

Township of Cranberry

Financial Statements and Required Supplementary and Supplementary Information

**Year Ended December 31, 2014
with Independent Auditor's Report**

MaherDuessel
Certified Public Accountants

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TOWNSHIP OF CRANBERRY

YEAR ENDED DECEMBER 31, 2014

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YEAR ENDED DECEMBER 31, 2014

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Independent Auditor's Report

Board of Supervisors
Township of Cranberry

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and pension information on pages i through xii, page 44, and pages 45 through 50, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Maher Duessel

Pittsburgh, Pennsylvania
June 25, 2015

Management's Discussion and Analysis

As management of the Township of Cranberry (Township), Pennsylvania, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2014.

Financial Highlights

- The assets and deferred outflows of resources of the Township exceeded its liabilities at the close of the most recent fiscal year by \$89,035,288.
- The Township's net position increased by \$6,372,066.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$25,812,553.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,587,743.

Overview of Financial Statements

This Management's Discussion and Analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the Township's assets, deferred outflows of resources, and liabilities, except fiduciary funds. Net Position – the difference between the Township's assets and deferred outflows of resources and liabilities – is one way to measure the Township's financial health or position. Over time, increases or decreases 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 net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Township that are primarily 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, highways, roads, and streets, culture and recreation, community development, and interest on long-term debt. The business-type activities of the Township include water, sewer, golf course, solid waste, and swimming pool operations.

The government-wide financial statements include not only the Township itself (known as the primary government), but also a legally separate public library. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 1 and 2 of this report.

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

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

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

The Township maintains seventeen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Transportation Improvement Program East Fund, the Capital Improvement Fund, and the 2011 Bond Fund as these funds are considered to be major funds. Data from the other thirteen funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report, and are described in more detail in Note 1 to the financial statements.

The basic governmental fund financial statements can be found on pages 3 through 6 of this report.

Proprietary funds. The Township maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide

financial statements. The Township uses enterprise funds to account for its water, sewer, golf course, solid waste, and swimming pool operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for water, sewer, golf course, and solid waste operations, all four of which are considered to be major funds of the Township. The Swimming Pool Fund is considered an other enterprise fund.

The basic proprietary fund financial statements can be found on pages 7 through 9 of this report.

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

The basic fiduciary fund financial statements can be found on pages 10 and 11 of this report.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 12 through 43 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's progress in funding its obligation to provide pension benefits to its police officers (presented in the accompanying notes) and budgetary comparison schedules for the General Fund and each major Special Revenue Fund. Required supplementary information can be found on pages 44 through 50 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual governmental and fiduciary fund statements can be found on pages 51 through 56 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows of resources exceeded liabilities by \$89,035,288 at the close of the most recent fiscal year. Of this amount, \$53,836,684 (or 60%) is net investment in capital assets (e.g., land, buildings, and equipment), which includes some infrastructure and construction in progress, less any related debt used to acquire those assets that is still outstanding.

The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must

be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Township of Cranberry's Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$29,731,358	\$27,451,016	\$9,432,885	\$11,480,982	\$39,164,243	\$38,931,998
Capital assets	59,123,846	54,142,911	44,258,395	45,842,886	103,382,241	99,985,797
Total assets	88,855,204	81,593,927	53,691,280	57,323,868	142,546,484	138,917,795
Deferred Outflows of Resources	712,467	797,056	1,675,721	1,813,400	2,388,188	2,610,456
Current and other liabilities	2,347,809	1,961,143	1,391,926	1,407,352	3,739,735	3,368,495
Long-term liabilities	22,658,470	21,190,692	29,501,179	34,305,842	52,159,649	55,496,534
Total liabilities	25,006,279	23,151,835	30,893,105	35,713,194	55,899,384	58,865,029
Net Position:						
Net investment in capital assets	37,329,587	34,102,197	16,507,097	13,782,579	53,836,684	47,884,776
Restricted	11,422,641	11,154,848	-	-	11,422,641	11,154,848
Unrestricted	15,809,164	13,982,103	7,966,799	9,641,495	23,775,963	23,623,598
Total net position	\$64,561,392	\$59,239,148	\$24,473,896	\$23,424,074	\$89,035,288	\$82,663,222

The balance of unrestricted net position, \$23,775,963, may be used to meet the Township's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net position, for the Township as a whole as well as for its separate governmental and business-type activities.

Governmental Activities. Governmental activities increased the Township's net position by \$5,322,244. Business-type activities increased the Township's net position by \$1,049,822. Key elements of these increases are as follows:

Township of Cranberry's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$ 3,390,043	\$ 3,765,475	\$ 17,083,129	\$ 17,393,020	\$ 20,473,172	\$ 21,158,495
Operating grants	1,334,334	1,264,796	106,937	110,698	1,441,271	1,375,494
Capital grants	5,449,459	4,743,828	455,842	-	5,905,301	4,743,828
General revenues:						
Property taxes	4,863,144	4,768,759	-	-	4,863,144	4,768,759
Earned income taxes	6,948,786	6,450,969	-	-	6,948,786	6,450,969
Other taxes	4,751,409	5,057,498	-	-	4,751,409	5,057,498
Interest and rents	365,646	224,363	12,686	17,563	378,332	241,926
Other	350,780	179,735	28	140,917	350,808	320,652
Transfers	(212,508)	(341,038)	212,508	341,038	-	-
Total revenues	\$ 27,241,093	\$ 26,114,385	\$ 17,871,130	\$ 18,003,236	\$ 45,112,223	\$ 44,117,621

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Expenses						
General government	4,977,964	4,668,840	-	-	4,977,964	4,668,840
Public safety	5,860,571	5,688,004	-	-	5,860,571	5,688,004
Highways, roads, and streets	6,965,612	6,655,988	-	-	6,965,612	6,655,988
Culture and recreation	2,301,745	2,120,449	-	-	2,301,745	2,120,449
Community development	1,018,786	880,522	-	-	1,018,786	880,522
Interest on long-term debt	794,171	707,507	-	-	794,171	707,507
Water	-	-	5,124,152	5,350,555	5,124,152	5,350,555
Sewer	-	-	6,465,728	7,197,914	6,465,728	7,197,914
Golf course	-	-	2,592,201	2,463,166	2,592,201	2,463,166
Solid waste	-	-	2,031,999	1,939,679	2,031,999	1,939,679
Pool	-	-	607,228	668,382	607,228	668,382
Total Expenses	21,918,849	20,721,310	16,821,308	17,619,696	38,740,157	38,341,006
Change in net position	5,322,244	5,393,065	1,049,822	383,540	6,372,066	5,776,605
Net position - beginning	59,239,148	53,846,083	23,424,074	23,040,534	82,663,222	76,886,617
Net position - ending	\$ 64,561,392	\$ 59,239,148	\$ 24,473,896	\$ 23,424,074	\$ 89,035,288	\$ 82,663,222

The following table depicts revenues by source for governmental activities in 2014:

Revenues by Source - Governmental Activities

Charges for services	12%
Operating grants	5%
Capital grants	20%
Property taxes	18%
Earned income taxes	25%
Other taxes	17%
Other revenues	3%
Total	100%

Government-wide revenues were primarily derived from earned income taxes at 25%, capital grants at 20%, and property taxes at 18%.

The following table depicts expenses by programs for governmental activities in 2014:

Expenses by Program - Governmental Activities

General government	23%
Public safety	26%
Highways, roads, and streets	32%
Culture and recreation	10%
Community development	5%
Interest on long-term debt	4%
Total	100%

Total expenses for all programs in 2014 were \$21,918,849. The expenses reflect the delivery of a wide range of services, with the largest being Highways, roads, and streets at 32%. The second largest program is public safety at 26%. The program ranked third is general government at 23%.

The following table depicts the net program expenses/revenues by function/program for governmental activities for the period ending December 31, 2014:

Net Program Expenses/Revenues

General government	\$(4,053,333)
Public safety	(4,247,807)
Highways, roads, and streets	(1,694,279)
Culture and recreation	(1,189,464)
Community development	234,041
Interest on long-term debt	(794,171)
Total	\$(11,745,013)

Net program expenses/revenues indicate the amount of support required from taxes and other general revenues for the year. Public safety expenses required the most General Fund revenue for support, needing approximately \$4.25 million in 2014. General government expenses required approximately \$4.05 million in general revenues for support.

Business-type Activities. Business-type activities increased the Township's net position by \$1,049,822. The Township's customer base for sewer and water and solid waste continues to grow.

- 97% of revenues come from charges for services and 3% from operating grants and contributions, capital grants and contributions, and general revenues.

Expenses and Program Revenues - Business-type Activities

Program	Program Revenues	Expenses*
Sewer	\$7,465,270	\$5,019,298
Water	5,659,635	4,532,461
Golf Course	2,049,913	2,108,641
Solid Waste	1,911,874	1,954,146
Swimming Pool	559,216	506,835

* depreciation removed

Financial Analysis of the Township's Funds

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

Governmental funds. The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may

serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of approximately \$26 million.

The General Fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12,587,743.

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

Unrestricted net position of the Water Fund at the end of the year amounted to \$2,850,417, the Sewer Fund \$5,097,869, the Golf Course Fund (\$470,659), the Solid Waste Fund \$253,674, and the Swimming Pool Fund \$235,498. Other factors concerning the finances of these funds have already been addressed in the discussion of the Township's business-type activities.

General Fund Budgetary Highlights

Revenues exceeded budgetary estimates by 14%. This positive variance in revenue can be seen mainly in the earned income tax line item. Expenditures were 5% under budget. Actual revenues exceeded expenditures by \$3,061,361. There was no need to draw upon existing fund balance.

Capital Assets and Debt Administration

Capital Assets. The Township's investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounts to \$103,382,241 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and infrastructure.

Summary of the Township of Cranberry's Capital Assets

	Governmental Activities 2014	Business-type Activities 2014	Total
Land	\$14,455,952	\$3,366,304	\$17,822,256
Construction in Progress	-	407,625	407,625
Total Non-Depreciable Assets	14,455,952	3,773,929	18,229,881
Buildings	23,489,987	21,043,864	44,533,851
Site Improvements	4,848,533	4,278,310	9,126,843
Machinery, Equipment, Vehicles	11,246,016	19,519,011	30,765,027
Infrastructure	45,728,628	39,225,535	84,954,163
Carts – in service	-	809,684	809,684
Carts – not in service	-	74,853	74,853
Total Depreciable Assets	85,313,164	84,951,257	170,264,421
Accumulated Depreciation	-40,645,270	-44,466,791	-85,112,061
Total Depreciable Assets, Net	44,667,894	40,484,466	85,152,360
Total Capital Assets	\$59,123,846	\$44,258,395	\$103,382,241

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

Long-Term Debt. At the end of the current fiscal year, the Township had total debt outstanding of \$52,159,649. The Township's bond rating is Aa2 by Moody's Investor Service.

Township of Cranberry's Outstanding Debt

	Governmental Activities 2014	Business-type Activities 2014	Total
General Obligation Bonds	\$22,327,040	\$29,427,019	\$51,754,059
Promissory Note	179,686	-	179,686
Compensated Absences	151,744	74,160	225,904
Total	\$22,658,470	\$29,501,179	\$52,159,649

More detailed information about the Township's long-term debt can be found in Note 7 of the notes to financial statements.

Economic Factors

The Township's population grew by more than 60% in the 1990's and continues to grow. The population estimate for 2014 is 30,170. Strong commercial growth continues to occur along Rt. 228 and Rt. 19. 132 non-residential permits were issued in 2014. Residential growth continues throughout the Township. In 2014, 110 new housing units were built.

Employment opportunities are derived from within the Township as well as from the City of Pittsburgh (less than a half an hour from Cranberry). The Township is home to five of the top ten employers in Butler County. Almost 20,000 people work in the Township. The Township's two largest employers are Westinghouse Electric (corporate and research headquarters) and Verizon Wireless (customer service center). In addition, the Pittsburgh area contains many corporate headquarters, colleges, universities, and major health care facilities. The demographics of the Township are skewed toward a younger, healthier, better educated, and more prosperous population than in most of Western Pennsylvania.

2015 Budget Highlights

The 2015 General Fund budget represents approximately 2.3% growth in operating expenses and maintains the same level of services for an increasing population and increased business presence. The General Fund budget maintains the current real estate tax rate. Activities funded by the Township General Fund budget will focus on Police, Planning and Zoning, Public Works and Parks and Recreation as well as Customer Service. Specific projects will include continuing transportation improvements, technology enhancements, renovations to the municipal center's public spaces, and recreation improvements. Planning efforts are in place for a sustainable future. The Township wants to promote volunteerism as well as partnerships with its community organizations. The Township will also aggressively pursue all state and federal funding opportunities to enhance those initiatives.

As for the Township's business-type activities, at the time of budget preparation, there were no rate increases anticipated for water service or sewer service. A new contract began in November of 2014 and rates were adjusted to account for increases in solid waste collection. The sewer collection system rehabilitation program continues to be funded to reduce infiltration and inflow to reduce operating costs at the treatment facility and to extend the time for the planned facility expansion. Infrastructure improvements include the continuation of sewage treatment plant improvement final design.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Finance Department, 2525 Rochester Road, Suite 400, Cranberry Township, PA 16066.

Questions regarding the Cranberry Public Library financial information should be directed to the Library Director, Cranberry Public Library, 2525 Rochester Road, Suite 300, Cranberry Township, PA 16066.

TOWNSHIP OF CRANBERRY

STATEMENT OF NET POSITION

DECEMBER 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Cranberry Public Library
Assets				
Cash and cash equivalents	\$ 1,617,844	\$ 1,538,198	\$ 3,156,042	\$ 196,782
Investments	24,737,369	6,689,188	31,426,557	110,017
Receivable:				
Taxes	2,980,003	-	2,980,003	-
Customers - billed	-	184,402	184,402	-
Customers - unbilled	-	843,638	843,638	-
Other	151,734	31,456	183,190	18,607
Internal balances	(56,349)	56,349	-	-
Inventory	61,126	89,654	150,780	-
Prepaid expenses	15,752	-	15,752	-
Net pension asset	223,879	-	223,879	-
Restricted assets:				
Beneficial interest in net position of community foundation	-	-	-	481,127
Capital assets, net:				
Non-depreciable	14,455,952	3,773,929	18,229,881	-
Depreciable	44,667,894	40,484,466	85,152,360	143,149
Total Assets	88,855,204	53,691,280	142,546,484	949,682
Deferred Outflows of Resources				
Deferred charge on refunding	712,467	1,675,721	2,388,188	-
Liabilities				
Accounts payable	664,169	638,406	1,302,575	14,073
Accrued payroll and related expenses	392,326	75,133	467,459	-
Accrued interest payable	222,954	424,434	647,388	-
Unearned revenue	108,165	158,275	266,440	-
Developer deposit liability	960,195	-	960,195	-
Security deposits	-	95,678	95,678	-
Compensated absences	151,744	74,160	225,904	-
Long-term debt, current portion	1,423,201	1,808,815	3,232,016	-
Long-term debt, long-term portion	21,083,525	27,618,204	48,701,729	-
Total Liabilities	25,006,279	30,893,105	55,899,384	14,073
Net Position				
Net investment in capital assets	37,329,587	16,507,097	53,836,684	143,149
Restricted, expendable (see Note 1)	11,422,641	-	11,422,641	-
Restricted for Cranberry Legacy Fund, nonexpendable	-	-	-	481,127
Unrestricted	15,809,164	7,966,799	23,775,963	311,333
Total Net Position	\$ 64,561,392	\$ 24,473,896	\$ 89,035,288	\$ 935,609

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CRANBERRY

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Cranberry Public Library
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental activities:								
General government	\$ 4,977,964	\$ 452,006	\$ 472,625	\$ -	\$ (4,053,333)	\$ -	\$ (4,053,333)	\$ -
Public safety	5,860,571	751,055	861,709	-	(4,247,807)	-	(4,247,807)	-
Highways, roads, and streets	6,965,612	52,057	-	5,219,276	(1,694,279)	-	(1,694,279)	-
Culture and recreation	2,301,745	882,098	-	230,183	(1,189,464)	-	(1,189,464)	-
Community development	1,018,786	1,252,827	-	-	234,041	-	234,041	-
Interest on long-term debt	794,171	-	-	-	(794,171)	-	(794,171)	-
Total governmental activities	21,918,849	3,390,043	1,334,334	5,449,459	(11,745,013)	-	(11,745,013)	-
Business-type activities:								
Water	5,124,152	5,296,325	-	363,310	-	535,483	535,483	-
Sewer	6,465,728	7,372,738	-	92,532	-	999,542	999,542	-
Golf course	2,592,201	2,049,913	-	-	-	(542,288)	(542,288)	-
Solid waste	2,031,999	1,804,937	106,937	-	-	(120,125)	(120,125)	-
Other	607,228	559,216	-	-	-	(48,012)	(48,012)	-
Total business-type activities	16,821,308	17,083,129	106,937	455,842	-	824,600	824,600	-
Total primary government	\$ 38,740,157	\$ 20,473,172	\$ 1,441,271	\$ 5,905,301	(11,745,013)	824,600	(10,920,413)	-
Component Unit:								
Cranberry Public Library	\$ 768,387	\$ 35,300	\$ 776,694	\$ -				43,607
General revenues:								
Taxes:								
Property					4,863,144	-	4,863,144	-
Earned income					6,948,786	-	6,948,786	-
Business privilege					2,306,227	-	2,306,227	-
Local service					1,209,283	-	1,209,283	-
Real estate transfer					1,235,899	-	1,235,899	-
Interest, rents, and royalties					365,646	12,686	378,332	-
Gain on disposal of capital assets					218,250	-	218,250	-
Insurance proceeds					45,291	-	45,291	-
Other					87,239	28	87,267	-
Transfers - internal activities					(212,508)	212,508	-	-
Total general revenues and transfers					17,067,257	225,222	17,292,479	-
Change in Net Position					5,322,244	1,049,822	6,372,066	43,607
Net position - beginning of year					59,239,148	23,424,074	82,663,222	892,002
Net position - end of year					\$ 64,561,392	\$ 24,473,896	\$ 89,035,288	\$ 935,609

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CRANBERRY

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2014

	Special Revenue Fund					
	General Fund	Transportation Improvement Program East Fund	Capital Projects Funds		Other Governmental Funds	Total Governmental Funds
			Capital Improvement Fund	2011 Bond Fund		
Assets						
Cash and cash equivalents	\$ 1,205,982	\$ -	\$ -	\$ 317,045	\$ 94,817	\$ 1,617,844
Investments	10,598,135	6,272,715	1,766,906	-	6,099,613	24,737,369
Taxes receivable	2,980,003	-	-	-	-	2,980,003
Other receivables	151,734	-	-	-	-	151,734
Prepaid expenditures	15,752	-	-	-	-	15,752
Due from other funds	378,568	-	-	10,000	18,306	406,874
Inventory	61,126	-	-	-	-	61,126
Total Assets	\$ 15,391,300	\$ 6,272,715	\$ 1,766,906	\$ 327,045	\$ 6,212,736	\$ 29,970,702
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable and accrued expenses	\$ 221,126	\$ 3,136	\$ 190,753	\$ 177,907	\$ 71,247	\$ 664,169
Accrued payroll and related expenses	392,326	-	-	-	-	392,326
Due to other funds	434,991	-	-	-	28,232	463,223
Unearned revenue	108,165	-	-	-	-	108,165
Developer deposit liability	-	-	-	-	960,195	960,195
Total Liabilities	1,156,608	3,136	190,753	\$ 177,907	1,059,674	2,588,078
Deferred Inflows of Resources:						
Unavailable revenue - taxes	1,570,071	-	-	-	-	1,570,071
Fund Balance:						
Nonspendable:						
Inventory and prepaid expenditures	76,878	-	-	-	-	76,878
Restricted:						
Transportation improvement	-	6,269,579	-	-	657,386	6,926,965
Highways and streets	-	-	-	-	372,715	372,715
Recreation	-	-	-	-	756,826	756,826
Library	-	-	-	-	107,674	107,674
Fire protection	-	-	-	-	1,065,381	1,065,381
Capital projects	-	-	-	149,138	-	149,138
Development review	-	-	-	-	145,125	145,125
Infrastructure improvement	-	-	-	-	1,952,217	1,952,217
Storm water maintenance	-	-	-	-	24,807	24,807
Public building improvements	-	-	-	-	70,931	70,931
Assigned:						
Capital improvements	-	-	1,576,153	-	-	1,576,153
Unassigned	12,587,743	-	-	-	-	12,587,743
Total Fund Balance	12,664,621	6,269,579	1,576,153	149,138	5,153,062	25,812,553
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 15,391,300	\$ 6,272,715	\$ 1,766,906	\$ 327,045	\$ 6,212,736	\$ 29,970,702

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CRANBERRY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2014

Total Fund Balance - Governmental Funds	\$ 25,812,553
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	59,123,846
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Certain taxes are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	1,570,071
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Amounts contributed in excess of the annual pension cost are not current financial resources and, therefore, not reported in the funds.	223,879
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Accrued interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the funds.	(222,954)
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Government funds do not report a loss on the refunding of debt, as it is not a current period expenditure, whereas these amounts are reported as a deferred outflow and amortized in the statement of net position.	712,467
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Long-term liabilities, including compensated absences and bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(22,658,470)</u>
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Total Net Position - Governmental Activities	<u><u>\$ 64,561,392</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CRANBERRY

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

YEAR ENDED DECEMBER 31, 2014

		Special Revenue Fund		Capital Projects Funds			
		Transportation Improvement Program East Fund		Capital Improvement Fund	2011 Bond Fund	Other Governmental Funds	Total Governmental Funds
	General Fund						
Revenues:							
Taxes:							
Property	\$ 3,012,302	\$ -	\$ -	\$ -	\$ -	\$ 1,849,293	\$ 4,861,595
Earned income	7,085,332	-	-	-	-	-	7,085,332
Business privilege	2,306,227	-	-	-	-	-	2,306,227
Local service	1,209,283	-	-	-	-	-	1,209,283
Real estate transfer	1,235,899	-	-	-	-	-	1,235,899
Licenses, permits, and fees	1,726,693	-	-	-	-	231,527	1,958,220
Fines and forfeitures	121,090	-	-	-	-	-	121,090
Interest, rents, and royalties	331,739	17,195	4,627	228	11,857	-	365,646
Intergovernmental	1,033,261	-	230,183	-	666,161	-	1,929,605
Contributions and donations	300,473	112,419	15,000	-	331,552	-	759,444
Charges for services	1,311,333	-	-	-	-	-	1,311,333
Miscellaneous	62,267	24,972	-	-	-	-	87,239
Total revenues	19,735,899	154,586	249,810	228	3,090,390	-	23,230,913
Expenditures:							
Current:							
General government	2,846,208	-	-	-	-	-	2,846,208
Public safety	5,244,909	-	-	-	-	466,399	5,711,308
Highways, roads, and streets	4,120,139	4,560	-	-	1,036,322	-	5,161,021
Culture and recreation	1,830,744	-	-	-	331,635	-	2,162,379
Community development	1,018,786	-	-	-	-	-	1,018,786
Miscellaneous	5	-	-	-	2,035	-	2,040
Debt service:							
Principal retirement	721,440	-	-	-	665,628	-	1,387,068
Interest charges	783,466	-	-	-	6,259	-	789,725
Capital outlay	108,841	3,136	1,396,411	3,210,211	366,209	-	5,084,808
Total expenditures	16,674,538	7,696	1,396,411	3,210,211	2,874,487	-	24,163,343
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,061,361	146,890	(1,146,601)	(3,209,983)	215,903	-	(932,430)
Other Financing Sources (Uses):							
Proceeds from sale of capital assets	62,256	-	157,500	-	-	-	219,756
Insurance proceeds	-	-	45,291	-	-	-	45,291
Transfer of debt from proprietary funds	-	-	-	2,925,940	-	-	2,925,940
Transfers in	319,627	-	750,000	-	-	-	1,069,627
Transfers out	(1,175,848)	-	(11,287)	-	(95,000)	-	(1,282,135)
Total other financing sources (uses)	(793,965)	-	941,504	2,925,940	(95,000)	-	2,978,479
Net Change in Fund Balance	2,267,396	146,890	(205,097)	(284,043)	120,903	-	2,046,049
Fund Balance:							
Beginning of year	10,397,225	6,122,689	1,781,250	433,181	5,032,159	-	23,766,504
End of year	\$ 12,664,621	\$ 6,269,579	\$ 1,576,153	\$ 149,138	\$ 5,153,062	-	\$ 25,812,553

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CRANBERRY

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

YEAR ENDED DECEMBER 31, 2014

Net Change in Fund Balance - Governmental Funds

\$ 2,046,049

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

Governmental funds report capital outlays as expenditures and contributions of capital assets are not reported. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and contributions exceeded depreciation in the current period.

Capital outlays	\$ 4,332,302
Capital contributions	4,094,144
Depreciation expense	<u>(3,444,005)</u>

4,982,441

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The net effect of the gain on sale and loss on the disposal of the assets is shown here.

(1,506)

The net pension asset is reflected on the statement of net position, but is not considered an asset that is available to pay current liabilities for the fund statements. The value of this item changed by this amount during the year.

(5,729)

Some taxes will not be collected for several months after the Township's year-end, and they are not considered "available" revenues in the governmental funds.

(134,997)

In the statement of activities, accumulated employee benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.

(20,696)

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

(11,647)

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

Principal payments	1,387,068
Transfer of debt from proprietary funds	(2,925,940)
Amortization of bond discounts/premiums	91,790
Amortization of deferred charge on refunding	<u>(84,589)</u>

(1,531,671)

Change in Net Position of Governmental Activities

\$ 5,322,244

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CRANBERRY

STATEMENT OF NET POSITION PROPRIETARY FUNDS

DECEMBER 31, 2014

	Water	Sewer	Golf Course	Solid Waste	Other Enterprise Fund	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 823,679	\$ 689,408	\$ 25,081	\$ -	\$ 30	\$ 1,538,198
Investments	5,624,380	400,747	63,295	349,000	251,766	6,689,188
Accounts receivable:						
Customers - billed	82,034	102,368	-	-	-	184,402
Customers - unbilled	360,044	483,594	-	-	-	843,638
Other	26,971	-	-	-	4,485	31,456
Due from other funds	147,397	3,977,797	-	75,471	588	4,201,253
Inventory	-	-	89,654	-	-	89,654
Total current assets	7,064,505	5,653,914	178,030	424,471	256,869	13,577,789
Non-current assets:						
Capital assets:						
Land	91,517	171,340	3,103,447	-	-	3,366,304
Construction in progress	-	407,625	-	-	-	407,625
Buildings	6,794,053	8,761,842	2,963,085	-	2,524,884	21,043,864
Site improvements	386,565	269,103	3,622,642	-	-	4,278,310
Machinery, equipment, and vehicles	1,539,277	16,401,571	1,421,972	69,687	86,504	19,519,011
Infrastructure	14,663,650	24,561,885	-	-	-	39,225,535
Carts - in-service	-	-	-	809,684	-	809,684
Carts - not in-service	-	-	-	74,853	-	74,853
Less: accumulated depreciation	(9,476,852)	(27,612,022)	(4,922,118)	(770,540)	(1,685,259)	(44,466,791)
Total non-current assets	13,998,210	22,961,344	6,189,028	183,684	926,129	44,258,395
Total Assets	21,062,715	28,615,258	6,367,058	608,155	1,182,998	57,836,184
Deferred Outflows of Resources						
Deferred charge on refunding	-	1,218,862	456,859	-	-	1,675,721
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	273,701	127,599	72,793	156,662	7,651	638,406
Accrued payroll and related expenses	26,974	38,171	5,736	4,252	-	75,133
Accrued interest payable	-	310,116	101,233	-	13,085	424,434
Due to other funds	3,790,573	55,409	294,161	4,761	-	4,144,904
Unearned revenue	-	-	158,275	-	-	158,275
Security deposits	95,678	-	-	-	-	95,678
Long-term debt - current portion	-	1,249,000	280,000	-	279,815	1,808,815
Total current liabilities	4,186,926	1,780,295	912,198	165,675	300,551	7,345,645
Non-current liabilities:						
Compensated absences	27,162	24,750	16,491	5,122	635	74,160
Long-term debt - net of current maturities:						
General obligation bonds	-	18,816,000	6,465,000	-	291,535	25,572,535
Unamortized bond premium	-	1,538,824	506,845	-	-	2,045,669
Total non-current liabilities	27,162	20,379,574	6,988,336	5,122	292,170	27,692,364
Total Liabilities	4,214,088	22,159,869	7,900,534	170,797	592,721	35,038,009
Net Position						
Net investment in capital assets	13,998,210	2,576,382	(605,958)	183,684	354,779	16,507,097
Unrestricted	2,850,417	5,097,869	(470,659)	253,674	235,498	7,966,799
Total Net Position	\$ 16,848,627	\$ 7,674,251	\$ (1,076,617)	\$ 437,358	\$ 590,277	\$ 24,473,896

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CRANBERRY

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

YEAR ENDED DECEMBER 31, 2014

	Water	Sewer	Golf Course	Solid Waste	Other Enterprise Fund	Total
Operating Revenues:						
Charges for services	\$ 5,031,467	\$ 7,285,369	\$ 2,049,913	\$ 1,758,297	\$ 556,553	\$ 16,681,599
Penalties and interest	40,744	47,200	-	15,320	-	103,264
Miscellaneous revenues	60,788	40,169	-	31,320	93	132,370
Total operating revenues	5,132,999	7,372,738	2,049,913	1,804,937	556,646	16,917,233
Operating Expenses:						
Wages, benefits, and related taxes	1,177,303	1,453,835	702,268	140,853	248,477	3,722,736
Employee insurance	264,405	366,866	107,110	23,923	18,071	780,375
Pension	105,480	133,918	41,358	8,734	1,345	290,835
Administrative expenses	60,719	93,797	42,675	34,191	7,338	238,720
Materials and supplies	96,177	124,426	79,303	22,696	13,479	336,081
Collection and disposal cost	-	-	-	1,592,211	-	1,592,211
Water purchase	2,399,300	-	-	-	-	2,399,300
Chemicals	-	549,673	111,455	-	16,203	677,331
Laboratory	-	49,440	-	-	-	49,440
Telephone and utilities	67,591	689,724	52,113	-	57,118	866,546
Repairs and maintenance	60,176	272,615	69,172	60,864	11,377	474,204
Minor equipment rental and purchase	6,246	8,543	16,506	-	10,281	41,576
Vehicle expense	33,081	27,296	27,676	-	-	88,053
Professional and other services	261,983	365,490	368,920	70,674	41,350	1,108,417
Concession and other products and services	-	-	199,826	-	42,758	242,584
Depreciation	591,691	1,446,430	483,560	77,853	100,393	2,699,927
Total operating expenses	5,124,152	5,582,053	2,301,942	2,031,999	568,190	15,608,336
Operating Income (Loss)	8,847	1,790,685	(252,029)	(227,062)	(11,544)	1,308,897
Non-Operating Revenues (Expenses):						
Interest income	7,757	4,711	77	83	58	12,686
Rental income	163,326	-	-	-	2,570	165,896
Grant revenue	-	-	-	106,937	-	106,937
Other income	-	-	28	-	-	28
Interest expense	-	(883,675)	(290,259)	-	(39,038)	(1,212,972)
Total non-operating revenues (expenses)	171,083	(878,964)	(290,154)	107,020	(36,410)	(927,425)
Income (loss) before capital contributions and transfers	179,930	911,721	(542,183)	(120,042)	(47,954)	381,472
Capital contributions	363,310	92,532	-	-	-	455,842
Transfers in	-	2,736	208,891	-	323,244	534,871
Transfers out	(172,363)	(150,000)	-	-	-	(322,363)
Total capital contributions and transfers	190,947	(54,732)	208,891	-	323,244	668,350
Change in Net Position	370,877	856,989	(333,292)	(120,042)	275,290	1,049,822
Net Position:						
Beginning of year	16,477,750	6,817,262	(743,325)	557,400	314,987	23,424,074
End of year	\$ 16,848,627	\$ 7,674,251	\$ (1,076,617)	\$ 437,358	\$ 590,277	\$ 24,473,896

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CRANBERRY

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2014

	Water	Sewer	Golf Course	Solid Waste	Other Enterprise Fund	Total
Cash Flows From Operating Activities:						
Receipts from customers	\$ 5,044,383	\$ 7,293,137	\$ 2,062,280	\$ 1,773,617	\$ 556,553	\$ 16,729,970
Payments to suppliers	(3,063,707)	(2,428,117)	(986,921)	(1,765,440)	(197,437)	(8,441,622)
Payments to employees	(1,440,802)	(1,821,472)	(806,120)	(164,236)	(265,913)	(4,498,543)
Other receipts (payments), net	65,398	40,169	-	31,320	93	136,980
Net cash provided by (used in) operating activities	605,272	3,083,717	269,239	(124,739)	93,296	3,926,785
Cash Flows From Non-Capital Financing Activities:						
Transfers from (to) other funds, net	2,650,803	(3,046,530)	292,362	(26,097)	382,948	253,486
Cash Flows From Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(95,168)	(508,714)	(36,527)	-	(19,185)	(659,594)
Principal paid on capital debt	-	(1,209,000)	(265,000)	-	(271,035)	(1,745,035)
Interest paid on capital debt	(101,581)	(882,786)	(293,200)	-	(137,337)	(1,414,904)
Grants	-	-	-	106,937	-	106,937
Other receipts (payments)	-	-	28	-	-	28
Net cash provided by (used in) capital and related financing activities	(196,749)	(2,600,500)	(594,699)	106,937	(427,557)	(3,712,568)
Cash Flows From Investing Activities:						
Interest income	7,757	4,711	77	83	58	12,686
Rental income	163,326	-	-	-	2,570	165,896
Net sales (purchases) of investments	(3,047,943)	2,357,434	51,706	43,816	(51,285)	(646,272)
Net cash provided by (used in) investing activities	(2,876,860)	2,362,145	51,783	43,899	(48,657)	(467,690)
Net Increase (Decrease) in Cash and Cash Equivalents	182,466	(201,168)	18,685	-	30	13
Cash and Cash Equivalents:						
Beginning of year	641,213	890,576	6,396	-	-	1,538,185
End of year	\$ 823,679	\$ 689,408	\$ 25,081	\$ -	\$ 30	\$ 1,538,198
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:						
Operating income (loss)	\$ 8,847	\$ 1,790,685	\$ (252,029)	\$ (227,062)	\$ (11,544)	\$ 1,308,897
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	591,691	1,446,430	483,560	77,853	100,393	2,699,927
Change in:						
Receivables, net	(27,828)	(39,432)	-	-	-	(67,260)
Inventory	-	-	(3,921)	-	-	(3,921)
Accounts payable and accrued expenses	27,046	(113,195)	26,004	23,930	3,812	(32,403)
Security deposits	4,610	-	-	-	-	4,610
Compensated absences	906	(771)	3,258	540	635	4,568
Unearned revenue	-	-	12,367	-	-	12,367
Total adjustments	596,425	1,293,032	521,268	102,323	104,840	2,617,888
Net cash provided by (used in) operating activities	\$ 605,272	\$ 3,083,717	\$ 269,239	\$ (124,739)	\$ 93,296	\$ 3,926,785
Supplementary Information:						
Non-cash capital and related financing activities:						
Contribution of capital assets	\$ 363,310	\$ 92,532	\$ -	\$ -	\$ -	\$ 455,842
Amortization of premiums and deferred refunding loss charged to interest	\$ 6,772	\$ 220,721	\$ 56,689	\$ -	\$ 5,461	\$ 289,643

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CRANBERRY

STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS

DECEMBER 31, 2014

Assets	
Cash and cash equivalents	\$ 70,775
Investments:	
Mutual funds	<u>17,608,335</u>
Total Assets	<u>17,679,110</u>
Net Position Restricted For Pension Benefits	<u><u>\$ 17,679,110</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CRANBERRY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2014

Additions:

Employer contributions	\$ 870,944
Employee contributions	<u>118,194</u>
Total contributions	<u>989,138</u>
Investment gain:	
Net appreciation in fair value of investments	761,860
Interest and dividends	<u>274,083</u>
Total investment gain	<u>1,035,943</u>
Total additions	<u>2,025,081</u>

Deductions:

Benefits	490,052
Administrative expense	<u>38,553</u>
Total deductions	<u>528,605</u>

Change in Plan Net Position	1,496,476
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Net Position:

Beginning of year	<u>16,182,634</u>
End of year	<u><u>\$ 17,679,110</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Cranberry (Township) is a second-class township organized under laws of the Commonwealth of Pennsylvania. The Township operates under a supervisors-manager form of government and provides the following services: public safety, highways and streets, health and welfare, recreation, public improvements, planning and zoning, and general administrative services.

Reporting Entity

These financial statements present the Township (the primary government) and the Township's discretely presented component unit, as described below. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Township.

Cranberry Public Library

The Cranberry Public Library (Library) was created in 1973 to establish, maintain, and encourage the use of a library by the general public in the Township. The Library is considered a special purpose government in that it is engaged in a single governmental program and does not provide the multitude of basic governmental services such as general government services, public safety, parks, and recreation, etc. The Internal Revenue Service considers the Library exempt from federal income tax as defined in Section 501(c)(3) of the Internal Revenue Code. The Library is primarily funded through a dedicated real estate tax millage from the Township, the Butler County Federated Library System, and various state and local grants. Although the Library is a legally separate entity, the Township's Board of Supervisors (Board) appoints a majority of the Library's Board of Directors.

The Library's financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues and support are recorded when earned and expenses are recorded when a liability is incurred. The Library issues separate financial statements, which are available at the Library's office.

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 non-fiduciary activities of the primary government and its component unit. *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 services. Likewise, the

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

primary government is reported separately from its legally separate *component unit* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from services or privileges provided by a given function or segment and 2) grants that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resource 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. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension benefits, and claims and judgments, are recorded only when payment is due.

Property, earned income, local services, and franchise taxes, as well as licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Basic Financial Statement – Fund Financial Statements

The accounts of the Township are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows and outflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate.

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is on the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Township reports the following major governmental funds:

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

The *Transportation Improvement Program East Fund*, a Special Revenue Fund, accounts for the impact fees restricted for usage on the eastern side of the Township.

The *Capital Improvement Fund*, a Capital Projects Fund, accounts for financial resources to be used for the acquisition or construction of major capital projects and facilities.

The *2011 Bond Fund*, a Capital Projects Fund, accounts for the cash proceeds received from the 2011 bond issuance and various capital projects funded by the issue.

Additionally, the Township reports the following other governmental funds:

The *Other Governmental Funds* are comprised of Special Revenue Funds and Capital Projects Funds.

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes (other than major capital projects). The Township uses the following nine non-major Special Revenue Funds: Fire Protection Fund, Library Fund, Recreational Facilities Fund, Transportation Improvement Program West Fund, Developers' Deposits Fund, Developers' Contributions Fund, Highway Aid Fund, Storm Water Maintenance Fund, and the Transportation Improvement Program South-East Fund.

The Capital Projects Funds are used to account for the accumulation of resources to use in the acquisition or construction of major capital purchases and facilities (other than

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

those financed by proprietary funds). The Township uses the following four non-major Capital Projects Funds: Fire Capital Fund, Township Transportation Improvement Program Fund, Road Equipment Fund, and Public Building Fund.

Proprietary Funds

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows. These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Township reports the following major proprietary funds:

The *Water, Sewer, and Solid Waste Funds* account for transactions related to providing water, sewer, and solid waste services to Township residents.

The *Golf Course Fund* accounts for transactions related to operating the Township's golf course.

Additionally, the Township reports the following other proprietary fund information:

The *Swimming Pool Fund* accounts for transactions related to providing services to residents at the Township's swimming pool and recreation park.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and, therefore, are not available to support Township programs. The reporting focus is on net position and changes in net position, and is reported using accounting principles similar to proprietary funds.

The *Police Pension Fund* and *Non-Uniform Pension Fund* account for assets held by the Township in a trustee capacity for the future payment of retirement benefits to employees.

Interfund Activity

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Township's governmental activities, business-type activities, and component unit. Elimination of these charges would distort the direct costs and program revenues reported for

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

the various functions concerned. These items are presented as internal balances and eliminated in the total primary government column.

Revenue Classification of Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the Township's proprietary funds are charges to customers for sales and services. The Township also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

The Township has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. For purposes of the basic financial statements, the Township considers cash equivalents to be highly liquid short-term investments that are readily convertible to known amounts of cash and mature within 90 days of the date they are acquired.

Investments

Investments are reported at fair value.

Inventories

Inventories are carried at cost using the first-in, first-out method.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Capital Assets

Capital assets are reported in the applicable proprietary fund, or governmental or business-type activities columns in the government-wide financial statements, at historical cost, or estimated historical cost if purchased or constructed. Contributed capital assets are reported at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Township's threshold for capitalization of assets is as follows:

Land and land improvements	\$1
Building and building improvements	\$1
Construction in progress	\$1
Machinery, equipment, and vehicles	\$5,000
Infrastructure	\$50,000
Site improvements	\$5,000

Depreciation on all assets is calculated on the straight-line basis over the following estimated useful lives:

Buildings and building improvements	20-50 years
Infrastructure	10-60 years
Site improvements	10-20 years
Machinery, equipment, and vehicles	5-20 years

Capitalizable costs incurred on projects which are not in use or ready for use are held in construction in progress. The Township follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. When the asset is ready for use, costs relating thereto are transferred to property, plant, and equipment. Upon determination that a project will be abandoned, the related costs are charged to expense.

Interest costs of proprietary fund capital assets are capitalized when incurred on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized.

Compensated Absences

The Township accrues accumulated unpaid vacation when earned (or estimated to be earned) by the employee in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

example, as a result of employee resignations and retirements. Since the current liability calculated by the Township is considered immaterial, the entire balance is reported as non-current for financial statement purposes.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds type statement of net position. Bond premiums and discounts, as well as deferred refunding gains and losses, are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

Deferred refunding gains and losses result 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.

In the governmental fund financial statements, bond premium and discounts are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

In both the fund and government-wide financial statements issue costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures/expenses.

Fund Balance

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

- Nonspendable – This category represents funds that are not in spendable form.
- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties.
- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the Board. Such commitment is made via formal action by the Board and must be made prior to the end of the year. A commitment can only be modified or removed by the same formal action. There was no committed fund balance at December 31, 2014.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

- Assigned – This category represents intentions of the Board to use the funds for specific purposes. The Board has delegated the authority to assign amounts to be used for specific purposes to the Township Manager or his/her designee.
- Unassigned – This category includes the residual classification for the Township's General Fund and includes all spendable amounts not contained in other classifications.

The Township's policy is to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net Position

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

Net Investment in Capital Assets - This component of net position consists of capital assets net of accumulated depreciation and is reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Restricted - This component of net position consists of constraints placed on net position use through external restrictions. Net position is restricted as described below:

<u>Amount</u>	<u>Restriction</u>
\$ 1,065,381	Fire protection
107,674	Library
756,826	Recreation
6,926,965	Transportation improvement
145,125	Development review
1,952,217	Infrastructure improvement
372,715	Highways and streets
24,807	Storm water maintenance
70,931	Public building improvements
<u>\$ 11,422,641</u>	

Unrestricted - This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

The Golf Course Fund had a deficit net position balance at December 31, 2014 of \$1,076,617. This deficit will be financed through future revenues of the fund and through transfers from other funds.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Adopted Pronouncements

The requirements of the following Governmental Accounting Standards Board (GASB) Statements were adopted for the Township’s 2014 financial statements:

GASB Statement No. 67, “*Financial Reporting for Pension Plans.*” This statement revises existing guidance for the financial reports of most pension plans, and establishes new

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

financial reporting requirements for most governments that provide their employees with pension benefits.

Pending Accounting Pronouncements

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

GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*," and Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date*," effective for fiscal years beginning after June 15, 2014 (the Township's financial statements for the year ending December 31, 2015). This statement revises existing guidance for the financial reports of most pension plans, and establishes new financial reporting requirements for most governments that provide their employees with pension benefits.

GASB Statement No. 72, "*Fair Value Measurement and Application*," effective for fiscal years beginning after June 15, 2015 (the Township's financial statements for the year ending December 31, 2016). This statement addresses accounting and financial reporting issues related to fair value measurements.

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Annual budgets for the General and Special Revenue Funds are adopted on a budgetary basis of accounting whereby revenues are budgeted in the year receipt is expected, and expenditures are budgeted in the year that the applicable purchase orders are expected to be issued. The differences between the basis used and that which is consistent with generally

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

accepted accounting principles is not material. All annual appropriations lapse at fiscal year-end.

The Township uses the following procedures in establishing the budgetary data reflected in the financial statements.

- The Township's staff begins preparation of the annual budget in mid-September of each year.
- Budget requests from departments (revenue and expenses) must be submitted to the Township Manager by the second week of October.
- The Township Manager, in consult with Assistant Managers and the Director of Finance, prepare a tentative budget for presentation to the Board.
- Meetings regarding the budget with the Board take place the second and third weeks of November. The Board of Supervisors adopts the tentative budget the fourth week of November.
- The availability of the tentative budget is advertised publicly. According to the Second Class Township Code of the Commonwealth of Pennsylvania, the budget must be available to the public for 20 days prior to its final adoption.
- The Board adopts the final budget at their final meeting of the year, typically the third week of December. The Second Class Township Code requires that the budget be adopted prior to December 31 of each year.

Appropriations may be transferred between accounts within functions without approval of the Board. During the year ended December 31, 2014, the Board enacted one supplemental appropriation resolution. Also, during the year ended December 31, 2014, expenditures exceeded appropriations in the Capital Outlay expenditures of the General Fund, and also within the Highways, Roads, and Streets department in the Transportation Improvement Program East Fund. These overages were funded by available fund balance.

3. REAL ESTATE TAXES

Real estate taxes are based on assessed valuations provided by the County of Butler (County), and are billed and collected by the Township's elected tax collector.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

The millage for 2014 was 13 mills applied to an assessed valuation of \$375,489,276. The Township apportions the millage and property taxes collected in the following manner:

General Fund	8.03 mills
Fire Protection Fund	1.27 mills
Fire Capital Fund	0.85 mills
Library Fund	1.00 mills
Public Building Fund	1.00 mills
Road Equipment Fund	0.85 mills

The Township's property tax calendar is as follows:

Discount of 2% if paid by April 30
Face value if paid by June 30
Penalty of 10% if paid between July 1 and December 31

After one year, unpaid taxes are turned over to the Butler County Tax Claim Bureau, and a sheriff's sale is conducted on the property if settlement is not made within one additional year. Delinquent taxes are considered fully collectible.

4. CASH, DEPOSITS, AND INVESTMENTS

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, insured or collateralized time deposits, and certificates of deposit. The statutes allow pooling of governmental funds for investment purposes.

The deposit and investment policy of the Township and the Library adheres to state statutes. Deposits of the governmental funds, proprietary funds, and the Library are either maintained in demand deposits and certificates of deposit or are pooled for investment purposes in the Pennsylvania Local Government Investment Trust (PLGIT). There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the Township or Library.

Deposits

Custodial Credit Risk – For a deposit, custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a formal deposit policy for custodial credit risk. As of December 31, 2014, \$15,464,675 of the Township's \$18,786,258 bank balance was insured by the Federal Deposit Insurance Corporation (FDIC). These deposits have carrying amounts of \$18,068,042 as of December

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

31, 2014. Included within these amounts are \$14,912,000 of certificates of deposits (bank and book balance), which are considered investments for presentation on the statement of net position and governmental funds balance sheet.

Investments

The investments in PLGIT are “pooled” with other local governments and school districts in an effort to maximize return and minimize costs associated with investing. PLGIT invests in two basic types of federal securities: obligations backed by the full faith and credit of the United States Government and short-term obligations of the United States Government or its agencies or instrumentalities (which may or may not be backed by the full faith and credit of the United States Government). The PLGIT Trust may also invest in full faith and credit obligations of the Commonwealth of Pennsylvania and its agencies and may also have repurchase agreements. Finally, the trust is also authorized to invest in certificates of deposit which are insured by the FDIC or which are collateralized as provided by law. PLGIT investments are subject to oversight by the Commonwealth of Pennsylvania.

As of December 31, 2014, the entire fair value of the investments in PLGIT of \$16,514,032 is considered to be investments for presentation on the statement of net position and governmental funds balance sheet. These deposits have a carrying amount of \$16,514,557 as of December 31, 2014.

Credit risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Township has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2014, investments in PLGIT received an AAA rating.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside entity. The Township does not have a formal investment policy for custodial credit risk. The Township's investments in PLGIT cannot be classified by risk category because the investment is not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk – The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All investments have an average maturity of less than one year.

Pension Trust Funds

In addition to the investments authorized for the governmental funds, Fiduciary Fund investments may also be made in corporate stocks and bonds, mutual funds, real estate, and

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

other investments consistent with sound business practices. The deposits and investments of the fiduciary funds are administered by trustees and are held separately from other Township funds.

As of December 31, 2014, the Township had the following cash, cash equivalents, and investments in its Pension Trust Funds:

<u>Cash or Investment Type</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 70,775
Mutual funds - fixed income	6,031,495
Mutual funds - equity	11,576,840
Total cash, cash equivalents, and investments reported on statement of fiduciary net position	\$ 17,679,110

Credit risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Pension Trust Funds have no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. The Township's investment in mutual funds are unrated.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the bank or counterparty, the Pension Trust Funds will not be able to recover the value of their deposits or investments or collateral securities that are in the possession of an outside entity. The Pension Trust Funds' money market cash funds (which are included in cash and cash equivalents on the statement of fiduciary net position) and investments in mutual funds are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

The Pension Trust Funds do not have a formal deposit or investment policy for custodial credit risk. However, to reduce investment risks, the investment policy guidelines for the police pension fund and the non-uniform pension fund identify range allocations for all investments. The total plan range allocations are as follows:

<u>Asset Class</u>	<u>Allocation Range</u>
Equity	40% - 65%
Fixed income	20% - 60%
Cash equivalents	0% - 20%

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Concentration of Credit Risk – The Township places no limit on the amount the Township may invest in any one issuer. The Township has no investments of greater than 5% with one issuer.

Interest Rate Risk – The Pension Trust Funds do not have a formal deposit or investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

Deposits and Investments – Cranberry Public Library (Component Unit)

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of bank failure, the Library's deposits may not be returned to it. The Library does not have a formal deposit policy for credit risk. As of December 31, 2014, the carrying amount of the Library's cash and deposits was \$196,782 and the related bank balance totaled \$200,737, all of which was covered by federal depository insurance.

Custodial Credit Risk – Investments. The Library's investments in mutual funds of \$110,017 are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. In addition, the restricted investment described below is also exposed to custodial credit risk, as it is held by another entity, and not collateralized.

Interest Rate Risk – Investments. The Library does not have a formal deposit or investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

Restricted Investments. During December 2010, the Library liquidated and transferred its total investment portfolio to the Cranberry Township Community Chest (CTCC) to invest in their established endowment fund, The Cranberry Legacy Fund. The Library relinquished control of the investments at the time of the transfer. The Library earns its respective portion of investment income earned by The Cranberry Legacy Fund and is entitled to a distribution each year of approximately five percent of the 36-month average asset value of its portfolio. There was an investment gain of \$26,806 for the year ended December 31, 2014; however, the 2014 distribution was not taken based upon a decision by the Library's Board of Directors. At December 31, 2014, the fair value of the underlying investments was \$481,127.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

5. CAPITAL ASSETS

A summary of capital asset activity during 2014 was as follows:

	Balance at January 1, 2014	Transfers/ Additions	Transfers/ Deletions	Balance at December 31, 2014
Governmental Activities:				
Non-depreciable capital assets:				
Land	\$ 14,434,958	\$ 20,994	\$ -	\$ 14,455,952
Construction in progress	500,000	-	(500,000)	-
Total non-depreciable capital assets	14,934,958	20,994	(500,000)	14,455,952
Depreciable capital assets:				
Buildings	20,245,383	3,244,604	-	23,489,987
Site improvements	4,708,551	139,982	-	4,848,533
Machinery, equipment, and vehicles	10,797,540	655,500	(207,024)	11,246,016
Infrastructure	40,863,262	4,865,366	-	45,728,628
Total depreciable capital assets	76,614,736	8,905,452	(207,024)	85,313,164
Less accumulated depreciation for:				
Buildings	(8,023,029)	(749,280)	-	(8,772,309)
Site improvements	(2,682,776)	(246,408)	-	(2,929,184)
Machinery, equipment, and vehicles	(7,481,532)	(667,082)	205,518	(7,943,096)
Infrastructure	(19,219,446)	(1,781,235)	-	(21,000,681)
Total accumulated depreciation	(37,406,783)	(3,444,005)	205,518	(40,645,270)
Total depreciable capital assets, net	39,207,953	5,461,447	(1,506)	44,667,894
Governmental activities, capital assets, net	\$ 54,142,911			\$ 59,123,846

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

	Balance at January 1, 2014	Additions	Deletions	Balance at December 31, 2014
Business-type Activities:				
Non-depreciable capital assets:				
Land	\$ 3,366,304	\$ -	\$ -	\$ 3,366,304
Construction in progress	-	407,625	-	407,625
Total non-depreciable capital assets	3,366,304	407,625	-	3,773,929
Depreciable capital assets:				
Buildings	21,032,577	11,287	-	21,043,864
Site improvements	4,278,310	-	-	4,278,310
Machinery, equipment, and vehicles	19,292,608	267,103	(40,700)	19,519,011
Carts - in-service	809,684	-	-	809,684
Carts - not in-service	74,853	-	-	74,853
Infrastructure	38,796,114	429,421	-	39,225,535
Total depreciable capital assets	84,284,146	707,811	(40,700)	84,951,257
Less accumulated depreciation for:				
Buildings	(9,370,844)	(571,190)	-	(9,942,034)
Site improvements	(3,191,300)	(270,865)	-	(3,462,165)
Machinery, equipment, and vehicles	(15,631,130)	(1,116,829)	40,700	(16,707,259)
Carts - in-service	(663,499)	(72,737)	-	(736,236)
Infrastructure	(12,950,791)	(668,306)	-	(13,619,097)
Total accumulated depreciation	(41,807,564)	(2,699,927)	40,700	(44,466,791)
Total depreciable capital assets, net	42,476,582	(1,992,116)	-	40,484,466
Business-type activities, capital assets, net	<u>\$ 45,842,886</u>			<u>\$ 44,258,395</u>

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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

Governmental activities:	
General government	\$ 1,356,514
Public safety	143,534
Culture and recreation	139,366
Highways, roads, and streets	<u>1,804,591</u>
Total depreciation expense - governmental activities	<u>\$ 3,444,005</u>
Business-type activities:	
Water	\$ 591,691
Sewer	1,446,430
Golf course	483,560
Solid waste	77,853
Other enterprise fund	<u>100,393</u>
Total depreciation expense - business-type activities	<u>\$ 2,699,927</u>

Infrastructure Assets Contributed by Developers

A significant portion of infrastructure assets related to governmental activities and business-type activities is built by developers and contributed to the Township. Once the Township has valid title to the property, the related capital assets are recorded at fair value on the government-wide financial statements and on the proprietary funds financial statements, as applicable. During the year ended December 31, 2014, infrastructure assets contributed by developers amounted to \$4,073,120, and are recorded as capital grants and contribution revenue within governmental activities.

Contributed Land

During the year ended December 31, 2014, land with an estimated value of \$20,994 was contributed to the Township. The contributed land is recorded within capital grants and contribution revenue within governmental activities.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Governmental Funds:		
General Fund	\$ 378,568	\$ 434,991
2011 Bond Fund	10,000	-
Major Enterprise Funds:		
Water Fund	147,397	3,790,573
Sewer Fund	3,977,797	55,409
Golf Course Fund	-	294,161
Solid Waste Fund	75,471	4,761
Other Enterprise Fund	588	-
Other Governmental Funds	<u>18,306</u>	<u>28,232</u>
Total	<u>\$ 4,608,127</u>	<u>\$ 4,608,127</u>
<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 319,627	\$ 1,175,848
Capital Improvement Fund	750,000	11,287
Major Enterprise Funds:		
Water Fund	-	172,363
Sewer Fund	2,736	150,000
Golf Course Fund	208,891	-
Other Enterprise Fund	323,244	-
Other Governmental Funds	<u>-</u>	<u>95,000</u>
Total	<u>\$ 1,604,498</u>	<u>\$ 1,604,498</u>

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

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

The amounts due from the Water Fund to the Sewer fund represent ongoing activity between these funds.

The transfers between funds represent ongoing activity between the funds for the disbursements made from the General Fund, and the transfer from the General Fund to the Capital Improvement Fund represents amounts set aside for capital projects.

7. LONG-TERM LIABILITIES

General Obligation Bonds

General obligation bonds are backed by the full faith and credit of the Township. General obligation bonds issued are as follows:

<u>Series</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance at December 31, 2014</u>
2003A	\$ 7,885,000	2016	1.10-4.03%	\$ 1,950,000
2010	4,470,000	2021	.50-3.00%	2,915,000
2011	37,405,000	2031	.30-4.27%	32,485,000
2012	11,855,000	2025	.30-2.75%	11,265,000

Promissory Note

The promissory note is secured by the related equipment. The promissory note issued is as follows:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance at December 31, 2014</u>
Fire truck	2008	\$ 447,796	2018	3.00%	\$ 179,686

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

A detail of long-term liability activity for governmental activities for the year ended December 31, 2014 is as follows:

	Balance at January 1, 2014	Additions and Transfers	Amortization and Retirements	Balance at December 31, 2013	Due Within One Year
General obligation bonds:					
Series A of 2003, net of unamortized discount	\$ 2,029,090 (6,831)	\$ - -	\$ (650,440) 2,277	\$ 1,378,650 (4,554)	\$ 675,185 -
Series of 2010	3,290,000	-	(375,000)	2,915,000	385,000
Series of 2011, net of unamortized premium	3,124,940 236,451	2,726,060 199,880	(176,000) (25,369)	5,675,000 410,962	181,000 -
Series of 2012, net of unamortized premium	11,405,000 755,680	- -	(140,000) (68,698)	11,265,000 686,982	135,000 -
	<u>20,834,330</u>	<u>2,925,940</u>	<u>(1,433,230)</u>	<u>22,327,040</u>	<u>1,376,185</u>
Promissory note payable	225,314	-	(45,628)	179,686	47,016
Compensated absences	131,048	20,696	-	151,744	-
	<u>\$ 21,190,692</u>	<u>\$ 2,946,636</u>	<u>\$ (1,478,858)</u>	<u>\$ 22,658,470</u>	<u>\$ 1,423,201</u>

A detail of long-term liability activity for business-type activities for the year ended December 31, 2014 is as follows:

	Balance at January 1, 2014	Additions	Amortization, Retirements, and Transfers	Balance at December 31, 2014	Due Within One Year
General obligation bonds:					
Series A of 2003	\$ 840,910	\$ -	\$ (269,560)	\$ 571,350	\$ 279,815
Series of 2011, net of unamortized premium	31,010,060 2,385,280	- -	(4,200,060) (339,611)	26,810,000 2,045,669	1,529,000 -
	<u>34,236,250</u>	<u>-</u>	<u>(4,809,231)</u>	<u>29,427,019</u>	<u>1,808,815</u>
Compensated absences	69,592	4,568	-	74,160	-
	<u>\$ 34,305,842</u>	<u>\$ 4,568</u>	<u>\$ (4,809,231)</u>	<u>\$ 29,501,179</u>	<u>\$ 1,808,815</u>

Approximately \$2.9 million of Series of 2011 Bonds were originally allocated by the Township to the Water and Swimming Pool Funds for future capital projects. During 2014, these Series of 2011 Bond proceeds were used for capital additions to the Township's municipal center instead of water and swimming pool projects. Therefore, the liability of approximately \$2.9 million in general obligation debt was transferred from the Water and Swimming Pool Funds to the 2011 Bond Fund. This is reported as a transfer of debt from proprietary funds within the 2011 Bond Fund on the statement of revenues, expenditures, and changes in fund balance.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Future Maturities

The future scheduled maturities of General Obligation Bonds are as follows:

	Governmental and Business-type Activities		
	Principal	Interest	Total
2015	\$ 3,185,000	\$ 1,884,010	\$ 5,069,010
2016	3,285,000	1,782,426	5,067,426
2017	3,385,000	1,673,608	5,058,608
2018	3,500,000	1,564,902	5,064,902
2019	3,630,000	1,430,126	5,060,126
2020-2024	19,460,000	4,616,985	24,076,985
2025-2029	10,415,000	1,265,024	11,680,024
2030-2031	1,755,000	72,577	1,827,577
	<u>\$ 48,615,000</u>	<u>\$ 14,289,658</u>	<u>\$ 62,904,658</u>

The future scheduled payments required to amortize the promissory note outstanding as of December 31, 2014 are as follows:

	Governmental Activities		
	Principal	Interest	Total
2015	\$ 47,016	\$ 4,871	\$ 51,887
2016	48,446	3,441	51,887
2017	49,919	1,968	51,887
2018	34,305	482	34,787
	<u>\$ 179,686</u>	<u>\$ 10,762</u>	<u>\$ 190,448</u>

8. POLICE PENSION PLAN

Summary of Significant Accounting Policies

Financial information of the Township's plan is presented on the accrual basis of accounting. Employer contributions to the Plan are recognized when due as required by Act 205 of the Commonwealth of Pennsylvania (the Act). Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments of the Plan are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. The Plan did not have any investment transactions with related parties during the year.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Plan Description

The Police Pension Plan (Plan) is a single-employer defined benefit plan established under the provisions of the Act. The Plan is governed by the Township's Board of Supervisors, which has delegated the authority to manage certain Plan assets to the Township Manager. Plan provisions and contribution requirements are established and may be amended by the Township.

At December 31, 2014, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	14
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>26</u>
Total plan members	<u><u>40</u></u>

Benefits Provided

Eligibility Requirement – Police employees hired on or before January 1, 1992, are entitled to receive benefits after completing 25 years of service and attaining the age of 50. All other police employees hired after January 1, 1992 are entitled to receive benefits after completing 25 years of service and attaining age 55. All participants are 100% vested after 12 years of service.

Retirement Benefit - The scheduled monthly retirement benefit is 50% of the participant's final average monthly compensation earned during the last 36 months of employment, plus an additional monthly benefit of \$10 for each completed year of service in excess of 25 years, up to a maximum monthly increment of \$100.

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

Death Benefit - If a participant's death occurs before retirement eligibility, the participant's estate receives a refund of contributions made by the participant, plus interest.

If a participant's death occurs in the line of duty and the participant is survived by an eligible spouse or dependent children, a monthly benefit is payable until the latest of the spouse's death, spouse's remarriage, or the youngest dependent attaining age 18 (age 23 if attending college). The benefit payable is 100% of the participant's salary at the time of death. If a

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

participant's death occurs after the participant has qualified for retirement and the participant is survived by an eligible spouse or dependent children, a monthly benefit is payable until the latest of the spouse's death, spouse's remarriage, or the youngest dependent attaining age 18 (age 23 if attending college). The benefit payable is 50% of the pension the participant was receiving or entitled to receive on the date of death.

DROP Benefit – Beginning January 1, 2014, employees may receive the *Retirement Benefit* as of DROP participation. The DROP Plan provides an alternative method of payment for retirement benefits for a specified and limited period of time for members of the Plan. Under this Plan, employees stop earning service credit toward a future benefit and the calculated retirement benefit at the time the DROP Plan period begins, is deposited into another investment vehicle that offers both substantial security and some level of guaranteed interest. At December 31, 2014, there were no employees participating in the DROP plan.

Post-Retirement Adjustments – Effective on each anniversary of retirement, a retiree will receive an increase in the monthly benefit equal to the percentage increases in the Consumer Price Index. The total of all increases may not exceed 75% of the average monthly salary used to calculate the original benefit.

Vesting Benefit – Accrued at the date of termination payable monthly starting at the normal retirement date.

Contributions

The Plan is funded by the Township on an annual basis pursuant to the provisions of Act 205. Act 205 requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). Employees are not required to contribute under Act 205; such contributions are subject to collective bargaining. For the year ended December 31, 2014, participating employees were required to contribute 5% of their compensation. During the year, the Township made their required contribution of \$519,984, based upon the MMO.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Net Pension Liability

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

Total pension liability	\$ 12,362,569
Plan fiduciary net position	<u>(11,768,737)</u>
Net pension liability	<u><u>\$ 593,832</u></u>
Plan fiduciary net position as a percentage of the total pension liability	<u><u>95.20%</u></u>

Actuarial assumptions. The total pension liability was determined by an actuarial valuation using the following actuarial assumptions, based upon experience studies for the previous two years, applied to all periods in the measurement:

Actuarial valuation date	1/1/2013
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5.5%
Underlying inflation rate	3.0%
Cost of living adjustments	100% change in CPI-W
RP-2000 Combined Healthy Annuitant Mortality Table with Blue Collar Adjustment, with rates set forward 5 years for disabled lives.	
Rates are projected to improve with 75% of scale AA.	

Investment Policy – The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The Plan's policies in regard to the allocation of invested assets is established and may be amended by the Board of Supervisors by a majority vote of its members. It is the policy of the Board of Supervisors 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.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Long Term Expected Rate of Return – The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Equity	40% - 65%	6.0%
Fixed income	20% - 60%	2.0%
Cash equivalents	0% - 20%	0.0%

Rate of Return – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2014, the annual money-weighted rate of return on the Plan investments, net of investment expense, was 6.32%.

Discount Rate - The discount rate used to measure the total pension liability for the Plan was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Township's contributions will be made based on the yearly MMO calculation. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
<u>\$ 2,292,623</u>	<u>\$ 593,832</u>	<u>\$ (826,030)</u>

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

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

Actuarial valuation date	1/1/2013
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Asset valuation method	4 year smoothing
Amortization period	10 years
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5.5%
Underlying inflation rate	3.0%
Cost of living adjustments	100% change in CPI-W

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

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
12/31/2012	\$ 414,337	103.4%	\$ (226,641)
12/31/2013	454,568	100.7%	(229,608)
12/31/2014	525,713	98.9%	(223,879)

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

The Township's net pension asset (a negative net pension obligation (NPO)) as of December 31, 2014 is calculated as follows:

Annual required contribution	\$ 519,984
Interest on NPO	(17,221)
Adjustment to the ARC	<u>22,950</u>
Annual pension cost	525,713
Contribution made	<u>(519,984)</u>
Change in NPO	5,729
NPO, 12/31/2013	<u>(229,608)</u>
NPO, 12/31/2014	<u>\$ (223,879)</u>

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

Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Excess of Assets Over (Under) AAL	Funded Ratio	Covered Payroll	Excess (Deficiency) as a Percentage of Covered Payroll
\$ 8,977,577	\$ 10,660,726	\$(1,683,149)	84.21%	\$ 2,582,833	-65.17%

Based upon an actuarial valuation performed as of January 1, 2013, the mortality table was updated from the 1994 Uninsured Pensioner Group Mortality Table to the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment and rates projected to improve with 75% of scale AA. This assumption change increased the unfunded actuarial accrued liability by approximately \$287,000.

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

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

9. NON-UNIFORM PENSION PLAN

Plan Description

The Non-Uniform Pension Plan (Plan) is a single-employer defined contribution plan established under the provisions of Act 205 of the Commonwealth of Pennsylvania. The Plan is governed by the Township's Board, which has delegated the authority to manage certain plan assets to the Township Manager. Plan provisions and contribution requirements are established and may be amended by the Township. The Plan provides for retirement, disability, and death benefits to Plan members and their beneficiaries.

Summary of Significant Accounting Policies

Financial information of the Township's plan is presented on the accrual basis of accounting. Employer contributions to Plan are recognized when due as required by Act 205. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments of the Plan are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. The Plan did not have any investment transactions with related parties during the year.

Significant Provisions of the Non-Uniform Pension Plan

Funding Policy - Active members are not permitted to contribute to the Plan. The Township is required to contribute through yearly contributions five percent (5%) of the participant's annual compensation into an account maintained for the participant. The Township contributes seven percent (7%) to accounts of participants who are union members. The Plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program, which must be used to reduce or eliminate the required municipal contribution.

Participation - The Plan covers all full-time employees of the Township who are not members of the Township's police force. Employees who have worked 1,000 hours or more during the year are entitled to a contribution allocation for that year. Effective January 1, 2013, immediate participation is permitted.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Vesting - Any account share attributable to the participants' voluntary contributions is always 100% vested. All other accounts will vest according to the cause of termination. In case of death, disability, or retirement the vesting is 100%. In case of termination for any other reason, a participant will vest as follows:

<u>Years of Service</u>	<u>Vesting %</u>
Less than 3	0%
2, but less than 3	25%
3, but less than 4	50%
4, but less than 5	75%
5 or more	100%

Benefits - In case of death, disability, retirement or any other employment termination, the participant or beneficiary will be entitled to the distribution of the participant's account balance based on the then-current value of their vested interest, plus 100% of the voluntary contributions made.

Death Benefits - If a participant dies prior to retirement age, the beneficiary will be entitled to the accumulated contributions.

Contributions - Contributions in the amount of \$350,960 were made by the Township to the Plan during year ended December 31, 2014.

10. DEFERRED COMPENSATION PLANS

Employees of the Township may participate in a deferred compensation plan (plan) adopted under the provisions of Internal Revenue Code Section 457 (Deferred compensation plans with respect to service for State and Local Governments).

The plan is available to all full-time employees of the Township. As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrator. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The Township contributes 5% of employees' salary, after a six-month waiting period, to the plan on behalf of all full-time administrative employees and Teamster members. For utility workers, the Township matches employee contributions to a maximum of 3%. During 2014, the Township contributed approximately \$323,000 to the plan, and employee contributions were approximately \$225,500.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

During August of 2012, the Township established two 401(a) plans. The plans are available to the Township Manager and administrative employees. The plans were created to allow the Township Manager and administrative employees greater opportunity to maximize their deferred compensation contribution to the deferred compensation plan. During 2014, the Township contributed approximately \$262,000 to the plans.

11. COMMITMENTS AND CONTINGENCIES

The Township is the defendant in a number of lawsuits arising principally from the normal course of operation. In the opinion of the administration, the outcome of these claims and lawsuits will not have a material adverse effect on the accompanying financial statements

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant changes in insurance coverage since the prior year. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. During November 2014, the Township entered into an agreement to participate in the Delaware Valley Health Insurance Trust (Trust) effective January 1, 2015, for a minimum three year commitment for health insurance coverage. The Trust operates as a risk sharing pool, operated and controlled by 80 units of local government in southeastern Pennsylvania.

The Township has signed various contracts related to capital projects that are scheduled to begin in 2015. The total amount of commitments on these contracts is approximately \$2.7 million.

During June 2014, the Township entered into an agreement to purchase a fire truck in the amount of approximately \$1 million.

12. LEASE AND NAMING RIGHTS AGREEMENTS

Telecommunication Tower Lease Agreements

The Township has entered into numerous lease agreements with cellular phone providers for the installation of telecommunication towers on Township property. During 2014, the total revenue under these lease agreements was approximately \$163,300. The majority of the lease agreements are for a term of five years, with varying renewal dates for additional five year periods. Three additional lease agreements are for a period exceeding five years, and extend to 2050, 2058, and 2073. Monthly lease payments range from approximately \$600 to \$3,000.

TOWNSHIP OF CRANBERRY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Graham Park Lease Agreements

The Township has entered into lease agreements through 2018 with three local athletic associations for use of Graham Park during the year. During 2014, the total revenue under these lease agreements was approximately \$141,900. The annual lease payments total approximately \$136,000 per year.

Graham Park Naming Rights Agreement

In 2008, the Township entered into a naming rights agreement with Dick's Sporting Goods for the stadium at Graham Park. Under this agreement, and for a number of considerations, the most substantial of which was the naming of the stadium, the Township received an initial payment of \$200,000, and will continue to receive \$200,000 each year until the agreement expires in 2017.

13. SIGNIFICANT COMPONENT UNIT TRANSACTIONS

During 2014, the Township provided approximately \$544,000 of support to the Library in the form of dedicated real estate tax revenues and contributions of facilities.

14. RELATED PARTY TRANSACTIONS

The Township provides support to the Cranberry Township Volunteer Fire Company (Company) and the Cranberry Township Volunteer Fire Company Relief Association (Association). During 2014, the Township provided approximately \$235,000 of foreign fire insurance tax distributions to the Association. The Township receives the foreign fire insurance tax distributions directly from the Commonwealth of Pennsylvania under Act 205. Additionally, the Township provided support of approximately \$450,000 to the Company for various operational needs.

15. SUBSEQUENT EVENTS

In March 2015, the Township entered into agreement to lease the subsurface gas and oil rights of 311 acres of land located on the Cranberry Highlands Golf Course in the amount of approximately \$900,000. An additional 17% royalty will also be received upon extraction of the resources.

In April 2015, the Township received a loan in the amount of \$500,000 from the Cranberry Township Volunteer Firefighter's Relief Association to assist in the purchase of the fire truck described in Note 11. The note bears interest in the amount of 3% and matures in May 2025.

Required Supplementary Information

TOWNSHIP OF CRANBERRY

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND AND TRANSPORTATION IMPROVEMENT PROGRAM EAST FUND

YEAR ENDED DECEMBER 31, 2014

	General Fund				Transportation Improvement Program East Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes:								
Property	\$ 2,953,653	\$ 2,953,653	\$ 3,012,302	\$ 58,649	\$ -	\$ -	\$ -	\$ -
Earned income	5,700,000	5,700,000	7,085,332	1,385,332	-	-	-	-
Business privilege	2,000,000	2,000,000	2,306,227	306,227	-	-	-	-
Local service	1,150,000	1,150,000	1,209,283	59,283	-	-	-	-
Real estate transfer	1,100,000	1,100,000	1,235,899	135,899	-	-	-	-
Licenses, permits, and fees	1,700,900	1,700,900	1,726,693	25,793	-	-	-	-
Fines and forfeitures	77,500	77,500	121,090	43,590	-	-	-	-
Interest, rents, and royalties	259,800	259,800	331,739	71,939	5,000	5,000	17,195	12,195
Intergovernmental	918,500	918,500	1,033,261	114,761	-	-	-	-
Contributions and donations	265,000	265,000	300,473	35,473	83,270	83,270	112,419	29,149
Charges for services	1,095,067	1,095,067	1,311,333	216,266	-	-	-	-
Miscellaneous	56,000	56,000	62,267	6,267	-	-	24,972	24,972
Total revenues	17,276,420	17,276,420	19,735,899	2,459,479	88,270	88,270	154,586	66,316
Expenditures:								
Current:								
General government	3,305,334	3,305,334	2,846,208	459,126	-	-	-	-
Public safety	5,308,952	5,317,452	5,244,909	72,543	-	-	-	-
Highways, roads, and streets	3,884,080	4,269,080	4,120,139	148,941	-	-	4,560	(4,560)
Culture and recreation	1,879,236	1,879,236	1,830,744	48,492	-	-	-	-
Community development	1,160,992	1,160,992	1,018,786	142,206	-	-	-	-
Miscellaneous	-	-	5	(5)	-	-	-	-
Debt service	1,587,637	1,587,637	1,504,906	82,731	-	-	-	-
Capital outlay	60,600	60,600	108,841	(48,241)	100,000	100,000	3,136	96,864
Total expenditures	17,186,831	17,580,331	16,674,538	905,793	100,000	100,000	7,696	92,304
Excess (Deficiency) of Revenues Over (Under) Expenditures	89,589	(303,911)	3,061,361	3,365,272	(11,730)	(11,730)	146,890	158,620
Other Financing Sources (Uses):								
Proceeds from sale of capital assets	10,000	10,000	62,256	52,256	-	-	-	-
Transfers in	250,000	250,000	319,627	69,627	-	-	-	-
Transfers out	(910,000)	(1,023,891)	(1,175,848)	(151,957)	-	-	-	-
Total other financing sources (uses)	(650,000)	(763,891)	(793,965)	(30,074)	-	-	-	-
Net Change in Fund Balance	<u>\$ (560,411)</u>	<u>\$ (1,067,802)</u>	2,267,396	<u>\$ 3,335,198</u>	<u>\$ (11,730)</u>	<u>\$ (11,730)</u>	146,890	<u>\$ 158,620</u>
Fund Balance:								
Beginning of year			10,397,225				6,122,689	
End of year			<u>\$ 12,664,621</u>				<u>\$ 6,269,579</u>	

**Required Supplementary
Information – Pension Plan
Disclosures**

TOWNSHIP OF CRANBERRY, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

POLICE PENSION PLAN

YEAR ENDED DECEMBER 31, 2014

Total Pension Liability:	
Service cost	\$ 391,984
Interest	880,931
Benefit payments, including refunds of member contributions	<u>(416,741)</u>
Net Changes in Total Pension Liability	856,174
Total Pension Liability - Beginning	<u>11,506,395</u>
Total Pension Liability - Ending (a)	<u><u>\$ 12,362,569</u></u>
Plan Fiduciary Net Position:	
Contributions - employer	\$ 519,984
Contributions - employee	118,194
Net investment income	684,473
Benefit payments, including refunds of member contributions	(416,741)
Administrative expense	<u>(38,553)</u>
Net Change in Plan Fiduciary Net Position	867,357
Plan Fiduciary Net Position - Beginning	<u>10,901,380</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 11,768,737</u></u>
Net Pension Liability - Ending (a-b)	<u><u>\$ 593,832</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u><u>95.20%</u></u>
Covered Employee Payroll	<u><u>\$ 2,686,125</u></u>
Net Pension Liability as a Percentage of Covered Employee Payroll	22.11%

See accompanying notes to schedules of required supplementary information - employer.

TOWNSHIP OF CRANBERRY, PENNSYLVANIA

SCHEDULES OF CONTRIBUTIONS AND INVESTMENT RETURNS

POLICE PENSION PLAN

YEAR ENDED DECEMBER 31, 2014

Schedule of Contributions

Actuarially determined contribution	\$ 519,984
Contributions in relation to the actuarially determined contribution	<u>519,984</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered employee payroll	<u>\$ 2,686,125</u>
Contributions as a percentage of covered employee payroll	19.36%

Investment Returns

Annual money-weighted rate of return, net of investment expense	6.32%
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See accompanying notes to schedules of required supplementary information - employer.

TOWNSHIP OF CRANBERRY, PENNSYLVANIA

NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION – POLICE PENSION PLAN

YEAR ENDED DECEMBER 31, 2014

Actuarial Methods and Assumptions Used in Determining The Contribution Rate (MMO)

Actuarial valuation date	1/1/2013
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	10 years
Asset valuation method	4 year smoothing
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5.5%
Underlying inflation rate	3.0%
Cost of living adjustments	100% change in CPI-W

Benefit Change

Effective 1/1/11, benefit terms were modified to eliminate the killed-in-service benefit from the plan in accordance with Act 51 of 2009.

Change in Actuarial Assumptions

Effective 1/1/13, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment for purposes of developing mortality rates. In prior years, those assumptions were based on the 1994 Uninsured Pensioner Group Mortality Table.

**Required Supplementary
Information – Employer Pension
Plan Disclosures**

TOWNSHIP OF CRANBERRY

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES - POLICE PENSION PLAN

Calendar Year	Police	
	Annual Required Contributions	Percentage Contributed
2009	\$ 268,577	100.0%
2010	382,807	100.0%
2011	381,814	153.0%
2012	428,325	100.0%
2013	448,616	102.0%
2014	519,984	100.0%

See accompanying notes to schedules of required supplementary information - employer.

TOWNSHIP OF CRANBERRY

SCHEDULE OF FUNDING PROGRESS - POLICE PENSION PLAN

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Excess of Assets Over (Under) AAL	Funded Ratio	Covered Payroll	Excess (Deficiency) as a % of Covered Payroll
Police:	1/1/2009	\$ 6,227,017	\$ 7,838,502	\$ (1,611,485)	79.4%	\$ 2,133,755	-75.5%
	1/1/2011	7,461,902	8,993,143	(1,531,241)	83.0%	2,265,422	-67.6%
	1/1/2013	8,977,577	10,660,726	(1,683,149)	84.2%	2,582,833	-65.2%

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

See accompanying notes to schedules of required supplementary information - employer.

TOWNSHIP OF CRANBERRY

NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION - EMPLOYER

YEAR ENDED DECEMBER 31, 2014

Actuarial Methods and Assumptions

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

	<u>Police</u>
Actuarial valuation date	1/1/2013
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Asset valuation method	4 year smoothing
Amortization period	10 years
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5.5%
Underlying inflation rate	3.0%
Cost of living adjustments	100% change in CPI-W

Benefit Change

Effective 1/1/11, benefit terms were modified to eliminate the killed-in-service benefit from the plan in accordance with Act 51 of 2009.

Change in Actuarial Assumptions

Effective 1/1/13, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment for purposes of developing mortality rates. In prior years, those assumptions were based on the 1994 Uninsured Pensioner Group Mortality Table.

Supplementary Information

TOWNSHIP OF CRANBERRY

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2014

	Special Revenue Funds							
	Fire Protection Fund	Library Fund	Recreational Facilities Fund	Transportation Improvement Program West Fund	Developers' Deposits Fund	Developers' Contributions Fund	Highway Aid Fund	Storm Water Maintenance Fund
Assets								
Cash and cash equivalents	\$ 1,446	\$ 28,029	\$ -	\$ -	\$ -	\$ 62,267	\$ -	\$ -
Investments	293,809	85,059	756,143	315,799	1,152,984	1,889,950	175,068	24,807
Due from other funds	4,220	3,323	683	1,107	-	-	-	-
Total Assets	\$ 299,475	\$ 116,411	\$ 756,826	\$ 316,906	\$ 1,152,984	\$ 1,952,217	\$ 175,068	\$ 24,807
Liabilities and Fund Balance								
Liabilities:								
Accounts payable and accrued expenses	\$ 6,133	\$ 8,737	\$ -	\$ 4,389	\$ 47,664	\$ -	\$ -	\$ -
Developer deposit liability	-	-	-	-	960,195	-	-	-
Due to other funds	977	-	-	-	-	-	-	-
Total Liabilities	7,110	8,737	-	4,389	1,007,859	-	-	-
Fund Balance:								
Restricted	292,365	107,674	756,826	312,517	145,125	1,952,217	175,068	24,807
Total Fund Balance	292,365	107,674	756,826	312,517	145,125	1,952,217	175,068	24,807
Total Liabilities and Fund Balance	\$ 299,475	\$ 116,411	\$ 756,826	\$ 316,906	\$ 1,152,984	\$ 1,952,217	\$ 175,068	\$ 24,807

(Continued)

TOWNSHIP OF CRANBERRY

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2014
(Continued)

	Special Revenue Funds		Capital Projects Funds					Total Other Governmental Funds
	Transportation Improvement Program South- East Fund	Total Special Revenue Funds	Fire Capital Fund	Township Transportation Improvement Program Fund	Road Equipment Fund	Public Building Fund	Total Capital Projects Funds	
Assets								
Cash and cash equivalents	\$ -	\$ 91,742	\$ 968	\$ -	\$ 968	\$ 1,139	\$ 3,075	\$ 94,817
Investments	324,193	5,017,812	800,802	20,676	193,854	66,469	1,081,801	6,099,613
Due from other funds	-	9,333	2,825	-	2,825	3,323	8,973	18,306
Total Assets	\$ 324,193	\$ 5,118,887	\$ 804,595	\$ 20,676	\$ 197,647	\$ 70,931	\$ 1,093,849	\$ 6,212,736
Liabilities and Fund Balance								
Liabilities:								
Accounts payable and accrued expenses	\$ -	\$ 66,923	\$ 4,324	\$ -	\$ -	\$ -	\$ 4,324	\$ 71,247
Developer deposit liability	-	960,195	-	-	-	-	-	960,195
Due to other funds	-	977	27,255	-	-	-	27,255	28,232
Total Liabilities	-	1,028,095	31,579	-	-	-	31,579	1,059,674
Fund Balance:								
Restricted	324,193	4,090,792	773,016	20,676	197,647	70,931	1,062,270	5,153,062
Total Fund Balance	324,193	4,090,792	773,016	20,676	197,647	70,931	1,062,270	5,153,062
Total Liabilities and Fund Balance	\$ 324,193	\$ 5,118,887	\$ 804,595	\$ 20,676	\$ 197,647	\$ 70,931	\$ 1,093,849	\$ 6,212,736

(Concluded)

TOWNSHIP OF CRANBERRY

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

YEAR ENDED DECEMBER 31, 2014

	Special Revenue Funds							
	Fire Protection Fund	Library Fund	Recreational Facilities Fund	Transportation Improvement Program West Fund	Developers' Deposits Fund	Developers' Contributions Fund	Highway Aid Fund	Storm Water Maintenance Fund
Revenues:								
Taxes	\$ 472,550	\$ 372,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	231,527	-	-	-	-	-
Interest, rents, and royalties	80	75	422	32	464	9,087	111	4
Intergovernmental	-	-	-	-	-	-	666,161	-
Contributions and donations	-	-	-	280,262	-	20,825	-	525
Total revenues	472,630	372,166	231,949	280,294	464	29,912	666,272	529
Expenditures:								
Public safety	449,853	-	-	-	-	-	-	-
Highways, roads, and streets	-	-	-	69,355	290,643	-	590,000	-
Culture and recreation	-	331,635	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	2,035	-	-
Debt service:								
Principal retirement	-	-	225,000	-	-	-	-	-
Interest charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	51,285	-	-
Total expenditures	449,853	331,635	225,000	69,355	290,643	53,320	590,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,777	40,531	6,949	210,939	(290,179)	(23,408)	76,272	529
Other Financing Sources (Uses):								
Transfers out	-	-	-	-	-	-	-	-
Net Change in Fund Balance	22,777	40,531	6,949	210,939	(290,179)	(23,408)	76,272	529
Fund Balance:								
Beginning of year	269,588	67,143	749,877	101,578	435,304	1,975,625	98,796	24,278
End of year	\$ 292,365	\$ 107,674	\$ 756,826	\$ 312,517	\$ 145,125	\$ 1,952,217	\$ 175,068	\$ 24,807

(Continued)

TOWNSHIP OF CRANBERRY

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

YEAR ENDED DECEMBER 31, 2014

(Continued)

	Special Revenue Funds		Capital Projects Funds					
	Transportation Improvement Program South- East Fund	Total Special Revenue Funds	Fire Capital Fund	Township Transportation Improvement Program Fund	Road Equipment Fund	Public Building Fund	Total Capital Projects Funds	Total Other Governmental Funds
Revenues:								
Taxes	\$ -	\$ 844,641	\$ 316,280	\$ -	\$ 316,280	\$ 372,092	\$ 1,004,652	\$ 1,849,293
Licenses, permits, and fees	-	231,527	-	-	-	-	-	231,527
Interest, rents, and royalties	68	10,343	1,431	4	34	45	1,514	11,857
Intergovernmental	-	666,161	-	-	-	-	-	666,161
Contributions and donations	29,940	331,552	-	-	-	-	-	331,552
Total revenues	30,008	2,084,224	317,711	4	316,314	372,137	1,006,166	3,090,390
Expenditures:								
Public safety	-	449,853	16,546	-	-	-	16,546	466,399
Highways, roads, and streets	86,324	1,036,322	-	-	-	-	-	1,036,322
Culture and recreation	-	331,635	-	-	-	-	-	331,635
Miscellaneous	-	2,035	-	-	-	-	-	2,035
Debt service:								
Principal retirement	-	225,000	195,628	-	-	245,000	440,628	665,628
Interest charges	-	-	6,259	-	-	-	6,259	6,259
Capital outlay	-	51,285	-	-	314,924	-	314,924	366,209
Total expenditures	86,324	2,096,130	218,433	-	314,924	245,000	778,357	2,874,487
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,316)	(11,906)	99,278	4	1,390	127,137	227,809	215,903
Other Financing Sources (Uses):								
Transfers out	-	-	-	-	-	(95,000)	(95,000)	(95,000)
Total other financing sources (uses)	-	-	-	-	-	(95,000)	(95,000)	(95,000)
Net Change in Fund Balance	(56,316)	(11,906)	99,278	4	1,390	32,137	132,809	120,903
Fund Balance:								
Beginning of year	380,509	4,102,698	673,738	20,672	196,257	38,794	929,461	5,032,159
End of year	\$ 324,193	\$ 4,090,792	\$ 773,016	\$ 20,676	\$ 197,647	\$ 70,931	\$ 1,062,270	\$ 5,153,062

(Concluded)

TOWNSHIP OF CRANBERRY

COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS

DECEMBER 31, 2014

Assets	Police Pension Fund	Non-Uniform Pension Fund	Total Pension Trust Funds
Cash and cash equivalents	\$ 70,775	\$ -	\$ 70,775
Investments:			
Mutual funds	<u>11,697,962</u>	<u>5,910,373</u>	<u>17,608,335</u>
Total Assets	<u>11,768,737</u>	<u>5,910,373</u>	<u>17,679,110</u>
Net Position Restricted For Pension Benefits	<u><u>\$ 11,768,737</u></u>	<u><u>\$ 5,910,373</u></u>	<u><u>\$ 17,679,110</u></u>

TOWNSHIP OF CRANBERRY

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2014

	Police Pension Fund	Non-Uniform Pension Fund	Total Pension Trust Funds
Additions:			
Employer contributions	\$ 519,984	\$ 350,960	\$ 870,944
Employee contributions	118,194	-	118,194
Total contributions	638,178	350,960	989,138
Investment gain:			
Net appreciation in fair value of investments	501,830	260,030	761,860
Interest and dividends	182,643	91,440	274,083
Total investment gain	684,473	351,470	1,035,943
Total additions	1,322,651	702,430	2,025,081
Deductions:			
Benefits	416,741	73,311	490,052
Administrative expense	38,553	-	38,553
Total deductions	455,294	73,311	528,605
Change in Plan Net Position	867,357	629,119	1,496,476
Net Position:			
Beginning of year	10,901,380	5,281,254	16,182,634
End of year	\$ 11,768,737	\$ 5,910,373	\$ 17,679,110