989, a \$1,476,051 increase, all of which has been restricted for land preservation. The increase was the result of a transfer from the General Fund of \$1,500,000 to be used for future land conservation purchases.

At December 31, 2015, the governmental funds of Buckingham Township reported a combined fund balance of \$14,447,892, an increase of \$2,149,390 in comparison with the prior year. Approximately 32.0 percent of this total amount, or \$4,616,634, is available for spending at the government's discretion (*unassigned fund balance*). Another \$7,361,009 (50.9%) has been committed for expansion of the parks, for emergency services, for debt service and for future capital outlays.

*Proprietary Funds.* Buckingham Township's proprietary funds provide the same type of information found in the business-type activities in the government-wide statements but in more detail. Unrestricted net assets of the Water and Waste Water Fund at the end of the fiscal year amounted to \$9,271,915. The total change in net assets for both funds was \$709,904. The increase in net assets was primarily operating revenues in excess of expenditures less transfers out.

**General Fund Budgetary Highlights:** During the fiscal year, the Township revised the budget on one occasion. Generally, budget amendments fall into one of three categories:

1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once the exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

*Original budget compared to final budget.* Total amendments to the General Fund increased revenue and other financing sources by \$866,300 and increased budgeted expenses and other financing uses by \$1,124,200. This increase was almost entirely due to the increase in the amount of a transfer to the General Obligation Bond of \$1,000,000 for future land conservation purchases and due to an increase in expenditures for snow removal because of the harsh winter. There was also a decrease in expenditures in the Park Fund of \$1,929,000 due to a delay in the start of construction.

*Final budget compared to actual results.* Revenues and other financing sources were higher than the final budgeted amounts by \$400,177 primarily due to higher than expected earned income tax revenues of \$411,935 and real estate transfer tax revenues of \$35,797. Expenses and other financing uses were lower than the final budgeted amounts by \$464,042. This was due to lower than budgeted general government costs of \$157,496, specifically legal and consulting charges were lower by \$48,146. Public safety costs were lower than the final budgeted amount by \$204,815, specifically Police expenditures were lower by \$174,416.

## Capital Asset and Debt Administration

*Capital assets:* Buckingham Township's investment in capital assets for its governmental and business-type activities as of December 31, 2015, totals \$85,901,304 (net of accumulated depreciation). These assets include land, land easements and park facilities, buildings and improvements, machinery and equipment, vehicles, furniture and fixtures and roads, bridges and water and waste water connection systems. In 2015, investment in capital assets increased by \$418,984.

Major capital asset transactions during the year include the following additions and deletions:

- Acquisition and installation of a Pavilion at Hansell Park costing \$50,496.
- Increase in accumulated depreciation of \$550,398 for Governmental activities and \$853,438 for Business-type activities.
- Infrastructure contributed by developer in the amount of \$511,231.
- Purchase of a Backhoe for \$96,240.
- Water meter replacements costing \$216,133.
- Completion of Pump Station #8 costing \$334,216.

### Buckingham Township's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and Land Easements	\$ 33,525,427	\$ 33,492,616	\$ 8,909,881	\$ 8,904,695	\$ 42,435,308	\$ 42,397,311
Construction in Progress	0	0	452,455	1,002,272	452,455	1,002,272
Building and Improvements	952,879	949,430	4,470,673	3,563,050	5,423,552	4,512,480
Machinery and Equipment	377,351	340,166	2,106,335	2,066,285	2,483,686	2,406,451
Vehicles and Equipment	311,609	322,216	140,371	123,238	451,980	445,454
Furniture and Fixtures	44,295	48,771	0	0	44,295	48,771
Infrastructure	20,683,041	20,391,499	0	0	20,683,041	20,391,499
Water and Sewer Connections	0	0	13,926,987	14,278,082	13,926,987	14,278,082
<b>Total</b>	<b>\$ 55,894,602</b>	<b>\$ 55,544,698</b>	<b>\$ 30,006,702</b>	<b>\$ 29,937,622</b>	<b>\$ 85,901,304</b>	<b>\$ 85,482,320</b>

Additional information on the Township's capital assets can be found in note 4 of the Basic Financial Statements.

**Long-term Debt:** As of December 31, 2015, Buckingham Township had total general obligation bonds outstanding of \$13,652,895, all of which is backed by the full faith and credit of the Township.

**Buckingham Township’s Outstanding Debt**  
General Obligation Bonds, Pension Debt and Compensated Absences

**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$13,570,504	\$14,609,129	\$ 82,391	\$ 163,482	\$13,652,895	\$14,772,611
Pension related debt	166,763	1,499	193,224	93,262	359,987	94,761
Compensated absences	31,399	38,243	5,999	5,379	37,398	43,622
<b>Total</b>	<b>\$13,768,666</b>	<b>\$14,648,871</b>	<b>\$ 281,614</b>	<b>\$ 262,123</b>	<b>\$14,050,280</b>	<b>\$14,910,944</b>

The Township’s total debt decreased by \$860,664 (5.8%) during the past fiscal year. The payment of scheduled principal payments of \$1,095,000 decreased total debt however pension related debt increased by \$265,226.

As mentioned in the financial highlights section of this document, in July 2014, “*Standard & Poor's Ratings Services raised its rating on the township of Buckingham, Pa.'s general obligation (GO) debt one notch to 'AAA' from 'AA+' based on very strong budgetary flexibility and performance. The outlook is stable. At the same time, Standard & Poor's assigned its 'AAA' rating and stable outlook to the township's series 2014 GO bonds. The rating reflects our opinion of the following factors for the township, specifically its:*

- *Very strong economy, which benefits from its participation in the broad and diverse Philadelphia metropolitan statistical area (MSA);*
- *Very strong budgetary flexibility with fiscal 2013 audited reserves of 56.6% of adjusted general fund expenditures;*
- *Very strong budgetary performance with another operating surplus projected for fiscal 2014;*
- *Very strong liquidity, providing very strong cash to cover debt service and expenditures;*
- *Strong management, coupled with "standard" financial management policies under our Financial Management Assessment (FMA) methodology and a consistent ability to maintain balanced budgets; and*
- *Weak debt and contingent liabilities position with low overall net debt as a percent of market value and rapid amortization -- The township has exposure to contingent liability risk, but we understand it has sufficient reserves to cover an immediate principal acceleration.”*

This bond rating is a clear indicator of the sound financial condition of the Township. This achievement is a key factor in keeping interest costs on the Township’s outstanding debt low.

State statutes limit the amount of nonelectoral debt the Township may incur. The Township may not incur any new nonelectoral debt if, following the issuance thereof, the aggregate net principal amount of outstanding debt of the Township will exceed 250 percent of its borrowing base. The borrowing base of the Township is defined by the Debt Act as the arithmetic average of the total revenues of the Township for the three full fiscal years of the Township immediately preceding the date on which any new nonelectoral debt is incurred. The current debt limitation for Buckingham Township is approximately \$37,055,950, which is significantly in excess of Buckingham Township's outstanding general obligation debt.

In 2012, the Township issued General Obligation Bonds, Series 2012, 2012A and 2012B in the total amount of \$9,335,000 to advance refund the Series 2003 and 2006A General Obligation Bonds, and currently refund the 2006B General Obligation Bonds in the total amount of \$9,215,000. The net present value of the savings was \$851,951.

In 2014, the Township issued General Obligation Bonds, Series 2014 in the total amount of \$7,540,000 to currently refund the Series of 2009 General Obligation Bonds in the amount of \$7,380,000. The net present value of the savings was \$900,936.

Additional information regarding Buckingham Township's long-term debt can be found in note 5 of the Basic Financial Statements.

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

- Buckingham is located in Bucks County, Pennsylvania. The Township had an unemployment rate of 3.5 percent in 2015, which was significantly lower than both the national and state average.
- Retail vacancy rates are low, staying in the 10 percent range all year.
- In 2015 the median household income for Buckingham Township was \$119,620 compared to a median income of \$76,824 for the County of Bucks. The Township continues to enjoy a median household income well in excess of the average for the County and the State.
- During 2015, 16 new housing units were occupied in Buckingham Township. This trend is continuing for 2016.
- The county-wide median home value was \$307,600. The median home value in Buckingham continues to be much higher at \$487,600.

## **Budget Highlights for the Year Ending December 31, 2016**

**Governmental Activities:** There was no change in the real estate tax rates for 2016. Total millage remained at 5.5 mills, of which 4.5 mills is attributable to the Open Space program, .75 mills for fire protection and .25 mills for emergency services. The millage remained the same since 2010. General Fund revenues are expected to increase by 7.5 percent primarily due to an increase in earned income tax revenues.

Budgeted expenditures in the General fund are expected to increase by 3.4 percent in 2016, almost entirely due to an increase in transfers to the General Obligation Bond Fund for future land preservation purchases. Expenditures are budgeted to equal revenues, resulting in a balanced budget. There will still be an ample fund balance of \$4,066,080 or 49.2% of budgeted expenditures at the end of 2016.

**Business-type Activities:** During 2016, the Township expects a continued increase in the number of water and waste water customers. There have been no changes to the water rates of the Township since 1989. In an effort to encourage conservation, the Township instituted a three-tiered water rate structure beginning in 2005. This change affects customers who consume in excess of 37,500 gallons per quarter, and then again, in excess of 100,000 gallons per quarter. In mid-2014, we increased waste water rates by \$25.50 per quarter, for the first time since we purchased the system in 1988.

### **Request for Information**

This report is designed to provide an overview of the Township's finances for those with an interest in this area. If you have any questions concerning any of the information found in this report or need additional information please contact the Finance Director, Buckingham Township, P.O. Box 413, Buckingham, PA 18912.

BUCKINGHAM TOWNSHIP

STATEMENT OF NET POSITION

December 31, 2015

	Primary Government		
	Governmental Activities	Business -Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 6,368,592	\$ 4,762,706	\$ 11,131,298
Restricted cash - escrows	6,065,209	-	6,065,209
Investments	6,814,000	3,728,000	10,542,000
Receivables			
Accounts, net	102,425	209,261	311,686
Real estate taxes	5,701	-	5,701
Real estate transfer tax	69,002	-	69,002
Earned income taxes	2,502,666	-	2,502,666
Accrued unbilled charges for services	-	907,455	907,455
Internal balances	5,648	(5,648)	-
Prepaid items	133,325	27,512	160,837
Capital assets			
Land	33,525,427	8,909,881	42,435,308
Construction in progress	-	452,455	452,455
Other capital assets (net of accumulated depreciation)	22,369,175	20,644,366	43,013,541
Total capital assets	<u>55,894,602</u>	<u>30,006,702</u>	<u>85,901,304</u>
Total Assets	<u>77,961,170</u>	<u>39,635,988</u>	<u>117,597,158</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Unamortized deferred loss on refunding	122,816	4,169	126,985
Net difference between projected and actual earnings on pension plan investments	6,553	-	6,553
Differences between expected and actual experience on pension plan liability	149,690	70,442	220,132
Pension contributions made after the measurement date	362,177	59,559	421,736
Total deferred outflows of resources	<u>641,236</u>	<u>134,170</u>	<u>775,406</u>

(Continued)

	Primary Government		
	Governmental Activities	Business -Type Activities	Total
<u>LIABILITIES</u>			
Accounts payable	\$ 155,879	\$ 158,234	\$ 314,113
Accrued payroll and payroll taxes	104,417	7,869	112,286
Accrued interest payable	105,576	-	105,576
Unearned revenue	193,171	-	193,171
Deposits payable from restricted assets	6,065,209	119,044	6,184,253
Non-current liabilities:			
Due within one year	1,385,799	88,390	1,474,189
Due after one year	12,382,867	193,223	12,576,090
Total Liabilities	<u>20,392,918</u>	<u>566,760</u>	<u>20,959,678</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Net difference between projected and actual earnings on pension plan investments	-	3,003	3,003
Differences between expected and actual experience on pension plan liability	190,146	-	190,146
Total deferred inflows of resources	<u>190,146</u>	<u>3,003</u>	<u>193,149</u>
<u>NET POSITION</u>			
Net investment in capital assets	45,138,624	29,928,480	75,067,104
Restricted for			
Highways and streets	1,869,449	-	1,869,449
Capital outlay	467,475	-	467,475
Unrestricted	10,543,794	9,271,915	19,815,709
Total Net Position	<u>\$ 58,019,342</u>	<u>\$ 39,200,395</u>	<u>\$ 97,219,737</u>

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

BUCKINGHAM TOWNSHIP

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental Activities:				
General government	\$ 1,418,171	\$ 651,675	\$ 45,574	\$ -
Public safety	5,000,403	542,318	432,130	-
Public works	1,786,638	778	549,902	511,231
Parks and recreation	267,866	23,000	16,163	-
Conservation and preservation	24,453	-	-	-
Interest on long-term debt	321,243	-	-	-
Total Governmental Activities	<u>8,818,774</u>	<u>1,217,771</u>	<u>1,043,769</u>	<u>511,231</u>
Business -Type Activities				
Water fund	1,235,782	1,359,420	19,604	-
Waste water fund	<u>1,766,056</u>	<u>2,399,095</u>	<u>68,207</u>	<u>-</u>
Total Business-Type Activities	<u>3,001,838</u>	<u>3,758,515</u>	<u>87,811</u>	<u>-</u>
Total Primary Government	<u>\$ 11,820,612</u>	<u>\$ 4,976,286</u>	<u>\$ 1,131,580</u>	<u>\$ 511,231</u>

General Revenues

Taxes:

  Real estate taxes

  Real estate transfer taxes

  Earned income taxes

  Local services taxes

Investment earnings

Miscellaneous

Gain (loss) on sale of capital assets

Transfers

  Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning (restated)

Net Position - Ending

Net (Expense) Revenue and  
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (720,922)	\$ -	\$ (720,922)
(4,025,955)	-	(4,025,955)
(724,727)	-	(724,727)
(228,703)	-	(228,703)
(24,453)	-	(24,453)
(321,243)	-	(321,243)
<u>(6,046,003)</u>	<u>-</u>	<u>(6,046,003)</u>
-	143,242	143,242
<u>-</u>	<u>701,246</u>	<u>701,246</u>
<u>-</u>	<u>844,488</u>	<u>844,488</u>
<u>(6,046,003)</u>	<u>844,488</u>	<u>(5,201,515)</u>
2,093,741	-	2,093,741
935,797	-	935,797
6,386,935	-	6,386,935
81,726	-	81,726
47,736	19,966	67,702
-	35,448	35,448
1,595	10,002	11,597
200,000	(200,000)	-
<u>9,747,530</u>	<u>(134,584)</u>	<u>9,612,946</u>
3,701,527	709,904	4,411,431
<u>54,317,815</u>	<u>38,490,491</u>	<u>92,808,306</u>
<u>\$ 58,019,342</u>	<u>\$ 39,200,395</u>	<u>\$ 97,219,737</u>

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

BUCKINGHAM TOWNSHIP

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2015

	<u>General</u>	<u>Debt Service</u>	<u>General Obligation Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 1,313,840	\$ 5,419	\$ 2,691,710	\$ 2,357,623	\$ 6,368,592
Restricted cash - escrows	6,065,209	-	-	-	6,065,209
Investments	1,982,000	992,000	-	3,840,000	6,814,000
Receivables					
Accounts, net	102,425	-	-	-	102,425
Real estate taxes	-	4,665	-	1,036	5,701
Real estate transfer tax	69,002	-	-	-	69,002
Earned income taxes	2,502,666	-	-	-	2,502,666
Due from other funds	5,648	31	361,792	7	367,478
Prepaid items	133,325	-	-	-	133,325
Total Assets	<u>\$ 12,174,115</u>	<u>\$ 1,002,115</u>	<u>\$ 3,053,502</u>	<u>\$ 6,198,666</u>	<u>\$ 22,428,398</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 117,910	\$ -	\$ 1,513	\$ 36,456	\$ 155,879
Accrued payroll and payroll taxes	104,417	-	-	-	104,417
Due to other funds	3,505	358,325	-	-	361,830
Unearned revenue	33,115	-	-	160,056	193,171
Deposits	6,065,209	-	-	-	6,065,209
Total Liabilities	<u>6,324,156</u>	<u>358,325</u>	<u>1,513</u>	<u>196,512</u>	<u>6,880,506</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue - Earned Income Taxes	1,100,000	-	-	-	1,100,000
Total deferred inflows of resources	<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,100,000</u>
<u>FUND BALANCES</u>					
Nonspendable-prepaid items	133,325	-	-	-	133,325
Restricted for:					
Highways and streets	-	-	-	1,869,449	1,869,449
Capital outlay	-	-	467,475	-	467,475
Committed					
Land conservation	-	-	2,584,514	-	2,584,514
Park and recreation	-	-	-	2,365,456	2,365,456
Debt service	-	643,790	-	-	643,790
Capital outlay	-	-	-	1,767,249	1,767,249
Unassigned	4,616,634	-	-	-	4,616,634
Total Fund Balances	<u>4,749,959</u>	<u>643,790</u>	<u>3,051,989</u>	<u>6,002,154</u>	<u>14,447,892</u>
Total Liabilities and Fund Balances and Deferred Inflows of Resources	<u>\$ 12,174,115</u>	<u>\$ 1,002,115</u>	<u>\$ 3,053,502</u>	<u>\$ 6,198,666</u>	<u>\$ 22,428,398</u>

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

BUCKINGHAM TOWNSHIP

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

December 31, 2015

Total fund balances-total governmental funds		\$ 14,447,892
Capital assets used in governmental activities are not financial resources and, therefore, are reported in the funds.		
Cost of capital assets	\$ 64,202,646	
Accumulated depreciation	<u>(8,308,044)</u>	55,894,602
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the governmental funds and thus are not included in fund balance.		1,100,000
Bond loss on refunding is recorded as an expense in the fund statements but recorded as an asset and amortized over the life of the note in the statement of net assets.		122,816
Deferred inflows and outflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred Outflows:		
Net difference between projected and actual earnings on pension plan investments	6,553	
Differences between expected and actual experience on pension plan liability	149,690	
Pension contributions made after the measurement date	362,177	
Deferred Inflows:		
Differences between expected and actual experience on pension plan liability	<u>(190,146)</u>	328,274
Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(31,399)	
Net pension liability	(166,763)	
Accrued interest payable	(105,576)	
Unamortized bond premiums	(176,104)	
General obligation bonds payable	<u>(13,394,400)</u>	<u>(13,874,242)</u>
Total net position of governmental activities		<u>\$ 58,019,342</u>

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

BUCKINGHAM TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

	<u>General</u>	<u>Debt Service</u>	<u>General Obligation Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes:					
Real estate taxes	\$ -	\$ 1,711,780	\$ -	\$ 381,961	\$ 2,093,741
Real estate transfer taxes	935,797	-	-	-	935,797
Earned income taxes	6,386,935	-	-	-	6,386,935
Local services taxes	81,726	-	-	-	81,726
Licenses, permits and fees	500,404	-	-	-	500,404
Interest and rent	48,383	7,383	466	17,776	74,008
Intergovernmental revenues	253,286	-	-	774,114	1,027,400
Fines and forfeitures	47,062	-	-	-	47,062
Charges for services	602,536	-	-	-	602,536
Contributions from private sources	206	-	-	16,163	16,369
Miscellaneous	41,497	-	-	-	41,497
Total Revenues	<u>8,897,832</u>	<u>1,719,163</u>	<u>466</u>	<u>1,190,014</u>	<u>11,807,475</u>
Expenditures					
Current:					
General government	1,364,404	-	-	-	1,364,404
Public safety	4,447,535	-	-	606,286	5,053,821
Public works	1,012,171	-	-	467,900	1,480,071
Parks and recreation	228,013	-	-	84,046	312,059
Miscellaneous	3,201	4,494	-	5	7,700
Debt service:					
Principal	-	1,015,700	-	-	1,015,700
Interest	-	335,167	-	-	335,167
Capital outlay	-	-	24,415	266,343	290,758
Total Expenditures	<u>7,055,324</u>	<u>1,355,361</u>	<u>24,415</u>	<u>1,424,580</u>	<u>9,859,680</u>
Excess (Deficiency) of Revenues Over Expenditures					
	<u>1,842,508</u>	<u>363,802</u>	<u>(23,949)</u>	<u>(234,566)</u>	<u>1,947,795</u>
Other Financing Sources (Uses)					
Sale of capital assets	1,595	-	-	-	1,595
Transfers in	200,000	-	1,500,000	235,812	1,935,812
Transfers out	<u>(1,592,384)</u>	<u>-</u>	<u>-</u>	<u>(143,428)</u>	<u>(1,735,812)</u>
Total Other Financing Sources (Uses)	<u>(1,390,789)</u>	<u>-</u>	<u>1,500,000</u>	<u>92,384</u>	<u>201,595</u>
Net Change in Fund Balance	451,719	363,802	1,476,051	(142,182)	2,149,390
Fund Balance - Beginning	<u>4,298,240</u>	<u>279,988</u>	<u>1,575,938</u>	<u>6,144,336</u>	<u>12,298,502</u>
Fund Balance - Ending	<u>\$ 4,749,959</u>	<u>\$ 643,790</u>	<u>\$ 3,051,989</u>	<u>\$ 6,002,154</u>	<u>\$ 14,447,892</u>

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

BUCKINGHAM TOWNSHIP

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

For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds \$ 2,149,390

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

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

Capital outlay	\$ 900,302	
Depreciation expense	<u>(550,398)</u>	349,904

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, does not have any effect on net assets. 1,015,700

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Interest expense	6,146	
Compensated absences:		
General government	711	
Public safety	7,822	
Public works	(2,389)	
Parks and recreation	<u>700</u>	12,990

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of premiums, discounts, and losses	<u>10,583</u>	10,583
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Net pension liability and deferred items		<u>162,960</u>
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Change in net position of governmental activities \$ 3,701,527

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

BUCKINGHAM TOWNSHIP

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

December 31, 2015

<u>ASSETS</u>	<u>Water Fund</u>	<u>Waste Water Fund</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 2,071,826	\$ 2,690,880	\$ 4,762,706
Investments	2,985,000	743,000	3,728,000
Accounts receivable, net	96,262	112,999	209,261
Accrued unbilled charges for services	308,323	599,132	907,455
Due from other funds	7,531	-	7,531
Prepaid expenses	<u>15,743</u>	<u>11,769</u>	<u>27,512</u>
Total Current Assets	<u>5,484,685</u>	<u>4,157,780</u>	<u>9,642,465</u>
Noncurrent Assets			
Capital assets			
Land	94,314	8,815,567	8,909,881
Construction in progress	173,536	278,919	452,455
Buildings and improvements	2,044,645	7,739,217	9,783,862
Connection systems	7,441,343	10,501,584	17,942,927
Machinery, vehicles and equipment	3,186,137	1,488,859	4,674,996
Less accumulated depreciation	<u>(4,700,624)</u>	<u>(7,056,795)</u>	<u>(11,757,419)</u>
Total Noncurrent Assets	<u>8,239,351</u>	<u>21,767,351</u>	<u>30,006,702</u>
Total Assets	<u>\$ 13,724,036</u>	<u>\$ 25,925,131</u>	<u>\$ 39,649,167</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Unamortized deferred loss on refunding	\$ -	\$ 4,169	\$ 4,169
Differences between expected and actual experience on pension plan liability	39,624	30,818	70,442
Pension contributions made after the measurement date	<u>33,412</u>	<u>26,147</u>	<u>59,559</u>
Total deferred outflows of resources	<u>73,036</u>	<u>61,134</u>	<u>134,170</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	90,581	67,653	158,234
Accrued payroll and payroll taxes	3,908	3,961	7,869
Due to other funds	617	12,562	13,179
Deposits	32,000	87,044	119,044
Compensated absences	3,100	2,899	5,999
Current portion of long-term debt	-	82,391	82,391
Total Current Liabilities	<u>130,206</u>	<u>256,510</u>	<u>386,716</u>
Net pension liability	<u>108,688</u>	<u>84,535</u>	<u>193,223</u>
Total Liabilities	<u>238,894</u>	<u>341,045</u>	<u>579,939</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Net difference between projected and actual earnings on pension plan investments	<u>1,689</u>	<u>1,314</u>	<u>3,003</u>
Total deferred inflows of resources	<u>1,689</u>	<u>1,314</u>	<u>3,003</u>
<u>NET POSITION</u>			
Net investment in capital assets	8,239,351	21,689,129	29,928,480
Unrestricted	<u>5,317,138</u>	<u>3,954,777</u>	<u>9,271,915</u>
Total Net Position	<u>\$ 13,556,489</u>	<u>\$ 25,643,906</u>	<u>\$ 39,200,395</u>

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

BUCKINGHAM TOWNSHIP

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

For the Year Ended December 31, 2015

	<u>Water Fund</u>	<u>Waste Water Fund</u>	<u>Total</u>
Operating Revenues			
Charges for services	\$ 1,359,420	\$ 2,399,095	\$ 3,758,515
Connection fees	6,415	11,696	18,111
Miscellaneous	8,625	8,712	17,337
Total Operating Revenues	<u>1,374,460</u>	<u>2,419,503</u>	<u>3,793,963</u>
Operating Expenses			
Salaries and wages	349,292	297,350	646,642
Employee benefits	153,706	132,715	286,421
Utilities	76,596	290,408	367,004
Repair and maintenance	47,806	252,246	300,052
Disposal fees	-	43,461	43,461
Laboratory services	26,828	83,988	110,816
Supplies	102,247	68,417	170,664
Other operating costs	53,180	88,773	141,953
Insurance	26,408	27,214	53,622
Depreciation	392,194	461,244	853,438
Amortization	-	2,378	2,378
Professional fees	5,300	13,192	18,492
Miscellaneous	2,225	1,736	3,961
Total Operating Expenses	<u>1,235,782</u>	<u>1,763,122</u>	<u>2,998,904</u>
Operating Income (Loss)	<u>138,678</u>	<u>656,381</u>	<u>795,059</u>
Nonoperating Revenues (Expense)			
Intergovernmental grants	19,604	68,207	87,811
Sale of capital assets	-	10,002	10,002
Interest income	14,740	5,226	19,966
Interest expense	-	(2,934)	(2,934)
Total Nonoperating Revenues (Expense)	<u>34,344</u>	<u>80,501</u>	<u>114,845</u>
Income (Loss) before Contributions and Transfers	173,022	736,882	909,904
Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(200,000)</u>
Changes in Net Position	73,022	636,882	709,904
Total Net Position - Beginning (restated)	<u>13,483,467</u>	<u>25,007,024</u>	<u>38,490,491</u>
Total Net Position - Ending	<u>\$ 13,556,489</u>	<u>\$ 25,643,906</u>	<u>\$ 39,200,395</u>

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

BUCKINGHAM TOWNSHIP

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended December 31, 2015

	Proprietary Fund Types		
	Water Fund	Waste Water Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 1,299,895	\$ 2,334,871	\$ 3,634,766
Cash paid to suppliers	(505,025)	(1,142,972)	(1,647,997)
Cash paid to employees	(348,747)	(296,445)	(645,192)
Net cash provided by (used in) operating activities	446,123	895,454	1,341,577
Cash flows from non-capital financing activities			
Transfers to other funds	(100,000)	(100,000)	(200,000)
Refunds and reimbursements	-	-	-
Operating grants	19,604	68,207	87,811
Net cash provided by (used in) non-capital financing activities	(80,396)	(31,793)	(112,189)
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(277,982)	(644,536)	(922,518)
Proceeds from the sale of capital asset	-	10,002	10,002
Principal paid on long-term debt	-	(81,091)	(81,091)
Interest paid on long-term debt	-	(2,934)	(2,934)
Net cash provided by (used in) capital and related financing activities	(277,982)	(718,559)	(996,541)
Cash flows from investing activities			
Earnings on investments	14,740	5,226	19,966
Redemption (purchase) of certificates of deposit	1,000	1,000	2,000
Net cash provided by (used in) investing activities	15,740	6,226	21,966
Net increase (decrease) in cash and cash equivalents	103,485	151,328	254,813
Beginning cash and cash equivalents	1,968,341	2,539,552	4,507,893
Ending cash and cash equivalents	\$ 2,071,826	\$ 2,690,880	4,762,706

**Reconciliation of Net Operating Income (Loss)  
to Net Cash Provided (Used) by Operating Activities**

Net operating income (loss)	\$ 138,678	\$ 656,381	\$ 795,059
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization	392,194	463,622	855,816
Changes in assets and liabilities			
(Increase) decrease in receivables and unbilled charges	(74,565)	(84,632)	(159,197)
(Increase) decrease in due from other funds	(7,266)	-	(7,266)
(Increase) decrease in other assets	(743)	(1,046)	(1,789)
(Increase) decrease in deferred outflows	(73,036)	(52,796)	(125,832)
Increase (decrease) in accounts payables	11,857	(144,430)	(132,573)
Increase (decrease) in due to other funds	617	12,241	12,858
Increase (decrease) in other liabilities	56,698	44,800	101,498
Increase (decrease) in deferred inflows	1,689	1,314	3,003
Net adjustments	307,445	239,073	546,518
Cash provided (used) by operating activities	\$ 446,123	\$ 895,454	\$ 1,341,577

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

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**1. Summary of Significant Accounting Policies**

Buckingham Township (the “Township”), located in Bucks County, Pennsylvania, is classified as a “Township of the Second Class” under the laws of the Commonwealth of Pennsylvania. The major services provided by the Township include public safety, public works, parks and recreation, conservation and preservation, and general administration.

The Township is governed by an elected three member Board of Supervisors. The daily operations of the Township are administered by the Township Manager.

The financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

Reporting Entity: The basic financial statements include all funds, organizations, agencies, boards, commissions, and authorities for which the Township is financially accountable. The Township has also considered all other potential organizations for which the nature and significance of their relationships with the Township are such that exclusion would cause the Township’s financial statements to be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization’s governing body, and 1) the ability of the Township to impose its will on that organization, or 2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the Township. Based on these criteria, there are no other organizations or agencies which should be included in these basic financial statements.

Government-Wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Township. For the most part, the effect of interfund activity has been removed from these statements except for interfund services provided and used which are not eliminated. 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.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**1. Summary of Significant Accounting Policies (Continued)**

Government-Wide and Fund Financial Statements: (continued)

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. Administrative overhead charges of the general government are included in the direct expenses. 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 included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting: The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent. The Township has the following fund types:

*Governmental Funds:* Governmental funds are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance". The measurement focus is upon determination of changes in current financial resources, rather than upon net income determination.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

1. **Summary of Significant Accounting Policies (Continued)**

**Fund Accounting:** (continued)

The following are the Township's major governmental funds:

- **General Fund** - The General Fund is the general operating fund of the Township. All activities of the Township are accounted for through this fund, except for those required to be accounted for in another fund.
- **Debt Service Fund** - The Debt Service Fund is used to accumulate resources for the payment of interest and principal on long-term general obligation debt. The Debt Service Fund includes the General Sinking Fund and the Open Space Sinking Fund. The resources of this fund include real estate taxes levied for the purpose of open space debt service and general fund transfers.
- **General Obligation Bond Capital Projects Fund** - The General Obligation Bond Fund is used to account for bond proceeds to be used to purchase open space.

The other governmental funds of the Township are considered nonmajor.

*Proprietary Funds:* Proprietary funds are used to account for operations that are organized to be self supporting through user charges. The fund type included in this category is:

- **Enterprise Funds** - Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Township has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The Township reports the following major enterprise funds:

- **Water Fund** - The Water Fund is used to account for the billing and collection of metered water sales and associated water costs.
- **Waste Water Fund** - The Waste Water Fund is to account for the billing and collection of sewer rents and the expenditures related to the collection and treatment of waste water.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**1. Summary of Significant Accounting Policies (Continued)**

Measurement Focus and Basis of Accounting: The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Earned income taxes are recognized when the underlying exchange transaction occurs or when resources are received, whichever is first. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Those revenues susceptible to accrual are real estate taxes, earned income taxes, interest, intergovernmental, charges for services (water and waste water), and certain miscellaneous revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due or matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Township; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, fines and forfeitures, charges for sales and services (other than water and wastewater), and certain miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable and available until actually received.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**1. Summary of Significant Accounting Policies (Continued)**

Measurement Focus and Basis of Accounting: (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Township's enterprise funds are charges to customers for sales and services. 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.

Budgets and Budgetary Accounting: Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds of the Township.

1. At least thirty days prior to the adoption of the annual budget, the Township Board of Supervisors begins preparation of a proposed budget for all funds or annual estimates of revenues and expenditures for the following year.
2. After preparation, the Board gives public notice that the proposed budget is available for public inspection in a designated place; the proposed budget remains available for at least twenty days after notice and before adoption. Should a revision of the proposed budget increase the aggregate more than ten percent or an individual item more than twenty-five percent, the budget is advertised again with the appropriate time for public inspection. Not later than December 31, the Board adopts the budget and the necessary appropriation measures required to put it into effect.
3. Any excess appropriations lapse at year end.
4. The Supervisors may make supplemental appropriations from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated.
5. Legal budgetary control is maintained by the Township Manager with the assistance of the Finance Director at the Fund level. Budget transfers at the fund level must be approved by the Board of Supervisors.
6. Annual budgets for governmental funds are adopted on the modified accrual basis of accounting.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**1. Summary of Significant Accounting Policies (Continued)**

Measurement Focus and Basis of Accounting: (continued)

7. Budgets for proprietary funds are adopted on the accrual basis of accounting. These annual budgets are “flexible budgets” and not legally appropriated operating budgets.

Cash and Cash Equivalents: For purposes of reporting cash flows of proprietary funds, the Township considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments: Investments consist of investments in the Pennsylvania Local Government Investment Trust and are included with cash and cash equivalents in the statements of net assets and balance sheets. Investments are stated at fair value. Certificates of deposit with maturities greater than three months reported separately in the statements of net assets and balance sheets.

Receivables: Receivables are shown net of an allowance of \$23,845 for the amount which the Township estimates to be uncollectible.

Interfund Transactions: Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds’ operating statements.

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

Noncurrent portions of long-term interfund loan receivables are reported as advances within the governmental funds, and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources, and therefore, are not available for appropriation.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. In the governmental funds, prepaid items are offset by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation. Prepaid items are accounted for using the consumption method.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**1. Summary of Significant Accounting Policies (Continued)**

Unearned Revenues: In the government-wide and governmental fund financial statements, unearned revenues represent amounts received which revenue cannot be recognized because it was not earned.

Capital Assets: Capital assets include land, construction in progress, buildings and improvements, machinery and equipment, vehicles, furniture and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Purchases of capital assets are recognized as expenditures in governmental funds statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Assets acquired through contributions from developers are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Prior to January 1, 2004, governmental funds' infrastructure assets were not capitalized. These assets are valued prospectively. 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. No interest was capitalized in the current fiscal year.

Depreciation has been provided using the straight-line method over the estimated useful lives of the depreciable assets. The estimated useful lives for each capital asset type are as follows:

Buildings and improvements	20 - 100 years
Water and waste water connection systems	50 years
Machinery/vehicles/furniture/equipment	3 - 10 years
Infrastructure	50 - 100 years

Long-Term Obligations: In the government-wide financial statements and in the proprietary fund financial statements, any long-term debt and other long-term obligations are reported as liabilities. In accordance with GASB Statement No. 23, an unamortized charge, difference between the reacquisition price and the net carrying amount of old debt, on refunding of debt is deferred and amortized to interest expense using the proportionate-to-stated-interest method. The unamortized charge is reported as a deferred outflow of resources.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**1. Summary of Significant Accounting Policies (Continued)**

In the governmental fund financial statements, the face amount of debt issued is reported as another financing source and is not considered a fund liability, and repayments of debt are considered debt service expenditures.

Bond Discounts and Premiums: In the government-wide financial statements and in the proprietary fund financial statements, any bond discounts and premiums are deferred and amortized over the life of the bonds using the proportionate-to-stated-interest method. Long-term debt is reported net of the applicable bond premium or discount.

In the government fund financial statements, bond premiums and discounts are recognized during the current period. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Bond Issuance Costs: In the government-wide financial statements and in the proprietary fund financial statements, any bond issuance costs are expensed as incurred. In the governmental fund financial statements, issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the current period.

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

1. *Unamortized deferred loss on refunding* is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**1. Summary of Significant Accounting Policies (Continued)**

Deferred Outflows/Inflows of Resources (continued)

2. *Net difference between projected and actual earnings on pension plan investments* is reported in the government-wide statement of net position. A net difference results from the actual earnings in the plan either exceeding or falling short of projected earnings. This amount is deferred and amortized over a five year period.
3. *Differences between expected and actual experience on pension plan liability* is reported in the government-wide statement. A difference results when actual economic or demographic factors differ from expected results. These amounts are deferred and amortized over eight to nine years.
4. *Pension contributions made after the measurement date* is reported in the government-wide statement of net position. The pension measurement date is December 31, 2014. These amounts are deferred and recognized as an outflow of resources in the next period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category:

1. *Net difference between projected and actual earnings on pension plan investments* is reported in the government-wide statement of net position. A net difference results from the actual earnings in the plan either exceeding or falling short of projected earnings. This amount is deferred and amortized over a five year period.
2. *Differences between expected and actual experience on pension plan liability* is reported in the government-wide statement. A difference results when actual economic or demographic factors differ from expected results. These amounts are deferred and amortized over eight to nine years.
3. *Unavailable revenue – earned income taxes* is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**1. Summary of Significant Accounting Policies (Continued)**

Compensated Absences: Full-time Township employees accumulate sick time in accordance with their applicable contracts. Employees are not compensated for unused sick leave upon termination. The employees in the police union may carry over unused vacation up to 48 hours and it must be taken within 4 months. For all other employees vacation leave up to 40 hours may be carried beyond the calendar year only with Township Manager approval. All vacation pay is accrued when incurred in government wide financial statements and in proprietary fund financial statements and reported as a liability. A liability for these amounts is reported in governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

Real Estate Taxes: 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.

The tax rate for 2015 was 5.5 mills on an assessed valuation of \$386,093,520. The mills were levied for the Fire Protection Fund, the Emergency Services Fund and the Debt Service Fund.

Real Estate Transfer Taxes, Earned Income Taxes and Local Services Taxes: The Township recognizes assets resulting from real estate transfer taxes, earned income taxes and local services taxes (derived tax revenues) when the underlying exchange transaction occurs or when resources are received, whichever is first. In the governmental fund financial statements, under the modified accrual basis of accounting revenue is recorded when the underlying exchange occurs and when the resources are available. Revenue that is not available is deferred.

Water and Waste Water Charges for Services: Water and waste water charges for services are recorded when earned. Customers are billed quarterly. The fourth quarter billings for the current year are billed in January of the following year and are shown as accrued unbilled charges for services as of year-end.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**1. Summary of Significant Accounting Policies (Continued)**

Net Position: In the government-wide financial statements, net assets are classified in the following categories:

**Net investment in capital assets** - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance of this category.

**Restricted net position** - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position** - This category represents net position of the entity, not restricted for any project or other purpose.

Fund Balance: Governmental funds report fund balance in classifications based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

**Nonspendable Fund Balance** - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

**Restricted Fund Balance** - includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

**Committed Fund Balance** - includes amounts that can only be used for the specific purposes determined by a resolution of the Board of Supervisors, Township’s highest level of decision-making authority. Commitments may be changed or lifted only by the Township taking the same formal action that imposed the constraint originally (for example: resolution).

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

1. **Summary of Significant Accounting Policies (Continued)**

Fund Balance (continued)

**Assigned Fund Balance** - includes amounts intended to be used by the Township for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the Board of Supervisors or (b) a body (a budget, finance committee, or Township Manager and Finance Director) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted, or committed. The governing body, the Board of Supervisors, has by resolution authorized the finance director to assign fund balance.

**Unassigned Fund Balance** - this residual classification is used for all negative fund balances in Special Revenue, Capital Projects, and Debt Service funds; or any residual amounts in the General Fund. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned. In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: The Township has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report, which is the date the statements were available for release. No subsequent events have been recognized.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**2. Deposits and Investments**

Legal and Contractual Restrictions: The Township is permitted to invest in U.S. Treasury bills, short-term obligations of the U.S. Government or its agencies, and shares of an investment company as defined, provided that the only investments of the company are in authorized investments for Township funds. The Township may also place deposits that are insured by the Federal Deposit Insurance Corporation (“FDIC”) and deposits that are collateralized on an individual or on a pooled basis in accordance with Act No. 72 of the Commonwealth of Pennsylvania, August 6, 1971.

As of December 31, 2015, the government had the following investments for governmental funds:

	<u>Fair</u> <u>Value</u>	<u>Weighted</u> <u>Average</u> <u>Maturity</u>
Certificates of deposit	\$ 7,592,000	193 days
Term deposits	<u>2,950,000</u>	174 days
	<u>\$ 10,542,000</u>	

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Township’s deposits may not be returned to it or the government will not be able to recover collateral securities in the possession of an outside party. The Township does not have a formal deposit policy for custodial credit risk. As of December 31, 2015, \$14,995,527 of the Township’s bank balances of \$17,423,111 was exposed to custodial credit risk because it was uninsured and uncollateralized. The majority of this balance was invested in PLGIT funds, as described below.

The Township participates in an external investment pool, the Pennsylvania Local Government Investment Trust (“PLGIT”). PLGIT is a common law trust established pursuant to the Intergovernmental Cooperation Act and similar statutes by Local Governments in Pennsylvania for the purpose of pooling their investments. It is a fundamental policy of PLGIT to maintain a net asset value of \$1 per share, but there can be no assurance that the net asset value will not vary from \$1 per share. At December 31, 2015, management of PLGIT has indicated that all investments made of the PLGIT were either obligations of the U.S. Government or its agencies or instrumentalities, or certificates of deposit insured by FDIC. The Township had \$8,239,751 of deposits invested in PLGIT at December 31, 2015, all of which is included in cash and cash equivalents. All amounts invested have maturity dates of less than 6 months.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**2. Deposits and Investments (Continued)**

Custodial Credit Risk - Investments: For an investment, this is the risk that, in the event of a failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township does not have a formal deposit policy for custodial credit risk. The Township's investments consisted of certificates of deposit as listed above.

Interest Rate Risk - Investments: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal investment policy for interest rate risk.

Credit Risk - Investments: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township does not have a formal investment policy for credit risk. The Township's investments in PLGIT were rated "AAAm" by Standard & Poor's.

Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. There were no investments that exceeded 5% of the total investments reported in the governmental or fiduciary funds that would be considered a concentration of credit risk.

Interfund receivable and payable balances of each individual fund as of December 31, 2015 are as follows (certain amounts are netted for presentation in the fund financial statements):

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 5,648	\$ 3,505
Debt Service Fund	31	358,325
General Obligation Fund	361,792	-
Nonmajor Governmental Funds	7	-
Enterprise Funds		
Water Fund	7,531	617
Waste Water Fund	-	12,562
	<u>\$ 375,009</u>	<u>\$ 375,009</u>

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

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

Interfund balances result 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.

The following is a schedule of transfers as included in the basic financial statements of the Township:

	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ 200,000	\$ 1,592,384
General Obligation Fund	1,500,000	-
Nonmajor Governmental Funds	235,812	143,428
Enterprise Funds		
Water Fund	-	100,000
Waste Water Fund	-	100,000
Total	<u>\$ 1,935,812</u>	<u>\$ 1,935,812</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 and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**4. Capital Assets**

The following is a summary of changes in capital assets for the year ended December 31, 2015:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land and land easements	\$ 33,492,616	\$ 32,811	\$ -	\$ 33,525,427
Total capital assets, not being depreciated	<u>33,492,616</u>	<u>32,811</u>	<u>-</u>	<u>33,525,427</u>
Capital assets, being depreciated:				
Buildings and improvements	4,364,107	130,367	-	4,494,474
Machinery and equipment	1,285,823	102,959	-	1,388,782
Vehicles and equipment	1,957,352	92,873	(47,340)	2,002,885
Furniture and equipment	579,361	30,061	(42,899)	566,523
Infrastructure	21,713,324	511,231	-	22,224,555
Total capital assets being depreciated	<u>29,899,967</u>	<u>867,491</u>	<u>(90,239)</u>	<u>30,677,219</u>
Less accumulated depreciation for:				
Buildings and improvements	3,414,677	126,918	-	3,541,595
Machinery and equipment	945,657	65,774	-	1,011,431
Vehicles and equipment	1,635,136	103,480	(47,340)	1,691,276
Furniture and equipment	530,590	34,537	(42,899)	522,228
Infrastructure	1,321,825	219,689	-	1,541,514
Total accumulated depreciation	<u>7,847,885</u>	<u>550,398</u>	<u>(90,239)</u>	<u>8,308,044</u>
Total capital assets, being depreciated, net	<u>22,052,082</u>	<u>317,093</u>	<u>-</u>	<u>22,369,175</u>
Governmental activities capital assets, net	<u>\$ 55,544,698</u>	<u>\$ 349,904</u>	<u>\$ -</u>	<u>\$ 55,894,602</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 8,904,695	\$ 5,186	\$ -	\$ 8,909,881
Construction in progress	1,002,272	410,840	(960,657)	452,455
Total capital assets, not being depreciated	<u>9,906,967</u>	<u>416,026</u>	<u>(960,657)</u>	<u>9,362,336</u>
Capital assets, being depreciated:				
Buildings and improvements	8,702,745	1,081,117	-	9,783,862
Connection systems	17,942,927	-	-	17,942,927
Machinery, vehicles and equipment	4,333,138	386,032	(44,172)	4,674,998
Total capital assets being depreciated	<u>30,978,810</u>	<u>1,467,149</u>	<u>(44,172)</u>	<u>32,401,787</u>
Less accumulated depreciation for:				
Buildings and improvements	5,139,695	173,494	-	5,313,189
Connection systems	3,664,845	351,095	-	4,015,940
Machinery, vehicles and equipment	2,143,615	328,849	(44,172)	2,428,292
Total accumulated depreciation	<u>10,948,155</u>	<u>853,438</u>	<u>(44,172)</u>	<u>11,757,421</u>
Total capital assets, being depreciated, net	<u>20,030,655</u>	<u>613,711</u>	<u>-</u>	<u>20,644,366</u>
Business-type activities capital assets, net	<u>\$ 29,937,622</u>	<u>\$ 1,029,737</u>	<u>\$ (960,657)</u>	<u>\$ 30,006,702</u>

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**4. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:		
General government	\$	91,469
Public safety		108,954
Public works		310,161
Parks and recreation		<u>39,814</u>
Total depreciation expense-governmental activities	\$	<u>550,398</u>
Business activities:		
Water	\$	392,194
Waste Water		<u>461,244</u>
Total depreciation expense-business activities	\$	<u>853,438</u>

**5. Long-Term Debt**

The Township issues general obligation bonds and notes payable to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds and notes payable have been issued for both general government and proprietary activities. These bonds and notes payable are reported in the Proprietary Funds if they are expected to be repaid from Proprietary Fund revenues. In addition, general obligation bonds have been issued to refund debt for both general governmental and proprietary activities.

General obligations currently outstanding in total are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Government-type activities	.55%-4.65%	\$ 13,394,400
Business-type activities	1.00%-2.00%	<u>80,600</u>
		<u>\$ 13,475,000</u>

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**5. Long-Term Debt (Continued)**

General Obligation Notes (Governmental Activities): The General Obligation Notes, Series A of 2008 and Series B of 2008, in the amount of \$2,605,000 and \$2,395,000, respectively were issued on March 25, 2008 for the purpose of funding the acquisition of certain open space. The notes bear interest initially at the variable rate of interest based on the Municipal Swap Index and the Swap rates, subject to a maximum rate of 15%. The Township has the option to convert from variable to fixed rates subject to Swap agreements. In 2014, the Series A Note of 2008 was paid off. In 2015, the Series B Note of 2008 was paid off.

Refunding Bonds: In 2012, the Township issued General Obligation Bonds, Series 2012, 2012A and 2012B in the amounts of \$2,775,000, \$4,705,000, and \$1,855,000, respectively. The bonds were issued to currently refund the Series 2003, 2006A, and 2006B General Obligation Bonds (Governmental and Business-type) in the total amount of \$9,215,000. The Bonds have varying maturities from November 1, 2012 to November 1, 2022 with interest being paid semi-annually, May 1 and November 1. The reacquisition price exceeded the net carrying amount of the old debt by \$78,531. This amount is recorded in the government-wide statement as deferred outflows or resources and will be amortized over the remaining life of the refunded debt. The refunded debt has been considered defeased and removed from this statement. The present value savings at the time of refunding on the Bond Series 2012 and 2012 A & B was \$247,967 and \$603,984, respectively.

Refunding Bonds: In 2014, the Township issued General Obligation Bonds, Series 2014 in the amounts of \$7,540,000. The bonds were issued to currently refund the Series 2009 General Obligation Bonds (Governmental type) in the total amount of \$7,380,000. The Bonds have varying maturities from November 1, 2014 to November 1, 2029 with interest being paid semi-annually, May 1 and November 1. The reacquisition price exceeded the net carrying amount of the old debt by \$83,247. This amount is recorded in the government-wide statement as deferred outflows or resources and will be amortized over the remaining life of the refunded debt. The refunded debt has been considered defeased and removed from this statement. The present value savings at the time of refunding on the Bond Series 2009 was \$900,936.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**5. Long-Term Debt (Continued)**

Changes in Long-Term Liabilities: The following is a summary of changes in the long-term liabilities:

	Year of Final Maturity	Original Issue Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>							
General obligation bonds/notes							
Series of 2012 - .55%-3.00%	2019	2,775,000	\$ 1,930,000	\$ -	\$ (375,000)	\$ 1,555,000	\$ 375,000
Series of 2012A - 1.00%-2.15%	2022	4,705,000	4,690,000	-	(210,000)	4,480,000	325,000
Series of 2012B - 1.00%-2.00%	2016	1,372,700	455,100	-	(225,700)	229,400	229,400
Series of 2014 - 1.00%-2.00%	2016	7,540,000	7,335,000	-	(205,000)	7,130,000	425,000
Total general obligation bonds/notes			14,410,100	-	(1,015,700)	13,394,400	1,354,400
Less deferred amount: issuance premium			199,029	-	(22,925)	176,104	-
Total obligation bonds/notes payable			14,609,129	-	(1,038,625)	13,570,504	1,354,400
Net pension liability (restated)			1,449	1,235,808	(1,070,494)	166,763	-
Compensated absences			38,243	31,399	(38,243)	31,399	31,399
Governmental activity long-term liabilities			<u>\$ 14,648,821</u>	<u>\$ 1,267,207</u>	<u>\$ (2,147,362)</u>	<u>\$ 13,768,666</u>	<u>\$ 1,385,799</u>
<b>Business-type activities:</b>							
General obligation bonds/notes							
Series of 2012B - 1.00%-2.00%	2016	482,300	\$ 159,900	\$ -	\$ (79,300)	\$ 80,600	\$ 80,600
Less deferred amount: For Issuance premium			3,582	-	(1,791)	1,791	1,791
Total obligation bonds/note			163,482	-	(81,091)	82,391	82,391
Net pension liability (restated)			93,262	175,904	(75,942)	193,224	-
Compensated absences			5,379	5,999	(5,379)	5,999	5,999
Business-type activity long-term liabilities			<u>\$ 262,123</u>	<u>\$ 181,903</u>	<u>\$ (162,412)</u>	<u>\$ 281,614</u>	<u>\$ 88,390</u>

**Legal Debt Limit:** At December 31, 2015, the Township’s legal debt limit under the Pennsylvania Local Government Unit Debt Act (the “Act”) was approximately \$37,055,950 for non-electoral debt. After deducting the non-electoral debt outstanding of \$79,300, the Township’s remaining borrowing capacity was approximately \$36,976,650 for non-electoral debt. Electoral debt (i.e. debt approved by the Township voters) is not subject to any statutory borrowing limit under the Act. The 2012 Bonds and the Series A of 2012 Bonds are considered electoral debt.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**5. Long-Term Debt (Continued)**

Debt Service Requirements: Annual debt service requirements for each of the next five years and each five year period thereafter for all long-term debt except compensated absences are as follows:

Year Ending December 31	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,354,400	\$ 316,728	\$ 80,600	\$ 1,612
2017	1,480,000	287,265	-	-
2018	1,515,000	249,465	-	-
2019	1,555,000	210,165	-	-
2020	1,180,000	174,965	-	-
2021-2025	4,023,000	551,715	-	-
2026-2029	2,287,000	170,410	-	-
Total	<u>\$ 13,394,400</u>	<u>\$ 1,960,713</u>	<u>\$ 80,600</u>	<u>\$ 1,612</u>

Debt service for general obligation bonds is funded primarily from real estate taxes for governmental activities and charges for service in the business type activities. Any liabilities for compensated absences, and net pension liability are generally liquidated by the general fund or proprietary-type fund that they relate to.

On April 22, 2008, the residents of Buckingham Township voted to approve an Open Space Referendum which authorizes the Township to borrow up to \$20,000,000 for the purpose of funding land preservation projects. On April 15, 2009, the Township issued \$7,560,000 of Bonds related to this referendum.

**6. Defined Benefit Pension Plans**

Plan Description: The Township sponsors two single employer defined benefit pension plans, the Police Pension Plan and the Non-Uniform Pension Plan. These plans cover substantially all full-time employees. The following are details of these two plans. The most recent valuation was as of January 1, 2015. Details below are from the valuation.

*Police Pension Defined Benefit Pension Plan* - The plan is a contributory, single employer defined benefit plan that covers all regular, full-time sworn police officers. An employee enters the plan after a 90 day probationary period.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**6. Defined Benefit Pension Plans (Continued)**

Plan Description: (continued)

*Non-Uniform Defined Benefit Pension Plan* - The plan is a contributory, single employer defined benefit plan that covers all regular, full-time employees, excluding sworn police officers, who join the Plan after a 90 day probationary period.

The Township's plans are administered by the Pennsylvania Municipal Retirement System ("PMRS"), a statewide local government system. PMRS is an agent, multiple-employer system with the purpose to administer sound, cost-effective pensions for local government employees. PMRS consists of over 900 participating employer plans. Responsibility for the organization and administration of the system is vested in the eleven-member Pennsylvania Municipal Retirement Board - including the State Treasurer and Secretary of the Commonwealth by virtue of statute, and eight other members appointed by the Governor based on their respective organizations. PMRS issues a separate Comprehensive Annual Financial Report ("CAFR"). A copy of the CAFR can be obtained by contacting the PMRS Accounting Office, P.O. Box 1165, Harrisburg, PA 17108-1165.

The following table provides information concerning types of covered employees and benefit provisions for each of the Township's Plans as part of the January 1, 2015 actuarial valuation:

	<u>Police</u>	<u>Non-Uniform</u>
Inactive employees (or their beneficiaries)		
currently receiving benefits	3	7
Inactive employees entitled to benefits		
but not yet receiving them	0	4
Active employees	<u>20</u>	<u>29</u>
	<u>23</u>	<u>40</u>

Benefits Provided

*Description of Police Pension Plan:* The plan provides retirement, death, and disability benefits to plan members and their beneficiaries. A member is fully vested after 12 years of service. Cost-of-living allowances are provided at the discretion of the plan. Normal retirement is available upon attainment of age 54 with 12 years of service. The normal retirement benefit is equal to 2% times credit service times final average salary (FAS), but in no event is the basic benefit greater than 50% of FAS, plus an additional \$100 per month if retiring with 26 or more years of service.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**6. Defined Benefit Pension Plans (Continued)**

Benefits Provided (continued)

*Description of Police Pension Plan (continued)*

Early retirement is voluntary after 24 years of service. For service related disability, a 50% disability benefit is provided to a member who is unable to perform gainful employment regardless of age or service. For non-service related disability, a 30% disability benefit is provided to a member who has at least 10 years of service and who is unable to perform gainful employment. A post retirement adjustment may be awarded based on investment performance (excess interest awards). Benefit provisions are established and amended by Pennsylvania law. Administrative costs of the Plan are financed through investment earnings.

A Deferred Retirement Option Plan ("DROP") is available to the Township's police officers who have fulfilled the age and service requirements of the Police Pension Plan as described in the above paragraph. Under the DROP program a participant may elect to defer receipt of normal retirement benefits while continuing employment with the Township for a period of not less than one year not more than three years. Upon entering the DROP program, the member's retirement benefit is frozen and his monthly retirement benefit payments will be deposited into an account that will be credited with interest and paid to the participant in a lump sum at his actual retirement in addition to his monthly pension payments. As of December 31, 2015, there was no DROP account balance held by the plan pursuant to a DROP.

*Description of Non-Uniform Pension Plan:* The plan provides retirement, death, and disability benefits to plan members and their beneficiaries. A member is fully vested after 7 years of service. Cost-of-living allowances are provided at the discretion of the plan. Normal retirement is available upon attainment of age 60. The normal retirement benefit is equal to 2.5% times credit service times by final average salary (FAS), but in no event is the basic benefit greater than 50% of FAS. All benefits are vested after seven years of credited service. Early retirement is voluntary after 20 years of service. For service related disability, a 50% disability benefit is provided to a member who is unable to perform gainful employment regardless of age or service. For non-service related disability, a 30% disability benefit is provided to a member who has at least 10 years of service and who is unable to perform gainful employment. A post retirement adjustment may be awarded based on investment performance (excess interest awards). Benefit provisions are established and amended by Pennsylvania law. Administrative costs of the Plan are financed through investment earnings.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**6. Defined Benefit Pension Plans (Continued)**

Measurement Focus and Basis of Accounting

*Basis of Accounting:* Pension Plan financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Employer and member contributions are recognized as when due pursuant to formal commitments, as well as statutory or contractual requirements. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation/(depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments. The entire expense of Plan administration is charged against the earnings of the Plan. Investment earnings are reduced for investment management fees, portfolio evaluation, custodial services, and actuarial services, as required by State statutes.

*Method Used to Value Investments:* Pension Plan investments are reported by the custodian at fair value. Investments that do not have an established market value are reported at estimated fair value.

Contributions

Currently, employees covered under the Police Pension Plan are required to contribute 2% of their salaries. Employees covered under the Non-Uniform Pension Plan are required to contribute 3% of their salaries. Administrative costs, including investment manager fees, custodial trustee fees and actuarial fees, are charged to the Plans and funded through investment earnings.

The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the pensions. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law. The pension plans funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**6. Defined Benefit Pension Plans (Continued)**

Contributions (continued)

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) less state aid and employee contributions deposited in the pension during the year. State law requires that state aid be used first to fund the plan, then employee contribution and finally general Township funds. The Township received state aid, which is recognized as revenue and expenses, in the amount of \$270,538 for the year ended December 31, 2015.

Investments

*Investment Policy:* The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pennsylvania Municipal Retirement System (PMRS). The policy is to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

*Rate of Return:* For the Measurement Date of December 31, 2014, the annual money-weighted rate of return on Plan investments, net of 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 participating entities for the Measurement Date of December 31, 2014 were as follows:

	<u>Police</u>	<u>Non-Uniform</u>
Total pension liability	\$ 9,886,879	\$ 6,671,631
Plan fiduciary net position	<u>(10,130,716)</u>	<u>(6,067,807)</u>
Net pension liability	<u>\$ (243,837)</u>	<u>\$ 603,824</u>
Plan fiduciary net position as a percentage of the total pension liability	102%	91%

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**6. Defined Benefit Pension Plans (Continued)**

*Actuarial Assumptions:* The total pension liability in the January 1, 2015 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

	<u>Police</u>	<u>Non-Uniform</u>
Inflation	3.0%	3.0%
Salary Increases	age related with merit and inflation component	
Investment Rate of Return	5.5%	5.5% (including inflation)
Postretirement Cost of Living Increase	3.0%	3.0%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for males or females. This table does not include projected mortality improvements.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2013 to December 31, 2014.

The net pension liability for Police was measured as of the Measurement Date of December 31, 2014 and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2015. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

PMRS has not performed a formal cash flow projection but has applied an alternative method to confirm the sufficiency of the pension plan's projected Net Position. The result would be greater than or equal to the benefit payments projected for each future period. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

<u>Asset Class</u>	<u>Target Allocation</u>
Equities	
Domestic large capitalized firms	25%
Domestic large capitalized firms	15%
International developed markets	15%
International developed markets	10%
Fixed Income	15%
Real Estate	
Core	13%
Timber	8%

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**6. Defined Benefit Pension Plans (Continued)**

*Discount Rate:* The discount rate used to measure the total pension liability was 5.5% for both the Non-Uniformed and Police Pension Plans. 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 contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of active and inactive Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer's funding policy requires the full funding of the entry age normal cost plus plan expenses, as well as an amortization of the unfunded liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b><u>Police Pension Plan</u></b>			
Balance at December 31, 2013	\$ 9,292,702	\$ 9,489,435	\$ (196,733)
Changes for the year:			
Service cost	333,918	-	333,918
Interest	528,093	-	528,093
Change of benefit terms	-	-	-
Differences between expected and actual experience	(217,310)	-	(217,310)
Change of assumptions	-	-	-
Contributions - employer	-	161,580	(161,580)
Contributions - employee	-	44,159	(44,159)
Net investment income	-	506,594	(506,594)
Benefit payments, including refunds of employee contributions	(50,524)	(50,524)	-
Administrative expense	-	(20,528)	20,528
Other changes	-	-	-
Net Changes	594,177	641,281	(47,104)
Balance at December 31, 2014	\$ 9,886,879	\$ 10,130,716	\$ (243,837)

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**6. Defined Benefit Pension Plans (Continued)**

	Increase (Decrease)		
	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>Liability</u>
<b><u>Non-Uniform Pension Plan</u></b>			
Balance at December 31, 2013	\$ 5,993,858	\$ 5,702,412	\$ 291,446
Changes for the year:			
Service cost	211,879	-	211,879
Interest	337,822	-	337,822
Change of benefit terms	-	-	-
Differences between expected and actual experience	256,821	-	256,821
Change of assumptions	-	-	-
Contributions - employer	-	131,826	(131,826)
Contributions - employee	-	54,156	(54,156)
Net investment income	-	320,836	(320,836)
Benefit payments, including refunds of employee contributions	(128,749)	(128,749)	-
Administrative expense	-	(12,674)	12,674
Other changes	-	-	-
Net Changes	<u>677,773</u>	<u>365,395</u>	<u>312,378</u>
Balance at December 31, 2014	<u>\$ 6,671,631</u>	<u>\$ 6,067,807</u>	<u>\$ 603,824</u>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate:* The following presents the net pension liability of participating entities calculated using the discount rate of 5.5 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.5 percent) or 1-percentage-point higher (6.5 percent) than the current rate:

	1% Decrease <u>(4.5%)</u>	Current Discount <u>Rate (5.5%)</u>	1% Increase <u>(6.5%)</u>
Net pension liability			
Police	\$ 1,114,695	\$ (243,837)	\$ (1,386,489)
Non-Uniform	1,458,692	603,824	(123,820)

*Deferred Outflows and Inflows of Resources:* For the Measurement Date of December 31, 2014, the Township recognized pension expense of \$53,157 for Police Pension and \$56,264 for Non-Uniformed Pension. At December 31, 2015, the Township reported deferred outflows of resources and deferred inflows of resources related to pension related to this Measurement Date of December 31, 2014 from the following sources:

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**6. Defined Benefit Pension Plans (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Police Pension</u>		
Differences between expected and actual experience	\$ -	\$ 190,146
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	12,935	-
Contributions by employer after measurement date	<u>238,530</u>	<u>-</u>
Total	<u>\$ 251,465</u>	<u>\$ 190,146</u>
<u>Non-Uniform Pension</u>		
Differences between expected and actual experience	\$ 220,132	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	9,385
Contributions by employer after measurement date	<u>183,206</u>	<u>-</u>
Total	<u>\$ 403,338</u>	<u>\$ 9,385</u>

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

Year Ended	Governmental- Activities Police	Governmental- Activities Non-Uniform	Proprietary - Activities Non-Uniform	Total Non-Uniform
<u>December 31:</u>				
2015	\$ 214,600	\$ 147,000	\$ 70,549	\$ 217,549
2016	(23,930)	23,353	10,990	34,343
2017	(23,930)	23,353	10,990	34,343
2018	(23,931)	23,353	10,989	34,342
2019	(27,164)	24,949	11,740	36,689
Thereafter	<u>(54,326)</u>	<u>24,947</u>	<u>11,740</u>	<u>36,687</u>
Total	<u>\$ 61,319</u>	<u>\$ 266,955</u>	<u>\$ 126,998</u>	<u>\$ 393,953</u>

*Payable to the Pension Plan:* For the Measurement Date of December 31, 2014, there was no amount payable for contributions to the pension plan.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**7. Deferred Compensation Plans**

The Township offers certain employees the option to participate in deferred compensation plans created in accordance with the Internal Revenue Code Section 457. The Plans permit the employees to voluntarily defer a percentage of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries. The compensation deferred is managed by outside trustees under various investment options. As a result, the financial statements of the deferred compensation plans are excluded from the accompanying financial statements.

**8. Risk Management**

The Township is exposed to various risks of loss related to third party liability claims, damages to and losses of Township-owned property, errors and omissions by public officials and injuries to employees. The Township carries various types of commercial insurance to manage these risks of loss.

There were no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**9. Contingencies**

In the normal course of business, there are various claims and suits pending against the Township. In the opinion of Township Management, the potential loss on all claims and lawsuits will not be significant to the Township's financial statements.

The use of grant monies is subject to compliance audits by governmental agencies. Management of the Township believes the Township is in compliance with substantially all of the significant requirements of such grants.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**10. New Accounting Pronouncements**

GASB Statement No. 68 -Accounting and Financial Reporting for Pensions was issued in June 2012. This Statement is effective for fiscal years beginning after June 15, 2015. The objective of this Statement is to measure and recognize liabilities, deferred outflows of resources, deferred inflows or resources, and expense/expenditures for defined benefit pension plans that more closely match the benefits attributable to the employees' periods of service. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and No. 50, *Pension Disclosures*. This Statement was implemented in 2015.

Beginning net position on the Statement of Activities has been restated to comply with this new standard. There was no effect on the fund financial statements.

	Governmental <u>Activities</u>	Proprietary <u>Activities</u>	<u>Total</u>
Beginning net position as previously reported at December 31, 2014	\$ 54,319,264	\$38,583,753	\$92,903,017
Prior period adjustment - Implementation of GASB 68:			
Net pension liability (measurement date)	<u>(1,449)</u>	<u>(93,262)</u>	<u>(94,711)</u>
Net position as restated, December 31, 2014	<u>\$ 54,317,815</u>	<u>\$38,490,491</u>	<u>\$92,808,306</u>

GASB Statement No. 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. This Statement is effective for fiscal years beginning after June 15, 2015. The objective of this Statement is to address issues regarding contributions, if any, made by the local government employer to a defined benefit pension plan after the measurement date of the plan. Since the measurement date of the plan and the reporting date of these financial statements are the same date, implementation of this Statement had no effect.

**REQUIRED**

**SUPPLEMENTARY INFORMATION**

BUCKINGHAM TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION

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

	2014
<b>Total pension liability</b>	
Service cost	\$ 333,918
Interest	528,093
Changes of benefit terms	-
Differences between expected and actual experience	(217,310)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(50,524)</u>
Net change in total pension liability	594,177
Total pension liability - beginning	<u>9,292,702</u>
Total pension liability - ending (a)	<u>\$ 9,886,879</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 161,580
Contributions - employee	44,159
Net investment income	506,594
Benefit payments, including refunds of employee contributions	(50,524)
Administrative expense	(20,528)
Other	<u>-</u>
Net change in plan fiduciary net position	641,281
<b>Plan fiduciary net position - beginning</b>	<u>9,489,435</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 10,130,716</u>
<b>Township's net pension liability - ending (a)-(b)</b>	<u>\$ (243,837)</u>
Plan fiduciary net position as a percentage of the total pension liability	102.5%
Covered-employee payroll	\$ 2,099,042
Township's net pension liability as a percentage of covered-employee payroll	-11.6%

**Notes to Schedule:**

Change in benefit terms: None since 1/1/2015

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.

BUCKINGHAM TOWNSHIP

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CONTRIBUTIONS - POLICE PENSION PLAN

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 238,530	\$ 156,115	\$ 161,304	\$ 129,664	\$ 132,177
Contributions in relation to the actuarially determined contribution	<u>238,530</u>	<u>156,115</u>	<u>161,304</u>	<u>129,664</u>	<u>132,177</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered-employee payroll	\$ 2,242,406	\$ 2,099,042	\$ 2,014,436	\$ 2,048,544	\$ 2,048,544
			(1)	(1)	(1)
Contributions as a percentage of covered-employee payroll	10.6%	7.4%	8.0%	6.3%	6.5%

**Notes to Schedule:**

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

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	10 years initial liability, 20 years gains and losses, 15 years change in assumption, 20 years changes due to plan provisions, 10 years changes in benefits
Asset valuation method	Based upon the municipal reserves
Inflation	3%
Salary increases	age related scale with merit and inflation component
COLA increases	3% for those eligible for a COLA
Investment rate of return	5.5%, net of pension plan investment expense, including inflation
Retirement age	Normal
Mortality	RP2000 Table with 1 year set back, Females -RP2000 with 5 year set back. This table does not include projected mortality improvements.

Change in benefit terms: None since 1/1/2015

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 154,936	\$ 182,961	\$ 199,835	\$ 181,230	\$ 142,940
<u>154,936</u>	<u>182,961</u>	<u>199,835</u>	<u>181,230</u>	<u>142,940</u>
<u>\$ -</u>				
\$ 1,979,359	\$ 1,979,359	\$ 1,824,915	\$ 1,824,915	\$ 1,601,764
(1)	(1)	(1)	(1)	(1)
7.8%	9.2%	11.0%	9.9%	8.9%

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.

BUCKINGHAM TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - NON-UNIFORM PENSION PLAN

	<u>2014</u>
<b>Total pension liability</b>	
Service cost	\$ 211,879
Interest	337,822
Changes of benefit terms	-
Differences between expected and actual experience	256,821
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(128,749)</u>
Net change in total pension liability	677,773
Total pension liability - beginning	<u>5,993,858</u>
Total pension liability - ending (a)	<u>\$ 6,671,631</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 131,826
Contributions - employee	54,156
Net investment income	320,836
Benefit payments, including refunds of employee contributions	(128,749)
Administrative expense	(12,674)
Other	-
Net change in plan fiduciary net position	<u>365,395</u>
<b>Plan fiduciary net position - beginning</b>	<u>5,702,412</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 6,067,807</u>
<b>Township's net pension liability - ending (a)-(b)</b>	<u>\$ 603,824</u>
Plan fiduciary net position as a percentage of the total pension liability	90.9%
Covered-employee payroll	\$ 1,776,405
Township's net pension liability as a percentage of covered-employee payroll	34.0%

**Notes to Schedule:**

Change in benefit terms: None since 1/1/2015

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.

BUCKINGHAM TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - NON-UNIFORM PENSION PLAN

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 186,186	\$ 131,806	\$ 129,053	\$ 132,503	\$ 127,976
Contributions in relation to the actuarially determined contribution	<u>186,186</u>	<u>131,826</u>	<u>129,053</u>	<u>132,503</u>	<u>127,976</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (20)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,881,566	\$ 1,776,405	\$ 1,704,803	\$ 1,635,565	\$ 1,635,565
			(1)	(1)	(1)
Contributions as a percentage of covered-employee payroll	9.9%	7.4%	7.6%	8.1%	7.8%

**Notes to Schedule:**

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

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	10 years initial liability, 20 years gains and losses, 15 years change in assumption, 20 years changes due to plan provisions, 10 years changes in benefits
Asset valuation method	Based upon the municipal reserves
Inflation	3%
Salary increases	age related scale with merit and inflation component
COLA increases	3% for those eligible for a COLA
Investment rate of return	5.5%, net of pension plan investment expense, including inflation
Retirement age	Normal Retirement Age
Mortality	RP2000 Table with 1 year set back, Females -RP2000 with 5 year set back. This table does not include projected mortality improvements.

Change in benefit terms: None since 1/1/2015

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 137,324	\$ 133,478	\$ 127,763	\$ 129,376	\$ 84,851
<u>137,324</u>	<u>133,478</u>	<u>127,763</u>	<u>129,376</u>	<u>84,851</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,574,556	\$ 1,574,556	\$ 1,437,393	\$ 1,437,393	\$ 1,388,299
(1)	(1)	(1)	(1)	(1)
8.7%	8.5%	8.9%	9.0%	6.1%

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.

BUCKINGHAM TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS

	<u>2014</u>
<b>Police</b>	
Annual money-weighted rate of return, net of investment expense	5.5%
<b>Non-Uniform</b>	
Annual money-weighted rate of return, net of investment expense	5.5%

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.

BUCKINGHAM TOWNSHIP

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

For the Year Ended December 31, 2015

	GENERAL FUND			
	<u>Budgeted Amounts</u>		ACTUAL	Variance with Final Budget
	Original	Final		
Revenues				
Real estate transfer taxes	\$ 700,000	\$ 900,000	\$ 935,797	\$ 35,797
Earned income taxes	5,450,000	5,975,000	6,386,935	411,935
Local services taxes	70,950	76,000	81,726	5,726
Licenses, permits, and fees	471,800	487,800	500,404	12,604
Interest and rent	23,000	46,600	48,383	1,783
Intergovernmental revenues	282,950	286,250	253,286	(32,964)
Fines and forfeitures	66,450	66,450	47,062	(19,388)
Charges for services	535,250	595,950	602,536	6,586
Miscellaneous	3,850	40,000	41,703	1,703
Total Revenues	<u>7,604,250</u>	<u>8,474,050</u>	<u>8,897,832</u>	<u>423,782</u>
Expenditures				
Current:				
General government	1,514,350	1,521,900	1,364,404	157,496
Public safety	4,609,850	4,652,350	4,447,535	204,815
Public works	995,950	1,062,600	1,012,171	50,429
Park and recreation	246,300	249,800	228,013	21,787
Miscellaneous	10,600	14,600	3,201	11,399
Total Expenditures	<u>7,377,050</u>	<u>7,501,250</u>	<u>7,055,324</u>	<u>445,926</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>227,200</u>	<u>972,800</u>	<u>1,842,508</u>	<u>869,708</u>
Other Financing Sources (Uses)				
Sale of capital assets	5,000	1,500	1,595	95
Transfers in	223,700	223,700	200,000	(23,700)
Transfers out	(610,500)	(1,610,500)	(1,592,384)	18,116
Total Other Financing Sources (Uses)	<u>(381,800)</u>	<u>(1,385,300)</u>	<u>(1,390,789)</u>	<u>(5,489)</u>
Net Change in Fund Balance	(154,600)	(412,500)	451,719	864,219
Fund Balance - Beginning	4,298,240	4,298,240	4,298,240	-
Fund Balance - Ending	<u>\$ 4,143,640</u>	<u>\$ 3,885,740</u>	<u>\$ 4,749,959</u>	<u>\$ 864,219</u>

BUCKINGHAM TOWNSHIP

NOTES TO SUPPLEMENTARY INFORMATION – BUDGETARY  
COMPARISON SCHEDULES

For the Year Ended December 31, 2015

The budgets presented in the required supplementary information are prepared on a basis consistent with generally accepted accounting principles. Annual budgets for the governmental funds are adopted on the modified accrual basis of accounting.

Legal budgetary control is maintained at the Fund level. Budget transfers at the fund level must be approved by the Board of Supervisors.

## MAJOR FUNDS

General Fund: The General Fund is a major fund with a legally adopted budget. The General Fund is the general operating fund of the Township. All activities of the Township are accounted for through this fund, except those required to be accounted for in other funds.

Debt Service Fund: The Debt Service Fund is a major debt service fund with a legally adopted budget. The Debt Service Fund is used to accumulate resources for the payment of interest and principal on long-term general obligation debt. The Debt Service Fund includes the General Sinking Fund and the Open Space Sinking Fund.

General Obligation Fund: The General Obligation Fund is a major capital projects fund with a legally adopted budget. The General Obligation Bond Fund is used to account for bond proceeds to be used to purchase open space.

BUCKINGHAM TOWNSHIP

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND  
ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2015

	<u>DEBT SERVICE FUND</u>			
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Real estate taxes	\$ 1,728,350	\$ 1,724,350	\$ 1,711,780	\$ (12,570)
Interest	150	150	7,383	7,233
Total Revenues	<u>1,728,500</u>	<u>1,724,500</u>	<u>1,719,163</u>	<u>(5,337)</u>
Expenditures				
Debt service				
Principal	1,015,700	1,015,700	1,015,700	-
Interest	335,250	335,250	335,167	83
Miscellaneous	3,250	3,250	4,494	(1,244)
Total Expenditures	<u>1,354,200</u>	<u>1,354,200</u>	<u>1,355,361</u>	<u>(1,161)</u>
Net Change in Fund Balance	374,300	370,300	363,802	(6,498)
Fund Balance - Beginning	<u>279,988</u>	<u>279,988</u>	<u>279,988</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 654,288</u>	<u>\$ 650,288</u>	<u>\$ 643,790</u>	<u>\$ (6,498)</u>

BUCKINGHAM TOWNSHIP

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND  
ACTUAL - GENERAL OBLIGATION BOND FUND

For the Year Ended December 31, 2015

	<u>GENERAL OBLIGATION BOND FUND</u>			<u>Variance with Final Budget</u>
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 200	\$ 200	\$ 466	\$ 266
Total Revenues	<u>200</u>	<u>200</u>	<u>466</u>	<u>266</u>
Expenditures				
Bond issuance costs	38,000	38,000	-	38,000
Capital outlay	<u>400,000</u>	<u>400,000</u>	<u>24,415</u>	<u>375,585</u>
Total Expenditures	<u>438,000</u>	<u>438,000</u>	<u>24,415</u>	<u>413,585</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(437,800)</u>	<u>(437,800)</u>	<u>(23,949)</u>	<u>413,851</u>
Other Financing Sources (Uses)				
Transfers In	<u>500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Net Change in Fund Balance	62,200	1,062,200	1,476,051	413,851
Fund Balance - Beginning	<u>1,575,938</u>	<u>1,575,938</u>	<u>1,575,938</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,638,138</u>	<u>\$ 2,638,138</u>	<u>\$ 3,051,989</u>	<u>\$ 413,851</u>

## NONMAJOR GOVERNMENTAL FUNDS

**Special Revenue Funds** - Account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the Township.

The *Emergency Service Fund* is used to account for financial resources, which are used to fund local emergency service needs. The revenues are primary derived from tax millage.

The *Fire Protection Fund* is used to account for financial resources, which are used to fund local fire protection needs. The revenues are primary derived from tax millage and state grants.

The *State Highway Fund* is used to account for revenues from the distribution of a portion of the state gasoline tax, which is used to fund allowable highway-related expenditures.

The *Highway Improvement Fund* is used to account for maintenance of the Township's highways, which is funded primarily by interfund transfers from the General Fund and fees in lieu of improvements from developers.

The *Park and Recreation Fund* is used to account for financial resources, which are used to fund local park and recreation needs. The revenues are primary derived from interfund transfers from the General Fund and contributions from developers.

**Capital Projects** - Account for financial resources intended to be used for the acquisition, construction or reconstruction of Township assets and facilities.

The *Capital Projects Fund* accounts for financial resources, which are used for major capital improvements.

The *Capital Reserve Fund* accounts for the continued updating and replacement of Township equipment, which is funded primarily by interfund transfers from the General Fund.

BUCKINGHAM TOWNSHIP

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2015

	<u>Special Revenue</u>			
	<u>Emergency Service</u>	<u>Fire Protection</u>	<u>State Highway</u>	<u>Highway Improvement</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 11,222	\$ 23,707	\$ 106,119	\$ 23,330
Investments	-	-	1,240,000	500,000
Real estate taxes receivable	259	777	-	-
Due from other funds	<u>2</u>	<u>5</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 11,483</u>	<u>\$ 24,489</u>	<u>\$ 1,346,119</u>	<u>\$ 523,330</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 11,483	\$ 24,489	\$ -	\$ -
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>11,483</u>	<u>24,489</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>				
Restricted for:				
Highways and streets	-	-	1,346,119	523,330
Committed for:				
Park and recreation	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Equity	<u>-</u>	<u>-</u>	<u>1,346,119</u>	<u>523,330</u>
Total Liabilities and Fund Balances	<u>\$ 11,483</u>	<u>\$ 24,489</u>	<u>\$ 1,346,119</u>	<u>\$ 523,330</u>

<b>Special Revenue</b>		<b>Capital Projects</b>			Total Nonmajor Governmental Funds
Park and Recreation	Total	Capital Projects	Capital Reserve	Total	
\$ 1,869,940	\$ 2,034,318	\$ 20,316	\$ 302,989	\$ 323,305	\$ 2,357,623
496,000	2,236,000	-	1,604,000	1,604,000	3,840,000
-	1,036	-	-	-	1,036
-	7	-	-	-	7
<u>\$ 2,365,940</u>	<u>\$ 4,271,361</u>	<u>\$ 20,316</u>	<u>\$ 1,906,989</u>	<u>\$ 1,927,305</u>	<u>\$ 6,198,666</u>
\$ 484	\$ 36,456	\$ -	\$ -	\$ -	\$ 36,456
-	-	-	160,056	160,056	160,056
<u>484</u>	<u>36,456</u>	<u>-</u>	<u>160,056</u>	<u>160,056</u>	<u>196,512</u>
-	1,869,449	-	-	-	1,869,449
2,365,456	2,365,456	-	-	-	2,365,456
-	-	20,316	1,746,933	1,767,249	1,767,249
<u>2,365,456</u>	<u>4,234,905</u>	<u>20,316</u>	<u>1,746,933</u>	<u>1,767,249</u>	<u>6,002,154</u>
<u>\$ 2,365,940</u>	<u>\$ 4,271,361</u>	<u>\$ 20,316</u>	<u>\$ 1,906,989</u>	<u>\$ 1,927,305</u>	<u>\$ 6,198,666</u>

BUCKINGHAM TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

	<u>Special Revenue</u>			
	<u>Emergency Service</u>	<u>Fire Protection</u>	<u>State Highway</u>	<u>Highway Improvement</u>
Revenues				
Real estate taxes	\$ 94,755	\$ 287,206	\$ -	\$ -
Interest	6	14	5,996	713
Intergovernmental revenues	-	224,212	549,902	-
Contributions from private sources	-	-	-	-
Total Revenues	<u>94,761</u>	<u>511,432</u>	<u>555,898</u>	<u>713</u>
Expenditures				
Current				
Public safety	94,858	511,428	-	-
Public works	-	-	467,900	-
Parks and recreation	-	-	-	-
Miscellaneous	1	4	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>94,859</u>	<u>511,432</u>	<u>467,900</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(98)	-	87,998	713
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(143,428)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(143,428)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources (Uses)	(98)	-	(55,430)	713
Fund Balance - Beginning	98	-	1,401,549	522,617
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,346,119</u>	<u>\$ 523,330</u>

<u>Special Revenue</u>		<u>Capital Projects</u>			Total Nonmajor Governmental Funds
<u>Park and Recreation</u>	<u>Total</u>	<u>Capital Projects</u>	<u>Capital Reserve</u>	<u>Total</u>	
\$ -	\$ 381,961	\$ -	\$ -	\$ -	\$ 381,961
3,940	10,669	22	7,085	7,107	17,776
-	774,114	-	-	-	774,114
16,163	16,163	-	-	-	16,163
<u>20,103</u>	<u>1,182,907</u>	<u>22</u>	<u>7,085</u>	<u>7,107</u>	<u>1,190,014</u>
-	606,286	-	-	-	606,286
-	467,900	-	-	-	467,900
84,046	84,046	-	-	-	84,046
-	5	-	-	-	5
-	-	265,549	794	266,343	266,343
<u>84,046</u>	<u>1,158,237</u>	<u>265,549</u>	<u>794</u>	<u>266,343</u>	<u>1,424,580</u>
(63,943)	24,670	(265,527)	6,291	(259,236)	(234,566)
-	-	235,812	-	235,812	235,812
-	(143,428)	-	-	-	(143,428)
<u>-</u>	<u>(143,428)</u>	<u>235,812</u>	<u>-</u>	<u>235,812</u>	<u>92,384</u>
(63,943)	(118,758)	(29,715)	6,291	(23,424)	(142,182)
2,429,399	4,353,663	50,031	1,740,642	1,790,673	6,144,336
<u>\$ 2,365,456</u>	<u>\$4,234,905</u>	<u>\$ 20,316</u>	<u>\$ 1,746,933</u>	<u>\$ 1,767,249</u>	<u>\$ 6,002,154</u>

BUCKINGHAM TOWNSHIP

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

EMERGENCY SERVICE FUND

For the Year Ended December 31, 2015

	<u>EMERGENCY SERVICE FUND</u>			<u>Variance with Final Budget</u>
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Real estate taxes	\$ 96,050	\$ 94,350	\$ 94,755	\$ 405
Interest	-	-	6	6
Total Revenues	<u>96,050</u>	<u>94,350</u>	<u>94,761</u>	<u>411</u>
Expenditures				
Current				
Public safety	96,050	96,050	94,858	1,192
Miscellaneous	-	-	1	(1)
Total Expenditures	<u>96,050</u>	<u>96,050</u>	<u>94,859</u>	<u>1,191</u>
Net Change in Fund Balance	-	(1,700)	(98)	1,602
Fund Balance - Beginning	<u>98</u>	<u>98</u>	<u>98</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 98</u>	<u>\$ (1,602)</u>	<u>\$ -</u>	<u>\$ 1,602</u>

BUCKINGHAM TOWNSHIP

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

FIRE PROTECTION FUND

For the Year Ended December 31, 2015

	<u>FIRE PROTECTION FUND</u>			<u>Variance with Final Budget</u>
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Real estate taxes	\$ 288,100	\$ 285,700	\$ 287,206	\$ 1,506
Interest	50	50	14	(36)
Intergovernmental revenues	250,000	224,200	224,212	12
Total Revenues	<u>538,150</u>	<u>509,950</u>	<u>511,432</u>	<u>1,482</u>
Expenditures				
Current				
Public safety	538,150	509,250	511,428	(2,178)
Miscellaneous	-	-	4	(4)
Total Expenditures	<u>538,150</u>	<u>509,250</u>	<u>511,432</u>	<u>(2,182)</u>
Net Change in Fund Balance	-	700	-	(700)
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ (700)</u>

BUCKINGHAM TOWNSHIP

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

STATE HIGHWAY FUND

For the Year Ended December 31, 2015

	<u>STATE HIGHWAY FUND</u>			<u>Variance with Final Budget</u>
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 4,500	\$ 6,000	\$ 5,996	\$ (4)
Intergovernmental revenues	<u>533,200</u>	<u>549,900</u>	<u>549,902</u>	<u>2</u>
Total Revenues	<u>537,700</u>	<u>555,900</u>	<u>555,898</u>	<u>(2)</u>
Expenditures				
Current				
Public safety	<u>360,000</u>	<u>487,450</u>	<u>467,900</u>	<u>19,550</u>
Total Expenditures	<u>360,000</u>	<u>487,450</u>	<u>467,900</u>	<u>19,550</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>177,700</u>	<u>68,450</u>	<u>87,998</u>	<u>19,548</u>
Other Financing Sources (Uses)				
Transfers out	<u>(130,500)</u>	<u>(150,900)</u>	<u>(143,428)</u>	<u>7,472</u>
Total Other Financing Sources (Uses)	<u>(130,500)</u>	<u>(150,900)</u>	<u>(143,428)</u>	<u>7,472</u>
Net Change in Fund Balance	47,200	(82,450)	(55,430)	27,020
Fund Balance - Beginning	<u>1,401,549</u>	<u>1,401,549</u>	<u>1,401,549</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,448,749</u>	<u>\$ 1,319,099</u>	<u>\$ 1,346,119</u>	<u>\$ 27,020</u>

BUCKINGHAM TOWNSHIP

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

HIGHWAY IMPROVEMENT FUND

For the Year Ended December 31, 2015

	<u>HIGHWAY IMPROVEMENT FUND</u>			<u>Variance with Final Budget</u>
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 250	\$ 250	\$ 713	\$ 463
Total Revenues	<u>250</u>	<u>250</u>	<u>713</u>	<u>463</u>
Net Change in Fund Balance	250	250	713	463
Fund Balance - Beginning	<u>522,617</u>	<u>522,617</u>	<u>522,617</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 522,867</u>	<u>\$ 522,867</u>	<u>\$ 523,330</u>	<u>\$ 463</u>

BUCKINGHAM TOWNSHIP

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

PARK AND RECREATION FUND

For the Year Ended December 31, 2015

	<u>PARK AND RECREATION FUND</u>			Variance with Final Budget
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 200	\$ 3,400	\$ 3,940	\$ 540
Intergovernmental revenues	250,000	-	-	-
Contributions	-	13,600	16,163	2,563
Total Revenues	<u>250,200</u>	<u>17,000</u>	<u>20,103</u>	<u>3,103</u>
Expenditures				
Current				
Park and recreation	2,610,750	93,000	84,046	8,954
Total Expenditures	<u>2,610,750</u>	<u>93,000</u>	<u>84,046</u>	<u>8,954</u>
Net Change in Fund Balance	(2,360,550)	(76,000)	(63,943)	12,057
Fund Balance - Beginning	<u>2,429,399</u>	<u>2,429,399</u>	<u>2,429,399</u>	-
Fund Balance - Ending	<u>\$ 68,849</u>	<u>\$ 2,353,399</u>	<u>\$ 2,365,456</u>	<u>\$ 12,057</u>

BUCKINGHAM TOWNSHIP

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

CAPITAL PROJECTS FUND

For the Year Ended December 31, 2015

	<u>CAPITAL PROJECTS FUND</u>			<u>Variance with Final Budget</u>
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 50	\$ 50	\$ 22	\$ (28)
Total Revenues	<u>50</u>	<u>50</u>	<u>22</u>	<u>(28)</u>
Expenditures				
Current				
Capital outlay	292,500	307,500	265,549	41,951
Total Expenditures	<u>292,500</u>	<u>307,500</u>	<u>265,549</u>	<u>41,951</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(292,450)</u>	<u>(307,450)</u>	<u>(265,527)</u>	<u>41,923</u>
Other Financing Sources (Uses)				
Transfers in	242,500	253,900	235,812	(18,088)
Total Other Financing Sources (Uses)	<u>242,500</u>	<u>253,900</u>	<u>235,812</u>	<u>(18,088)</u>
Net Change in Fund Balance	(49,950)	(53,550)	(29,715)	23,835
Fund Balance - Beginning	<u>50,031</u>	<u>50,031</u>	<u>50,031</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 81</u>	<u>\$ (3,519)</u>	<u>\$ 20,316</u>	<u>\$ 23,835</u>

BUCKINGHAM TOWNSHIP

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

CAPITAL RESERVE FUND

For the Year Ended December 31, 2015

	<u>CAPITAL RESERVE FUND</u>			
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 5,000	\$ 5,000	\$ 7,085	\$ 2,085
Intergovernmental revenues	-	-	-	-
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>7,085</u>	<u>2,085</u>
Expenditures				
Current				
Capital outlay	<u>9,000</u>	<u>-</u>	<u>794</u>	<u>(794)</u>
Total Expenditures	<u>9,000</u>	<u>-</u>	<u>794</u>	<u>(794)</u>
Net Change in Fund Balance	(4,000)	5,000	6,291	1,291
Fund Balance - Beginning	<u>1,740,642</u>	<u>1,740,642</u>	<u>1,740,642</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,736,642</u>	<u>\$ 1,745,642</u>	<u>\$ 1,746,933</u>	<u>\$ 1,291</u>

# **STATISTICAL SECTION**

## Statistical Section

This part of Buckingham Township’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township’s overall financial health.

<b>Content</b>	<b>Pages</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Township’s financial performance and well-being have changed over time.	82-86
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the affordability of the Township’s most significant local revenue source, the property tax and earned income tax.	87-93
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Township’s current levels of outstanding debt and the Township’s ability to issue additional debt in the future.	94-97
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township’s financial activities take place.	98-99
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the Township’s financial report relates to the services the government provides and the activities it performs.	100-102

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

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Net Position by Component**  
**Last Ten Years**  
**(accrual basis of accounting)**

	<u>2015(1)</u>	<u>2014</u>	<u>2013</u>	<u>2012(2)</u>	<u>2011(3)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities										
Net investment in capital assets	\$ 45,138,624	\$ 41,508,862	\$ 39,364,773	\$ 35,648,934	\$ 28,585,663	\$ 24,564,494	\$ 23,748,646	\$ 21,369,583	\$ 16,557,323	\$ 15,955,246
Restricted	2,336,924	3,500,104	2,926,227	3,276,034	2,566,916	2,678,469	3,206,602	3,051,403	3,100,693	5,039,338
Unrestricted	10,543,794	9,310,298	8,971,975	9,249,337	9,288,729	8,641,909	7,341,865	7,718,673	8,134,308	5,596,704
Total governmental activities net position	<u>\$ 58,019,342</u>	<u>\$ 54,319,264</u>	<u>\$ 51,262,975</u>	<u>\$ 48,174,305</u>	<u>\$ 40,441,308</u>	<u>\$ 35,884,872</u>	<u>\$ 34,297,113</u>	<u>\$ 32,139,659</u>	<u>\$ 27,792,324</u>	<u>\$ 26,591,288</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 29,928,480	\$ 29,782,478	\$ 29,025,736	\$ 27,131,447	\$ 24,192,725	\$ 21,302,305	\$ 21,076,813	\$ 19,192,940	\$ 16,869,193	\$ 16,406,918
Unrestricted	9,271,915	8,801,275	9,219,196	8,770,779	9,640,337	9,918,450	9,366,423	9,453,904	10,272,417	9,272,975
Total business-type activities net position	<u>\$ 39,200,395</u>	<u>\$ 38,583,753</u>	<u>\$ 38,244,932</u>	<u>\$ 35,902,226</u>	<u>\$ 33,833,062</u>	<u>\$ 31,220,755</u>	<u>\$ 30,443,236</u>	<u>\$ 28,646,844</u>	<u>\$ 27,141,610</u>	<u>\$ 25,679,893</u>
Primary government										
Net investment in capital assets	\$ 75,067,104	\$ 71,291,340	\$ 68,390,509	\$ 62,780,381	\$ 52,778,388	\$ 45,866,799	\$ 44,825,459	\$ 40,562,523	\$ 33,426,516	\$ 32,362,164
Restricted	2,336,924	3,500,104	2,926,227	3,276,034	2,566,916	2,678,469	3,206,602	3,051,403	3,100,693	5,039,338
Unrestricted	19,815,709	18,111,573	18,191,171	18,020,116	18,929,066	18,560,359	16,708,288	17,172,577	18,406,725	14,869,679
Total primary government net position	<u>\$ 97,219,737</u>	<u>\$ 92,903,017</u>	<u>\$ 89,507,907</u>	<u>\$ 84,076,531</u>	<u>\$ 74,274,370</u>	<u>\$ 67,105,627</u>	<u>\$ 64,740,349</u>	<u>\$ 60,786,503</u>	<u>\$ 54,933,934</u>	<u>\$ 52,271,181</u>

(1) In 2015, Buckingham Township adopted GASB#68 therefore the beginning balance was restated.

(2) In 2012, Buckingham Township adopted GASB#63 and GASB#65 therefore prior year balances were restated.

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Changes in Net Position**  
**Last Ten Years**  
**(accrual basis of accounting)**

	<u>2015(1)</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,418,171	\$ 1,542,461	\$ 1,326,297	\$ 1,489,761	\$ 1,360,925	\$ 1,378,589	\$ 1,467,085	\$ 1,804,083	\$ 1,682,515	\$ 1,739,654
Public safety	5,000,403	4,843,577	4,591,313	4,425,811	4,545,961	4,405,584	4,430,068	4,444,750	4,282,341	3,949,181
Public works	1,786,638	1,655,467	1,575,566	1,596,210	1,622,112	1,344,355	1,566,565	1,463,410	1,146,184	1,255,832
Parks and recreation	267,866	201,520	240,398	242,175	226,283	255,903	269,158	289,278	234,159	255,081
Conservation and preservation	24,453	30,655	77,533	499	26,682	-	-	14,936	-	21,309
Interest on long-term debt	321,243	504,779	503,872	711,640	755,204	768,877	718,133	559,946	479,281	547,300
<b>Total governmental activities expenses</b>	<b>8,818,774</b>	<b>8,778,459</b>	<b>8,314,979</b>	<b>8,466,096</b>	<b>8,537,167</b>	<b>8,153,308</b>	<b>8,451,009</b>	<b>8,576,403</b>	<b>7,824,480</b>	<b>7,768,357</b>
Business-type activities:										
Water	1,235,782	1,179,608	1,080,103	1,059,565	1,043,810	1,020,958	983,034	894,240	809,233	719,168
Waste water	1,766,056	1,716,698	1,556,595	1,632,495	1,534,350	1,338,540	1,523,259	1,562,932	1,621,801	1,420,524
<b>Total business-type activities expenses</b>	<b>3,001,838</b>	<b>2,896,306</b>	<b>2,636,698</b>	<b>2,692,060</b>	<b>2,578,160</b>	<b>2,369,498</b>	<b>2,506,293</b>	<b>2,457,172</b>	<b>2,431,034</b>	<b>2,139,692</b>
<b>Total primary government expense:</b>	<b>\$ 11,820,612</b>	<b>\$ 11,674,765</b>	<b>\$ 10,951,677</b>	<b>\$ 11,158,156</b>	<b>\$ 11,115,327</b>	<b>\$ 10,512,806</b>	<b>\$ 10,957,302</b>	<b>\$ 11,033,575</b>	<b>\$ 10,255,514</b>	<b>\$ 9,908,049</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 651,675	\$ 654,901	\$ 653,347	\$ 551,859	\$ 548,119	\$ 671,765	\$ 582,045	\$ 573,752	\$ 568,857	\$ 545,795
Public safety	542,318	486,569	659,708	610,649	495,241	609,784	516,303	443,346	806,401	734,783
Public works	778	906	1,237	548	416	822	516	2,109	3,723	109,973
Parks and recreation	23,000	16,195	17,315	17,250	13,400	-	-	5,400	18,120	1,098,400
Operating grants and contributions	1,043,769	1,024,140	1,057,812	955,406	1,077,381	898,516	1,019,131	1,284,750	881,883	855,546
Capital grants and contributions	511,231	548,000	-	5,426,306	3,162,043	-	2,542,957	4,054,668	-	-
<b>Total governmental activities program revenues</b>	<b>2,772,771</b>	<b>2,730,711</b>	<b>2,389,419</b>	<b>7,562,018</b>	<b>5,296,600</b>	<b>2,180,887</b>	<b>4,660,952</b>	<b>6,364,025</b>	<b>2,278,984</b>	<b>3,344,497</b>
Business-type activities:										
Charges for services:										
Water	1,359,420	1,262,671	1,250,843	1,275,585	1,267,330	1,304,736	1,193,544	1,228,833	1,241,043	1,121,144
Waste water(1)	2,399,095	2,138,579	1,948,891	1,930,367	1,928,529	2,012,689	1,992,658	1,926,736	2,382,319	3,014,122
Operating grants and contributions	87,811	-	32,837	-	-	-	-	-	-	-
Capital grants and contributions	-	-	1,906,763	1,722,613	2,142,268	-	1,199,749	747,954	-	191,951
<b>Total business-type activities program revenues</b>	<b>3,846,326</b>	<b>3,401,250</b>	<b>5,139,334</b>	<b>4,928,565</b>	<b>5,338,127</b>	<b>3,317,425</b>	<b>4,385,951</b>	<b>3,903,523</b>	<b>3,623,362</b>	<b>4,327,217</b>
<b>Total primary government program revenue:</b>	<b>\$ 6,619,097</b>	<b>\$ 6,131,961</b>	<b>\$ 7,528,753</b>	<b>\$ 12,490,583</b>	<b>\$ 10,634,727</b>	<b>\$ 5,498,312</b>	<b>\$ 9,046,903</b>	<b>\$ 10,267,548</b>	<b>\$ 5,902,346</b>	<b>\$ 7,671,714</b>
<b>Net (expense)revenue</b>										
Governmental activities	\$ (6,046,003)	\$ (6,047,748)	\$ (5,925,560)	\$ (904,078)	\$ (3,240,567)	\$ (5,972,421)	\$ (3,790,057)	\$ (2,212,378)	\$ (5,545,496)	\$ (4,423,860)
Business-type activities	844,488	504,944	2,502,636	2,236,505	2,759,967	957,927	1,879,658	1,446,351	1,192,328	2,187,525
<b>Total primary government net (expense)revenue</b>	<b>\$ (5,201,515)</b>	<b>\$ (5,542,804)</b>	<b>\$ (3,422,924)</b>	<b>\$ 1,332,427</b>	<b>\$ (480,600)</b>	<b>\$ (5,014,494)</b>	<b>\$ (1,910,399)</b>	<b>\$ (766,027)</b>	<b>\$ (4,353,168)</b>	<b>\$ (2,236,335)</b>
<b>General Revenues and Other Changes in Net Asset</b>										
Governmental activities:										
Taxes										
Real estate taxes	\$ 2,093,741	\$ 2,084,937	\$ 2,075,076	\$ 2,077,683	\$ 2,068,828	\$ 2,062,348	\$ 578,614	\$ 482,441	\$ 469,894	\$ 665,844
Real estate transfer taxes	935,797	866,129	846,078	779,696	675,394	864,638	677,639	1,132,582	1,216,111	1,458,710
Earned income taxes	6,386,935	5,933,041	5,762,222	5,330,379	4,977,651	4,338,878	4,405,542	4,478,744	4,239,111	4,064,961
Local services taxes	81,726	76,996	79,221	63,240	61,321	62,366	60,288	64,239	75,107	74,154
Investment earnings	47,736	18,277	18,278	10,688	15,467	21,152	75,428	251,707	596,309	571,439
Miscellaneous	-	17,796	11,688	172,367	-	-	-	-	-	-
Gain(loss) on sale of Capital Assets	1,595	(99,203)	20,667	3,022	5,607	10,798	-	-	-	-
Transfers	200,000	206,064	200,000	200,000	200,000	200,000	150,000	150,000	150,000	120,000
<b>Total general revenues and transfers</b>	<b>9,747,530</b>	<b>9,104,037</b>	<b>9,014,230</b>	<b>8,637,075</b>	<b>8,004,288</b>	<b>7,560,180</b>	<b>5,947,511</b>	<b>6,559,713</b>	<b>6,746,532</b>	<b>6,955,108</b>
Business-type activities:										
Investment earnings	19,966	19,857	17,991	7,852	10,010	19,592	66,734	208,883	419,390	368,148
Miscellaneous	35,448	20,084	22,079	24,807	42,330	-	-	-	-	-
Gain(loss) on sale of Capital Assets	10,002	-	-	-	-	-	-	-	-	-
Transfers	(200,000)	(206,064)	(200,000)	(200,000)	(200,000)	(200,000)	(150,000)	(150,000)	(150,000)	(120,000)
<b>Total business-type activities</b>	<b>(134,584)</b>	<b>(166,123)</b>	<b>(159,930)</b>	<b>(167,341)</b>	<b>(147,660)</b>	<b>(180,408)</b>	<b>(83,266)</b>	<b>58,883</b>	<b>269,390</b>	<b>248,148</b>
<b>Total primary government</b>	<b>\$ 9,612,946</b>	<b>\$ 8,937,914</b>	<b>\$ 8,854,300</b>	<b>\$ 8,469,734</b>	<b>\$ 7,856,608</b>	<b>\$ 7,379,772</b>	<b>\$ 5,864,245</b>	<b>\$ 6,618,596</b>	<b>\$ 7,015,922</b>	<b>\$ 7,203,256</b>
<b>Changes in Net Assets</b>										
Governmental activities	\$ 3,701,527	\$ 3,056,289	\$ 3,088,670	\$ 7,732,997	\$ 4,763,701	\$ 1,587,759	\$ 2,157,454	\$ 4,347,335	\$ 1,201,036	\$ 2,531,248
Business-type activities	709,904	338,821	2,342,706	2,069,164	2,612,307	777,519	1,796,392	1,505,234	1,461,718	2,435,673
<b>Total primary government change in net assets</b>	<b>\$ 4,411,431</b>	<b>\$ 3,395,110</b>	<b>\$ 5,431,376</b>	<b>\$ 9,802,161</b>	<b>\$ 7,376,008</b>	<b>\$ 2,365,278</b>	<b>\$ 3,953,846</b>	<b>\$ 5,852,569</b>	<b>\$ 2,662,754</b>	<b>\$ 4,966,921</b>

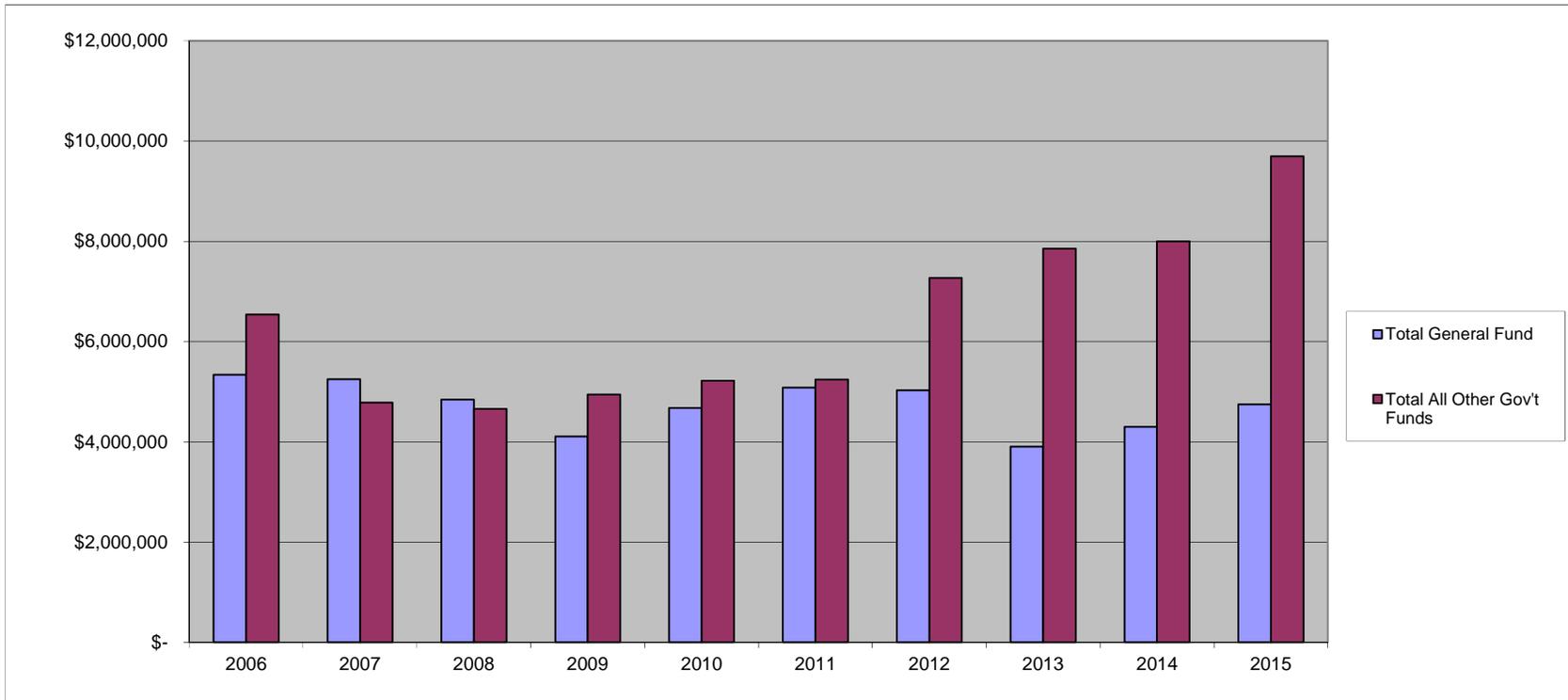
(1) Amount includes one time connections fees assessed to developers.

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Program Revenues by Function/Program**  
**Last Ten Years**  
**(accrual basis of accounting)**

<b>Function/Program</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Governmental activities:</b>										
General government	\$ 697,249	\$ 781,394	\$ 781,687	\$ 689,875	\$ 738,251	\$ 772,045	\$ 675,885	\$ 675,714	\$ 668,255	\$ 628,317
Public safety	974,448	876,128	1,070,600	960,150	1,021,318	1,010,646	884,436	821,106	1,170,284	1,095,302
Public works	1,061,911	508,994	495,417	5,894,743	3,022,706	395,338	2,988,381	4,507,054	422,325	518,617
Parks and recreation	39,163	16,195	41,715	17,250	13,400	-	-	5,400	18,120	1,098,400
Conservation and preservation	-	548,000	-	-	500,925	2,858	112,250	354,751	-	3,861
Subtotal governmental activities	<u>2,772,771</u>	<u>2,730,711</u>	<u>2,389,419</u>	<u>7,562,018</u>	<u>5,296,600</u>	<u>2,180,887</u>	<u>4,660,952</u>	<u>6,364,025</u>	<u>2,278,984</u>	<u>3,344,497</u>
<b>Business-type activities:</b>										
Water Fund	1,379,024	1,262,671	2,809,442	2,259,222	1,788,594	1,304,736	1,803,166	1,228,833	1,241,043	1,249,513
Waste Water Fund	2,467,302	2,138,579	2,329,892	2,669,343	3,549,533	2,012,689	2,582,785	2,674,690	2,382,319	3,077,704
Subtotal business-type activities	<u>3,846,326</u>	<u>3,401,250</u>	<u>5,139,334</u>	<u>4,928,565</u>	<u>5,338,127</u>	<u>3,317,425</u>	<u>4,385,951</u>	<u>3,903,523</u>	<u>3,623,362</u>	<u>4,327,217</u>
<b>Total Primary Government</b>	<b><u>\$ 6,619,097</u></b>	<b><u>\$ 6,131,961</u></b>	<b><u>\$ 7,528,753</u></b>	<b><u>\$ 12,490,583</u></b>	<b><u>\$ 10,634,727</u></b>	<b><u>\$ 5,498,312</u></b>	<b><u>\$ 9,046,903</u></b>	<b><u>\$ 10,267,548</u></b>	<b><u>\$ 5,902,346</u></b>	<b><u>\$ 7,671,714</u></b>

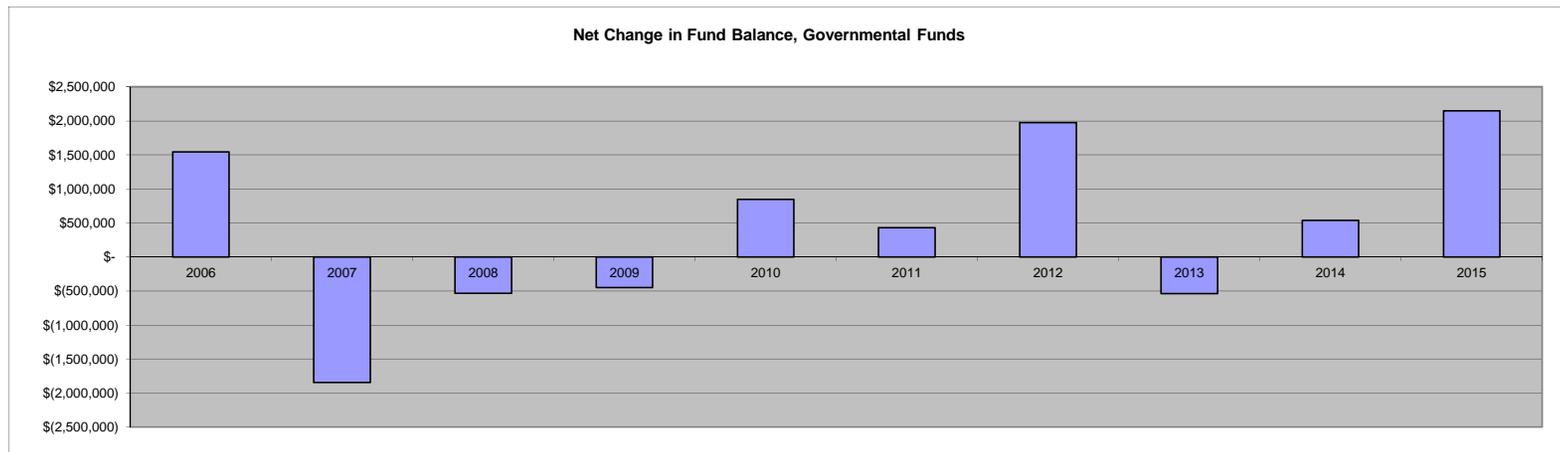
**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Fund Balances of Governmental Funds**  
**Last Ten Years**  
(modified accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund										
Nonspendable	\$ 133,325	\$ 135,220	\$ 26,742	\$ 108,818	\$ 106,347	\$ 95,007	\$ 87,929	\$ 91,876	\$ 177,126	\$ 112,588
Unassigned	4,616,634	4,163,020	3,875,950	4,919,663	4,974,502	4,578,401	4,020,083	4,753,306	5,072,857	5,226,140
Total general fund	<u>\$ 4,749,959</u>	<u>\$ 4,298,240</u>	<u>\$ 3,902,692</u>	<u>\$ 5,028,481</u>	<u>\$ 5,080,849</u>	<u>\$ 4,673,408</u>	<u>\$ 4,108,012</u>	<u>\$ 4,845,182</u>	<u>\$ 5,249,983</u>	<u>\$ 5,338,728</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,336,924	3,500,104	2,926,227	3,276,034	2,566,916	-	-	-	-	-
Committed	7,361,009	4,500,158	4,941,498	3,993,590	2,678,147	-	-	-	-	-
Unassigned	-	-	(10,319)	(54)	-	5,221,677	4,942,763	4,657,123	4,785,686	6,541,893
Total all other governmental funds	<u>\$ 9,697,933</u>	<u>\$ 8,000,262</u>	<u>\$ 7,857,406</u>	<u>\$ 7,269,570</u>	<u>\$ 5,245,063</u>	<u>\$ 5,221,677</u>	<u>\$ 4,942,763</u>	<u>\$ 4,657,123</u>	<u>\$ 4,785,686</u>	<u>\$ 6,541,893</u>



**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Years**  
(modified accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Revenues</b>										
Taxes	\$ 9,498,199	\$ 9,111,103	\$ 8,762,597	\$ 8,475,998	\$ 7,758,194	\$ 7,296,230	\$ 5,675,583	\$ 6,090,306	\$ 5,965,627	\$ 6,216,682
Licenses, permits and fees	500,404	480,522	451,359	419,750	398,844	377,722	339,445	329,309	309,229	1,472,149
Fines	47,062	60,856	66,505	68,785	68,900	80,619	79,222	80,734	93,968	86,503
Interest and rent	74,008	37,969	38,668	31,277	43,940	21,152	75,428	251,707	596,309	571,439
Intergovernmental	1,027,400	1,572,008	1,057,730	955,244	1,156,151	909,655	1,030,457	1,295,690	894,081	870,081
Charges for services	602,536	575,221	758,770	627,459	492,405	792,685	662,730	584,473	956,497	873,328
Contributions from private sources	16,369	7,548	11,770	485,746	560,118	-	-	-	-	-
Miscellaneous	41,497	32,660	35,583	43,723	46,239	160,029	29,146	125,857	43,286	50,837
<b>Total revenues</b>	<b>11,807,475</b>	<b>11,877,887</b>	<b>11,182,982</b>	<b>11,107,982</b>	<b>10,524,791</b>	<b>9,638,092</b>	<b>7,892,011</b>	<b>8,758,076</b>	<b>8,858,997</b>	<b>10,141,019</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	1,364,404	1,343,867	1,240,031	1,274,622	1,275,664	1,229,544	1,381,651	1,455,198	1,560,622	1,574,000
Public safety	5,053,821	4,849,160	4,601,747	4,436,697	4,488,178	4,336,416	4,338,589	4,415,874	4,258,584	3,969,268
Public works	1,480,071	1,315,869	1,254,542	1,281,643	1,354,796	1,114,338	1,094,519	1,191,976	942,805	1,040,513
Parks and recreation	312,059	503,323	213,750	261,427	197,101	191,330	228,553	304,704	220,288	334,170
Conservation and Preservation	-	-	-	-	-	-	-	14,936	-	21,309
Miscellaneous	7,700	7,512	2,886	8,541	98,786	18,183	42,351	9,756	14,657	6,663
Capital Outlays	290,758	138,047	779,659	801,518	1,265,765	894,753	7,245,839	5,741,355	2,682,010	575,696
<b>Debt service:</b>										
Principal	1,015,700	3,048,300	3,336,900	695,229	891,273	861,780	829,305	723,488	734,054	649,778
Interest	335,167	359,319	512,087	587,379	729,647	763,973	663,048	552,153	440,929	551,632
Bond issuance costs	-	97,347	-	131,569	-	-	125,026	32,000	-	112,011
<b>Total expenditures</b>	<b>9,859,680</b>	<b>11,662,744</b>	<b>11,941,602</b>	<b>9,478,625</b>	<b>10,301,210</b>	<b>9,410,317</b>	<b>15,948,881</b>	<b>14,441,440</b>	<b>10,853,949</b>	<b>8,835,040</b>
Excess (deficiency) of revenues over expenditures	1,947,795	215,143	(758,620)	1,629,357	223,581	227,775	(8,056,870)	(5,683,364)	(1,994,952)	1,305,979
<b>Other financing sources (uses)</b>										
Refund of prior year expenditures	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of bonds, net	-	7,638,837	-	9,009,312	-	-	7,455,340	-	-	7,365,179
Proceeds from issuance of notes, net	-	-	-	-	-	-	-	5,000,000	-	-
Payment to refunded bond escrow agent	-	(7,532,356)	-	(8,869,552)	-	-	-	-	-	(7,245,563)
Sale of capital assets	1,595	10,716	20,667	3,022	7,246	416,535	-	-	-	-
Transfers in	1,935,812	1,864,387	3,882,235	2,818,171	1,276,010	1,470,251	1,912,159	1,728,383	1,624,512	1,129,111
Transfers out	(1,735,812)	(1,658,323)	(3,682,235)	(2,618,171)	(1,076,010)	(1,270,251)	(1,762,159)	(1,578,383)	(1,474,512)	(1,009,111)
<b>Total other financing sources (uses)</b>	<b>201,595</b>	<b>323,261</b>	<b>220,667</b>	<b>342,782</b>	<b>207,246</b>	<b>616,535</b>	<b>7,605,340</b>	<b>5,150,000</b>	<b>150,000</b>	<b>239,616</b>
<b>Net change in fund balance</b>	<b>\$ 2,149,390</b>	<b>\$ 538,404</b>	<b>\$ (537,953)</b>	<b>\$ 1,972,139</b>	<b>\$ 430,827</b>	<b>\$ 844,310</b>	<b>\$ (451,530)</b>	<b>\$ (533,364)</b>	<b>\$ (1,844,952)</b>	<b>\$ 1,545,595</b>
Debt service as a percentage of noncapital expenditures	34.12%	30.55%	34.60%	37.58%	25.15%	19.15%	17.05%	28.55%	14.67%	15.04%



**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Tax Revenues by Source, Governmental Funds**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

<u>Year</u>	<u>Real Estate</u>	<u>Real Estate Transfer</u>	<u>Earned Income</u>	<u>Local Services</u>	<u>Total</u>
2015	\$ 2,093,741	\$ 935,797	\$ 6,386,935	\$ 81,726	\$ 9,498,199
2014	2,084,937	866,129	6,083,041	76,996	9,111,103
2013	2,075,076	846,078	5,762,222	79,221	8,762,597
2012	2,077,684	779,696	5,555,379	63,240	8,476,000
2011	2,068,828	675,394	4,952,651	61,321	7,758,194
2010(1)	2,062,348	864,638	4,306,878	62,366	7,296,230
2009(2)	578,614	677,639	4,359,042	60,288	5,675,583
2008(3)	487,141	1,132,582	4,406,344	64,239	6,090,306
2007	484,398	1,216,111	4,190,011	75,107	5,965,627
2006(4)	668,857	1,458,710	4,014,961	74,154	6,216,682

(1) In 2010 the millage for Open Space was increased from 0.50 mils to 4.5 mils.

(2) In 2008, a referendum was passed to begin collecting millage for Emergency Services beginning in 2009.

(3) In 2008, the EMST was eliminated and replaced with the local services tax (LST). The rate remained the same throughout.

(4) In 2006, real estate taxes were reduced by 2 mils to 1.75 mils. Real estate transfer taxes have steadily increased until 2006 when there was a downturn in the housing market and a slowdown in housing starts.

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Years**

<u>Year</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Millage Rate</u>	<u>Estimated Actual Taxable Values of Real Property</u>	<u>Taxable Assessed Value as a Percentage of Actual Value</u>
2015	386,093,520	5.50	4,542,276,706	8.50%
2014	383,515,420	5.50	4,141,635,205	9.26%
2013	383,189,200	5.50	4,215,502,750	9.09%
2012	383,273,410	5.50	4,139,021,706	9.26%
2011	382,912,400	5.50	4,326,693,785	8.85%
2010	384,627,510	5.50	4,194,411,232	9.17%
2009	390,148,030	1.50	3,784,170,999	10.31%
2008	388,009,030	1.25	3,646,701,410	10.64%
2007	379,596,710	1.25	3,454,019,199	10.99%
2006	366,682,890	1.75	3,630,523,663	10.10%

Source: Market values are estimated based on the common-level ratio provided by the Pennsylvania State Tax Equalization Board (STEB) for Bucks County.

NOTE: Bucks County Board of Assessment records do not provide revenue base information by major component.

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years**

Year	Direct Rates					Overlapping Rates					Total Direct and Overlapping Millage	
	General Fund Millage	Fire Millage	Emergency Service Millage(2)	Open Space Millage	Total Township Millage	General Millage	Community College Millage	Bucks County Debt Service and Lease Millage	Parks & Recreation Millage	Total County Millage		Central Bucks Total School District Millage
2015	-	0.75	0.25	4.50	5.50	17.22120	1.05370	4.30910	0.61600	23.20000	124.10	152.80000
2014	-	0.75	0.25	4.50	5.50	17.22120	1.05370	4.30910	0.61600	23.20000	124.10	152.80000
2013	-	0.75	0.25	4.50	5.50	17.22120	1.05370	4.30910	0.61600	23.20000	122.80	151.50000
2012	-	0.75	0.25	4.50	5.50	17.22120	1.05370	4.30910	0.61600	23.20000	122.80	151.50000
2011	-	0.75	0.25	4.50	5.50	15.97123	1.05964	4.35341	0.55783	21.94211	120.80	148.24211
2010	-	0.75	0.25	4.50	5.50	15.97123	1.05964	4.35341	0.55783	21.94211	119.20	146.64211
2009	-	0.75	0.25	0.50	1.50	15.97123	1.05964	4.35341	0.55783	21.94211	114.80	138.24211
2008	-	0.75	-	0.50	1.25	15.97123	1.05964	4.35341	0.55783	21.94211	110.50	133.69211
2007	-	0.75	-	0.50	1.25	15.54791	1.04975	4.83445	0.51000	21.94211	105.87	129.06211
2006	-	0.75	-	1.00	1.75	15.54791	1.04975	4.83445	0.51000	21.94211	102.03	125.72211

(1) In 2008, a referendum was passed to begin collecting millage for Emergency Services beginning in 2009.

Source: Bucks County Board of Assessment

Note: Overlapping rates are all real estate tax rates that apply to property owners within Buckingham Township.

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	December 31, 2015			December 31, 2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Buckingham Village LTD.	\$ 2,123,080	1	0.55%	\$ 2,123,080	2	0.58%
Peddler's Village Lahaska Inc.	1,798,600	2	0.47%	1,667,560	3	0.45%
WBCMT 2004-C15 Penn's Market II LLC	1,539,450	3	0.40%	2,599,000	1	0.71%
Heritage Business Center LLP	977,780	4	0.25%			
Garrison Cross Keys LLC	739,090	5	0.19%			
Buckingham Green I LP	669,640	6	0.17%	722,940	7	0.20%
Buckingham Green II LP	691,070	7	0.18%	699,640	8	0.19%
Lookaway Partners	533,800	8	0.14%	1,064,960	4	0.29%
820(Eight) Durham Road LLC	457,440	9	0.12%			
Sovran HHF Storage Holdings II LLC	455,800	10	0.12%			
4259 Swamp Rd. Assoc LP				1,059,080	5	0.29%
B V N H Assoc.				841,200	6	0.23%
David A. Lewis				561,600	9	0.15%
Buckingham Pointe LLC				455,800	10	0.12%
	<u>\$ 386,093,520</u>		<u>2.59%</u>	<u>\$ 366,682,890</u>		<u>3.22%</u>

Source: Buckingham Township Tax Collector

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Property Tax Levies and Collections**  
**Last Ten Years**

<u>Year</u>	<u>Tax Rate (Mills)</u>	<u>Total Tax Levy for the Year</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 Collected</u>	<u>Percentage of Levy</u>		<u>Amount Collected</u>	<u>Percentage of Levy</u>
2015	5.50	2,123,514	\$ 2,052,248	96.64%	\$ 0	\$ 2,052,248	96.64%
2014(1)	5.50	2,109,335	\$ 2,036,032	96.52%	\$ 21,853	\$ 2,057,885	97.56%
2013(1)	5.50	2,107,541	2,028,397	96.24%	39,709	2,068,105	98.13%
2012(1)	5.50	2,108,004	2,032,121	96.40%	38,820	2,070,941	98.24%
2011(1)	5.50	2,106,018	2,030,414	96.41%	39,163	2,069,576	98.27%
2010(1)	5.50	2,115,451	2,039,132	96.39%	38,300	2,077,432	98.20%
2009	1.50	585,222	566,583	96.81%	11,646	578,228	98.80%
2008	1.25	485,011	470,236	96.95%	8,655	478,891	98.74%
2007	1.25	474,496	459,094	96.75%	10,038	469,132	98.87%
2006	1.75	641,695	622,682	97.04%	15,680	638,362	99.48%

Source: Buckingham Township Tax Collector and County of Bucks, Tax Claim Bureau

(1) In 2006, the Board of Supervisors passed a resolution freezing the millage for preserved properties. This will result in reduced collections in the future since most preserved properties are being taxed at the 2007, 2008 and 2009 rates which are significantly lower than the current millage rates.

Also the economic downturn resulted in many assessment appeals to reduce the assessed property values.

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Municipal Earned Income Tax**  
**Revenue Base and Collections**  
**Last Ten Years**

<u>Year</u>	<u>Tax Rate</u>	<u>Total Earned Income Tax Collected</u>	<u>Refunds</u>	<u>Net Earned Income Tax Collected</u>
2015	0.5%	\$ 6,462,068	\$ (75,133)	\$ 6,386,935
2014	0.5%	6,149,927	(66,886)	6,083,041
2013	0.5%	5,817,448	(55,226)	5,762,222
2012	0.5%	5,585,528	(30,149)	5,555,379
2011	0.5%	5,005,261	(52,610)	4,952,651
2010	0.5%	4,368,388	(61,510)	4,306,878
2009	0.5%	4,435,021	(75,979)	4,359,042
2008	0.5%	4,473,661	(67,317)	4,406,344
2007	0.5%	4,243,216	(53,205)	4,190,011
2006	0.5%	4,078,134	(63,173)	4,014,961

Source: Buckingham Township Earned Income Tax Collector

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Income Tax Statistics**  
**Last Ten Years**

Income Range	Number of tax filers										
	<u>2015(1)</u>	<u>2014(1)</u>	<u>2013(1)</u>	<u>2012(1)</u>	<u>2011(1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	
> \$1,000,000		84	58	60	34	32	36	46	52	29	
\$500,000 - \$999,999		216	178	151	131	101	106	129	118	100	
\$200,000 - \$499,999		1060	966	965	742	839	859	863	824	705	
\$100,000 - \$199,999		1707	1621	1598	1508	1637	1776	1769	1687	1678	
\$50,000 - \$99,999		2527	1894	1858	1782	2008	2110	2133	2212	2173	
< \$50,000		<u>6051</u>	<u>5681</u>	<u>5698</u>	<u>6015</u>	<u>8350</u>	<u>7882</u>	<u>7784</u>	<u>7773</u>	<u>7646</u>	
<b>Total</b>		<u><u>11,645</u></u>	<u><u>10,398</u></u>	<u><u>10,330</u></u>	<u><u>10,212</u></u>	<u><u>12,967</u></u>	<u><u>12,769</u></u>	<u><u>12,724</u></u>	<u><u>12,666</u></u>	<u><u>12,331</u></u>	
		% of total earned income paid									
> \$1,000,000		18.62%	47.00%	15.41%	9.04%	7.52%	7.26%	10.45%	10.39%	8.58%	
\$500,000 - \$999,999		12.51	7.42	10.39	11.36	8.11	8.02	9.03	8.52	8.10	
\$200,000 - \$499,999		27.81	17.90	29.22	27.38	28.90	27.90	26.67	25.97	24.45	
\$100,000 - \$199,999		21.11	14.19	22.73	26.75	27.21	28.47	26.64	26.13	28.17	
\$50,000 - \$99,999		15.05	8.67	13.71	16.46	17.15	17.42	16.49	17.78	18.84	
< \$50,000		<u>4.90</u>	<u>4.82</u>	<u>8.54</u>	<u>9.01</u>	<u>11.11</u>	<u>10.93</u>	<u>10.72</u>	<u>11.21</u>	<u>11.86</u>	
<b>Total</b>		<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	

(1) Beginning in 2011 collections were made by a new tax collector. Data for 2015 will not be available until October 2015.

Source for 2010-2006: Previous Buckingham Township Earned Income Tax Collector

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Years**

Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income (3)	Debt Per Capita (3)
	Electoral General Obligation Bonds	Non-electoral General Obligation Bonds	Non-electoral General Obligation Notes(1)	Non-electoral General Obligation Bonds	Guaranteed Revenue Note(2)			
2015	\$ 13,336,008	\$ 234,496	\$ -	\$ 82,391	\$ -	\$ 13,652,895	1.18%	676
2014	14,143,835	465,294	-	163,482	-	14,772,611	1.28%	733
2013	14,394,578	799,692	2,144,000	280,973	-	17,619,243	1.65%	875
2012	14,921,025	1,126,690	4,639,000	395,864	-	21,082,579	1.97%	1,048
2011	14,745,909	1,563,936	4,735,000	674,833	1,198,000	22,917,678	2.15%	1,140
2010	15,057,819	2,039,639	4,827,000	987,502	1,462,000	24,373,960	2.29%	1,214
2009	15,362,030	2,499,849	4,915,000	1,285,664	1,714,000	25,776,543	2.76%	1,323
2008	8,195,901	2,945,583	5,000,000	1,573,301	1,954,000	19,668,785	2.14%	1,028
2007	8,483,014	3,375,501	-	1,851,754	2,182,000	15,892,269	1.75%	840
2006	8,790,127	3,795,985	-	2,119,442	2,399,000	17,104,554	1.92%	918

(1) In 2014, General Obligation Note 2008A was paid in full. In 2013, the General Obligation Note 2008B was paid in full.

(2) In 2012, the Guaranteed Revenue Note was paid in full.

(3) See Demographic and Economic Statistics schedule on page 75 for personal income and population data.

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

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Years**

<u>Year</u>	<u>Electoral General Obligation Bonds</u>	<u>Non-electoral General Obligation Bonds</u>	<u>Non-electoral General Obligation Notes(1)</u>	<u>Guaranteed Revenue Notes(2)</u>	<u>Total Primary Government</u>	<u>Percentage of Assessed Valuation(3)</u>	<u>Debt Per Capita</u>
2015	13,336,008	316,887	-	-	13,652,895	3.54%	676
2014	14,143,835	628,776	-	-	14,772,611	3.85%	733
2013	14,394,578	1,080,665	2,144,000	-	17,619,243	4.60%	875
2012	14,921,025	1,522,554	4,639,000	-	21,082,579	5.50%	1,048
2011	14,745,909	2,238,769	4,735,000	1,198,000	22,917,678	5.99%	1,140
2010	15,057,819	3,027,141	4,827,000	1,462,000	24,373,960	6.34%	1,214
2009	15,362,030	3,785,513	4,915,000	1,714,000	25,776,543	6.61%	1,323
2008	8,195,901	4,518,884	5,000,000	1,954,000	19,668,785	5.07%	1,028
2007	8,483,014	5,227,255	-	2,182,000	15,892,269	4.19%	840
2006	8,790,127	5,915,427	-	2,399,000	17,104,554	4.66%	918

(1) In 2013, the 2008B General Obligation Note was paid in full and in 2014 the 2008A General Obligation Note was paid in full.

(2) In 2012, The Guaranteed Revenue Note was paid in full.

(3) See Demographic and Economic Statistics schedule on page 75 for personal income and population data.

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

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Computation of Direct and Overlapping Debt**  
**As of December 31, 2015**

<u>Jurisdiction</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to Buckingham</u>	<u>Amount Applicable to Buckingham</u>
<b>Direct</b>			
Buckingham (1)	\$ 13,570,504	100.00%	\$ 13,570,504
<b>Overlapping</b>			
Central Bucks School District (2)	102,265,000	21.61%	22,101,213
County of Bucks (2)	276,253,000	4.76%	13,161,089
Total Overlapping Debt	378,518,000		35,262,302
Total Debt	\$ 392,088,504		\$ 48,832,806

Sources: Municipal, Central Bucks School District and County of Bucks financial statements.

Note: Central Bucks School District financial information is for the year ending June 30, 2015.

**(1)** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Township. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Buckingham Township.

**(2)** Proportional share of existing debt as of December 31, 2015 is based on the ratio of Buckingham's assessed value to other municipalities in Central Bucks School District and Bucks County's 2015 assessed value, respectively.

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Legal Debt Margin Information**  
**Last Ten Years**

<u>Year</u>	<u>Three Year Average Revenue (borrowing base) (1)</u>	<u>Legal Debt Limit (2)</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Legal Debt Margin %</u>
2015	\$ 14,949,135	\$ 37,372,838	\$ 316,887	\$ 37,055,951	99.15%
2014	14,524,431	36,311,078	628,776	35,682,302	98.27%
2013	14,191,735	35,479,338	3,224,665	32,254,673	90.91%
2012	13,698,231	34,245,577	6,161,554	28,084,023	82.01%
2011	12,608,770	31,521,926	6,973,769	24,548,157	77.88%
2010	11,947,040	29,867,599	7,854,141	22,013,458	73.70%
2009	11,908,158	29,770,394	8,700,513	21,069,881	70.77%
2008	13,004,798	32,511,996	9,518,884	22,993,112	70.72%
2007	13,457,803	33,644,508	5,227,255	28,417,253	84.46%
2006	13,139,519	32,848,798	5,915,427	26,933,371	81.99%

**(1)** The local Governmental Unit Debt act (Act 53 of 1978), reenacted and amended Act 185 of 1972 prescribes debt limits, net revenues and the calculation of the borrowing base for all local units in Pennsylvania. The "Debt act" is administered by the Pennsylvania Department of Economic Development.

**(2)** 250% of borrowing base

## BUCKINGHAM TOWNSHIP, PENNSYLVANIA

### Demographic and Economic Statistics

### Last Ten Years

<u>Year</u>	<u>Population (2)</u>	<u>Total Personal Income</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Educational Attainment: Bachelor's Degree or higher (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2015	20,185	\$ 1,154,440,705	\$ 57,193	\$ 119,620	43.6	57.40%	3,215	3.5%
2014	20,161	1,153,068,073	57,193	119,620	43.6	57.40%	3,251	4.1%
2013	20,146	1,068,664,716	53,046	111,207	42.9	54.50%	3,327	5.4%
2012	20,124	1,067,497,704	53,046	111,207	42.9	54.50%	3,360	7.2%
2011	20,099	1,066,171,554	53,046	111,207	42.9	54.50%	3,345	6.5%
2010	20,075	1,064,898,450	53,046	111,207	42.9	54.50%	3,402	7.1%
2009	19,487	934,538,059	47,957	82,376	39.5	49.02%	3,322	7.7%
2008	19,138	917,801,066	47,957	82,376	39.5	49.02%	3,180	5.7%
2007	18,923	907,490,311	47,957	82,376	39.5	49.02%	3,113	3.7%
2006	18,624	893,151,168	47,957	82,376	39.5	49.02%	3,084	3.6%

**(1)** Source: U.S. Census Bureau, 2009-2014, 5-Year American Community Survey

For 2010 the 2006-2010 American Community Survey 5-Year Estimates for 2010.

**(2)** Source: U.S. Census population estimates for 2005-2009. U.S. Census for 2010. All other years are estimated figures from the Delaware Valley Regional Planning Commission or the Bucks County Planning Commission.

**(3)** Source: Central Bucks School District - reflects enrollment at school located in the district.

**(4)** Source: US Department of Labor, Bureau of Labor Statistics, [www.bls.gov](http://www.bls.gov)

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**10 Principal Employers**  
**Current Year and Nine Years Ago**

<u>Business Name</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Township Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Township Employment</u>
Central Bucks School District	467	1	6.12%	589	2	8.28%
Johnson & Johnson Services Inc.	215	2	2.82%			
County of Bucks	185	3	2.42%	197	3	2.77%
Sicom Systems Inc.	172	4	2.25%			
Briarwood Recreation Inc.	162	5	2.12%			
Cock N Bull Partnership	134	6	1.76%			
None Such Farms Inc.	130	7	1.70%			
Anthony & Sylvan Pools Co.	100	8	1.31%	188	4	2.64%
Historic Bucks County Inn Inc.	94	9	1.23%	664	1	9.34%
Buck County Transport Inc.	93	10	1.22%			
SDH Education East LLC				173	5	2.43%
BVNH Associates				112	6	1.57%
Beacon Bioscience Inc.				110	7	1.55%
Rolling Green Landscaping				104	8	1.46%
Nicketts Landscaping Inc.				94	9	1.32%
PVH Pennsylvania Inc.				93	10	1.31%
	<u>1,752</u>		<u>22.95%</u>	<u>2,324</u>		<u>32.67%</u>
Total Employees	<u><u>7,634</u></u>			<u><u>7,113</u></u>		

Source: Buckingham Township Earned Income Tax Collector.

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Full-Time Equivalent Municipal Employees by Function/Program**  
**Last Ten Years**

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government										
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5	4.0	5.0
Finance	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Tax	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Public Safety										
Police										
Police Officers	20.0	21.0	21.0	21.0	21.0	21.0	22.0	22.0	21.0	21.0
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Safety and Code Enforcement	3.0	3.0	3.0	3.0	3.0	3.0	4.5	4.5	5.5	6.5
Public Works										
Facilities & Roads	8.0	8.0	8.0	8.0	8.0	8.0	8.0	10.0	10.0	8.0
Water	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.5
Waste Water	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Recreation										
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Totals:</b>	<u>50.5</u>	<u>50.5</u>	<u>50.5</u>	<u>50.5</u>	<u>50.5</u>	<u>50.5</u>	<u>53.5</u>	<u>54.5</u>	<u>55.0</u>	<u>55.5</u>

Source: Buckingham Township financial and employment records

Method: Using 1.0 for each full-time employee, and .5 for each part-time and seasonal employee.

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Operating Indicators by Function/Program**  
**Last Ten Years**

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>General Government</b>										
Board of Supervisors meetings	17	17	17	22	22	24	26	27	24	25
Citizens and road concerns addressed	31	25	28	33	13	70	62	60	28	229
<b>Public Safety</b>										
Police (1)										
Traffic citations	1,048	1,212	1,681	1,581	1,696	2,035	2,041	2,053	1,984	2,292
Adult arrests	110	123	113	154	209	201	262	215	254	305
Traffic accidents	613	689	667	618	720	728	625	596	614	646
Juvenile arrests	32	27	15	48	33	69	55	54	38	49
Complaints	12,859	12,006	11,975	12,720	11,895	14,266	14,775	12,569	12,823	12,687
Safety and Codes Enforcement										
Building Permits Issued	245	252	276	277	284	271	294	343	533	566
New homes	14	15	45	33	43	40	58	59	165	154
All other	231	237	231	244	241	231	236	284	368	412
Building inspections performed	2,438	2,545	3,182	3,039	3,225	3,436	3,693	3,724	6,460	6,917
Number of Planning Commission agenda items	4	9	6	5	9	10	19	14	15	11
Number of Zoning Hearing Board hearings	14	18	21	15	13	15	18	18	12	17
<b>Public Works</b>										
Roads and Facilities										
Road paved in feet	17,225	17,310	19,695	17,001	29,040	17,432	9,700	1,000	3,000	10,600
Drainage pipe replaced per foot	340	380	420	320	520	300	340	360	400	230
Dead trees removed	65	72	55	108	35	12	6	12	10	20
Storm sewer inlet repair	34	38	32	28	18	15	8	18	15	22
Salt used per ton	1,200	1,400	1,250	800	1,500	1,250	1,500	1,600	1,800	1,500
Miles of road gutters cleaned	15	12	10	8	6	5	1	40	15	25
<b>Parks and Recreation</b>										
Total number of program attendees	6,250	6,150	6,000	5,900	5,850	5,600	5,500	5,000	5,100	4,960
Number of people using playing fields	1,800	1,800	1,725	1,700	1,650	1,550	1,500	950	900	700
<b>Water</b>										
Number of customers	3,240	3,208	3,161	3,144	3,111	3,073	3,027	2,957	2,892	2,799
Gallons of water supplied (in thousands)	252,075	241,030	232,838	237,174	230,495	227,197	200,129	220,456	229,860	205,052
Concerns addressed	98	74	97	92	76	116	80	65	77	55
<b>Waste water</b>										
Number of customers	3,235	3,190	3,121	3,088	3,050	3,013	2,965	2,895	2,676	2,590
Gallons of waste water treated (in thousands)	214,679	225,826	214,839	211,915	238,946	214,010	216,118	214,607	210,062	206,781
Concerns addressed	<10	<10	<5	<9	<10	<10	<10	<4	<5	<5

Source: Buckingham Township financial and internal reporting records

**BUCKINGHAM TOWNSHIP, PENNSYLVANIA**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Years**

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>General Government</b>										
Square Footage Occupied	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050
Vehicles	-	-	-	-	-	-	-	-	-	-
<b>Public Safety</b>										
Police (1)										
Square Footage Occupied	6,190	6,190	6,190	6,190	6,190	6,190	6,190	6,190	6,190	6,190
Stations (includes substation for Wrightstown Township)	1	1	1	1	1	1	1	1	1	1
Vehicles	24	23	25	24	23	23	22	22	22	22
Safety and Codes Enforcement										
Square Footage Occupied	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Inspection Vehicles	1	1	1	2	2	2	3	3	3	3
Fire Vehicles	1	1	1	1	1	1	1	1	1	1
Volunteer Fire Companies	3	3	3	3	3	3	3	3	3	3
<b>Public Works</b>										
Square Footage Occupied	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250
Streets/roads in miles	95.18	95.18	95.08	93.78	91.89	88.39	85.45	85.43	85.43	85.43
Bridges	9	9	9	9	9	9	9	9	9	9
Storm sewers in miles	48.1	47.5	47.5	47.5	47.5	47.1	47.1	47.1	47.1	47.1
Traffic signals	12 3/4	12 3/4	12 3/4	12 3/4	12 3/4	7 3/4	8 3/4	9 3/4	9 3/4	10
Street Lights	204	204	204	204	204	204	204	204	204	204
Vehicles	17	15	14	16	16	16	16	16	16	14
<b>Parks and Recreation</b>										
Parks	3	3	3	3	3	3	3	3	3	3
Park Acreage	133	133	129	129	129	129	129	129	129	109
<b>Water</b>										
Pump and distribution facilities	9	9	8	8	8	7	7	7	7	6
Wells in service	19	19	15	15	15	14	14	14	14	12
Water storage tanks	10	10	9	9	9	8	8	8	8	7
Miles of pipe in service	52	52	51	51	51	50	50	50	50	45
Vehicles	6	5	6	5	5	5	4	4	4	4
<b>Waste Water</b>										
Pumping stations	18	18	16	16	16	16	16	16	16	16
Sprayfield acreage in service	228	218	218	218	218	218	218	218	218	217
Future or Reserve acreage for sprayfields	54	54	47	47	47	35	35	35	-	-
Lagoons	18	18	15	15	15	15	15	15	15	12
Miles of pipe in service	56	56	54	54	54	54	54	54	54	54
Vehicles	6	6	5	4	4	5	4	4	4	3
Waste water treatment plants	6	6	5	5	5	5	5	5	5	4

Source: Buckingham Township financial and internal reporting records