

UPPER DUBLIN TOWNSHIP
MONTGOMERY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

UPPER DUBLIN TOWNSHIP

FINANCIAL STATEMENTS

December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Upper Dublin Township
Fort Washington, Pennsylvania

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Upper Dublin Township, Montgomery County, Pennsylvania as of and for the year ended December 31, 2023, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Upper Dublin Township, Montgomery County, Pennsylvania, as of December 31, 2023, and the respective changes in financial position, and where applicable, cash flows thereof, and the respective budgetary comparison for the general and park and recreation funds, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Upper Dublin Township, Montgomery County, Pennsylvania, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Upper Dublin Township, Montgomery County, Pennsylvania's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Upper Dublin Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Upper Dublin Township, Montgomery County, Pennsylvania's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and the historical trend information on pages 69 through 74 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 Upper Dublin Township, Montgomery County, Pennsylvania's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Bee, Bergvall & Co.

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

Warrington, PA
May 14, 2024

TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

The following discussion and analysis of the Township of Upper Dublin's financial performance provides an overview of the Township's financial condition and activities for the fiscal year ended December 31, 2023. Please read the analysis in conjunction with the Township's financial statements which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2023

Government-Wide Financial Statements (Full Accrual)

- Net position (assets less liabilities) of the Township totaled \$132.405 million at the end of 2023, a decrease of \$1.6 million below the net position at the end of 2022.
- General taxes and program revenues for the Township amounted to \$41.580 million in 2023 while expenses equaled \$43.195 million.

Fund Financial Statements (Modified Accrual)

- At year-end, the Township's total governmental funds reported a fund balance of \$32,456,091 a decrease of \$3,633,835 from the prior year.
- The Township's General Fund reported revenues and other financial sources totaling \$23,525,500 while expenditures and other financial uses totaled \$23,989,953 resulting in a decrease in the year ending fund balance by \$464,453 to \$4,945,334 at December 31, 2023.
- On September 1, 2021, the Upper Dublin Township Building, Police Department and Public Works Garage experienced severe damage due to an EF-2 tornado traveling through Fort Washington. Township departments were required to relocate to temporary locations for operations. Design and rebuild of the Township Buildings began in 2022 and will be a multi-year project. Through December 31, 2022, the Township had received a total of \$25.8 million in insurance proceeds for funding of the reconstruction and extra expenses resulting from the damage. An additional \$4.4 million in insurance proceeds was received during 2023. The Township also received Federal Emergency Management Association funding of \$625,500 in 2023 related to the tornado damage.
- Through the American Rescue Plan Act of 2021, the Township has been the recipient of \$2.8 million in federal funds. The Township spent approximately \$73,000 of these funds during 2023.

OVERVIEW OF THIS ANNUAL REPORT

Upper Dublin Township's annual financial report consists of two kinds of financial statements each of which presents a different view of the Township's finances. The first set of financial statements provides both long-term and short-term information of the Township's overall financial status. The second set of financial statements, which are similar to what has been provided in the past, focus on the individual Township funds and report on the Township's operations in more detail than the government wide statements. The Township's financial statements also include notes to explain information in the financial statements and provide more detailed data.

TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

OVERVIEW OF THIS ANNUAL REPORT (Continued)

The statements and notes are followed by required supplementary information that contains data pertaining to the Township's pension plans. In addition to the required elements, the annual report includes other supplementary information to provide details about the Township's various funds.

Government Wide Statements

The government wide statements report on the Township as a whole using accounting methods similar to those used by private sector companies. This analysis begins on page 15. One of the most important questions asked about the Township's finances is, "Is the Township as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about Upper Dublin Township as a whole and about its activities in a way that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or disbursed.

These two statements report on the Township's net position and on changes in net position. The Township's net position is the difference between its assets and liabilities and one can use net position as one way to measure the Township's financial health or financial condition. Over time, increases or decreases in the Township's net position are one indicator of whether its financial condition is improving or deteriorating. Other non-financial factors will need to be considered, however, such as changes in the Township's property tax base and the condition of the Township's roads, to assess the overall health of the Township.

In the government-wide financial statements, the Township's activities are divided into two categories:

- Government Activities - Most of the Township's basic services are reported here including police and emergency services, public works, sanitation, code enforcement, parks and recreation, library and general administration. Property taxes, earned income taxes, user fees and state and local grants finance most of these activities.
- Business Type Activities - Since the Township sold its sanitary sewer treatment system in 2002, it no longer reports any business type activities. The recording of the collection of balances due from the activities of the defunct sanitary sewer system is reported as receivables in the Township's General Fund.

TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Fund Financial Statements

The fund financial statements begin on page 15 and provide detailed information about the most significant funds, not the Township as a whole. Some funds are required to be established by State law. Others are established to help control and manage money for particular purposes or to show that the Township is meeting legal responsibilities for using certain taxes, grants or other funds.

Upper Dublin Township has three kinds of funds:

- Governmental Funds - Most of the Township's basic services are reported in government funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- Proprietary Funds - Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The Township uses an internal service fund to account for the financing of goods and services provided by the Fleet and Facilities department to other departments of the Township.
- Fiduciary Funds - The Township is the trustee, or *fiduciary*, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Township's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in the fiduciary net position. These activities are excluded from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations. The Township's private purpose trust funds - Cheston Trust, Dannenberg Trust, Bauman Trust, Kayser Memorial Scholarship, North Hills Scholarship, Police Life Insurance Fund and DARE Fund are reported in this manner.

TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

THE TOWNSHIP AS A WHOLE

The following table reflects the condensed statement of net position:

Table 1
Statement of Net Position – December 31, 2023
(in thousands)

	Governmental Activities	
	2023	2022
Current and other assets	\$ 36,192	\$ 41,955
Capital assets	133,239	133,359
Total Assets	169,431	175,314
Total deferred outflows of resources	4,971	8,771
Long term liabilities	34,529	40,826
Other liabilities	6,162	7,823
Total Liabilities	40,691	48,649
Deferred inflows of resources	1,306	1,416
Net Position		
Invested in capital assets, net of debt	104,990	102,853
Restricted	28,085	31,898
Unrestricted	(669)	(729)
Total Net Position	\$ 132,406	\$ 134,022

For more detailed information, see the Statement of Net Position on page 15.

Net position may serve over time as a useful indicator of a government's financial position. For 2023, Upper Dublin Township's assets exceeded liabilities by \$132.406 million. The largest portion of the Township's net position reflects its investment in capital assets (e.g. land, buildings, infrastructure and equipment), less the outstanding debt to acquire these assets. The restricted net position portion represents resources that are subject to external restrictions on how they may be used; restricted net position is also reported net of the related outstanding debt. The unrestricted net position for governmental activities is the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Operations of governmental activities compared to the prior year are detailed below. 2023 revenues totaling \$41.580 million were \$22.247 million less than in 2022. The large decrease was primarily due to the receipt of insurance proceeds during 2022 related to the tornado damage of capital assets. Expenses in 2023 of \$43.196 million were \$1.054 million less than in 2022, again related to the cost of rebuilding tornado damaged assets.

Operations compared to budget are noted in detail on page 22. For the General Fund, actual expenditures were slightly lower than budgeted by \$403,979. Revenues exceeded budget by \$1,013,757 primarily due to the collection of earned income tax and fees, license and permit revenues.

The following table shows the revenue and expenses of the governmental activities:

Table 2
Changes in Net Position – 2023
(in thousands)

	Governmental Activities	
	2023	2022
REVENUES		
Program revenues:		
Charges for services	\$ 3,204	\$ 3,382
Operating grants and contributions	2,334	2,069
Capital grants and contributions	2,057	1,289
General revenues:		
Property taxes	14,352	14,340
Other taxes	11,643	12,436
Grants and contributions not restricted to specific programs	263	1,874
Investment income	1,976	(171)
Miscellaneous	5,769	28,629
Loss on damaged capital assets	(18)	(21)
Total Revenues	41,580	63,827
EXPENSES		
Administration	6,052	5,930
Licenses and permits	406	1,410
Police and emergency service	13,433	10,101
Sanitation and recycling	3,014	2,267
Public works	7,356	4,542
Library	2,195	1,731
Parks and recreation	3,500	2,871
Community reinvestment	5,637	5,690
Open space	962	2,312
Debt service	640	7,395
Total Expenses	43,195	44,249
Change in Net Assets	(1,615)	19,578
Net Position - Beginning	134,021	114,443
Net Position - Ending	\$ 132,406	\$ 134,021

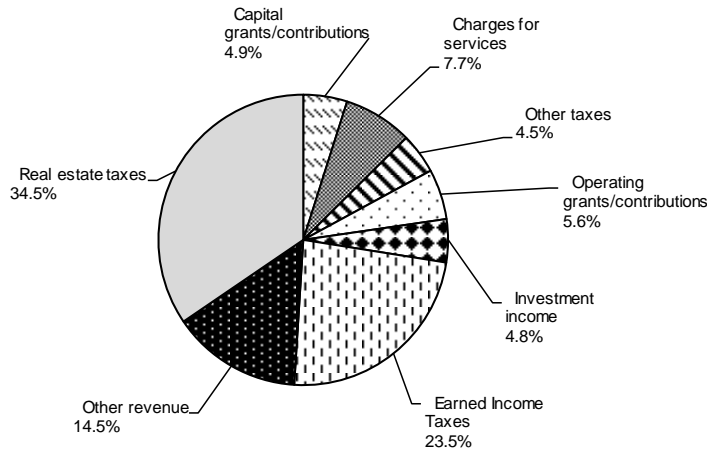
**TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

For the fiscal year ended December 31, 2023, revenues for governmental activities totaled \$41.6 million. Sources of revenue for the fiscal year 2023 are comprised of the following items:

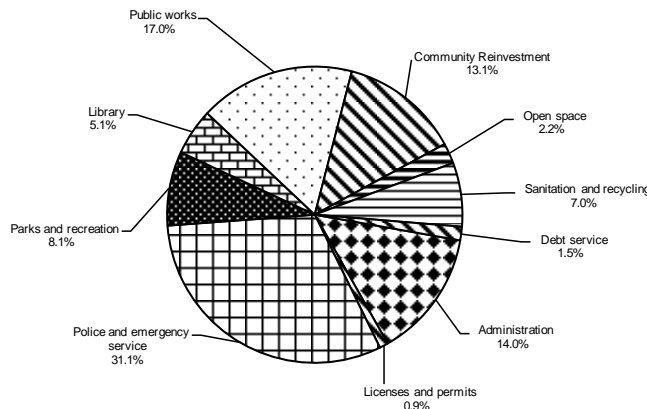
The Township's largest revenue source was property taxes at \$14.3 million (34.5%). Earned income tax brought in \$9.8 million (23.5%). The property transfer tax generated \$.96 million (2.3%) and the local services tax generated \$0.91 million (2.1%). Revenues received in fiscal 2023 to fund specific Township programs totaled \$7.6 million. This included \$3.2 million for direct charges for Township services, \$2.3 million from operating grants and contributions and \$2.1 million from capital grants and contributions.

For the 2023, expenses for government activities totaled \$43.2 million, a decrease of \$1 million from 2022.

**Governmental Activities - Revenues by Source
for the Year Ended December 31, 2023**



**Governmental Activities - Expenses by Function
for the Year Ended December 31, 2023**



TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

As the chart above indicates, the largest program expense is for police and emergency services activities at \$13.4 million (31 % of total expenses). Public works expenses are the second largest program expense at \$7.4 million.

The change in net position reflects the difference between total revenues and total expenses. For governmental activities in fiscal 2023, expenses of \$43.1 million exceeded revenues of \$41.5 million by \$1.6 million, resulting in a decrease in net position by that amount. The year ended net position for governmental activities total \$132.4 million.

THE TOWNSHIP'S FUNDS

At the end of fiscal 2023, the Township's governmental funds (as presented in the balance sheet on page 18) reported a combined fund balance of \$32.4 million, a decrease of \$3.6 million less than in 2022 mainly due to the earlier mentioned insurance proceeds that were received in 2022.

The Insurance Reserve Fund holds the largest portion of the fund balance at \$18.4 million while the Township's Community Reinvestment Fund (CRF) holds \$9.2 million of the total fund balance. CRF funds represent the remaining balance of \$15 million in net proceeds generated from the Township's sale of its sanitary sewer system in 2002. The fund balance has been periodically drawn down or borrowed from to finance a series of land purchases. Interest earnings generated through the investment of the net proceeds are used to fund current and future infrastructure projects and capital equipment purchases.

The Township's 2023 General Fund unassigned fund balance decreased from a 2022 balance of \$4.6 million to a 2023 year end level of \$4.2 million. Reserves for capital projects, reserves for future debt service payments and special revenue fund balances make up the remainder of the Township's governmental fund balances.

Capital Assets

At the end of 2023, the Township had \$133.2 million invested in a broad range of capital assets, including roads, bridges, storm sewers, street lights, land, rolling stock, buildings and equipment. This amount represents a small decrease over last year after recording additions, deductions and accumulated depreciation for the year.

TOWNSHIP OF UPPER DUBLIN
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

The following table summarizes the change in Capital Assets. More detail is provided on pages 46-47 of the Notes.

Table 3
Changes in Capital Assets – Governmental Funds
(in thousands)

	Beginning Balance <u>1/1/23</u>	Net Additions/ Deletions	Ending Balance <u>12/31/23</u>
Non-Depreciable Assets			
Land	\$ 17,930	\$ -	\$ 17,930
Construction in progress	18,438	(13,169)	5,269
Other Capital Assets			
Buildings and improvements	17,857	15,772	33,629
Machinery, vehicles and equipment	13,980	807	14,787
Library materials	1,938	111	2,049
Infrastructure	124,376	-	124,376
Accumulated depreciation on capital assets	(62,103)	(3,329)	(65,432)
Leased Assets			
Leased assets	1,572		1,572
Accumulated amortization	<u>(628)</u>	<u>(314)</u>	<u>(942)</u>
Totals	<u>\$ 133,360</u>	<u>\$ (122)</u>	<u>\$ 133,238</u>

The Upper Dublin Township Board of Commissioners continues to place significant resources to the area of capital improvements. The completion of the Library building was a significant accomplishment in 2023. New vehicles and equipment were purchased for Public Safety and Public Works.

This year’s major capital improvements/additions include:

Fire trucks and other vehicles	\$ 1,154,171
Building improvements – Library	15,535,074

TOWNSHIP OF UPPER DUBLIN
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Debt

The Commonwealth of Pennsylvania sets the borrowing limit, called the “Borrowing Base”, of the Township through the State Local Government Unit Debt Act. The Township’s “Borrowing Base”, as calculated using the annual arithmetic average of total revenue (as defined in the Debt Act) for the three most recent full fiscal years, is in excess of \$68 million. At the end of 2023, the Township’s non-electoral outstanding debt, \$24,931,000, was well below its “Borrowing Base” capacity.

In 2018, Moody’s Investor Services credit rating agency upgraded Upper Dublin Township’s bond credit rating from Aa2 to Aa1. With the second highest possible rating, the Township is in the top 10% of rated municipalities in Pennsylvania. The rating agency cited new development in the community, the Township’s robust effort in improving the sustainability of the Fort Washington Office Park, the Township’s high residential wealth and income, modest debt profile and strong stable finances as reasons for the credit rating upgrade.

In 2008, the residents of Upper Dublin Township approved a referendum authorizing the Township to issue up to \$30 million in electoral debt for the purpose of financing the acquisition of land within the Township for the preservation and conservation of undeveloped open space. The electoral debt approval expired in 2018, 10 years after approval. During the ten-year period, \$2,940,000 of electoral debt has been issued with \$1,686,000 outstanding at December 31, 2023. Electoral debt is not subject to the debt limits established by the Township’s “borrowing base”.

The following is a summary of the Township’s outstanding long-term debt as of December 31, 2023:

Table 4
Outstanding Debt at December 31, 2023

<u>Year of Issue</u>	<u>Amount of Original Issue</u>	<u>Average Interest Rate</u>	<u>Final Maturity</u>	<u>Balance 1/1/2023</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Balance 12/31/2023</u>
2008	\$ 6,012,000	4.088%	2028	\$ 3,601,000	\$ 542,000	\$ 136,130	\$ 3,059,000
2016	4,000,000	2.150%	2036	2,968,000	185,000	61,160	2,783,000
2017	9,000,000	2.579%	2037	7,187,000	393,000	185,353	6,794,000
2020	9,345,000	1.68%	2035	8,394,000	579,000	135,666	7,815,000
2022	5,416,000	1.020%	2042	5,416,000	449,000	51,427	4,967,000
2022	1,250,000	1.878%	2042	1,250,000	51,000	22,837	1,199,000
				<u>\$ 28,816,000</u>	<u>\$ 2,199,000</u>	<u>\$ 592,573</u>	<u>\$ 26,617,000</u>

TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The elected officials of Upper Dublin Township consider many factors when establishing budget appropriations, tax rates and fee schedules. One of the most important factors currently facing the Board of Commissioners is the reduction in earned income tax revenues flowing into the Township.

In 2001, the Township began facing a situation of significantly reduced revenues from the earned income tax as more municipalities in the area adopted their own earned income tax ordinance. This reduces tax revenues to Upper Dublin Township because earned income taxes received from non-residents employed in the Township must be turned over to the non-residents' home municipality. Earned income tax revenue derived from non-residents peaked at \$2.8 million in 2000. As other municipalities have passed their own earned income tax, the non-resident tax revenue is estimated to reduce to \$1.5 million in 2023. Recognizing that the level of earned income tax revenue would be decreasing in future years, the Board of Commissioners and Township staff began developing a Solid Waste Automation Plan as one method to reduce expenses. The transition to fully automated trash collection began in 2002. Through a reduction in staffing levels, the need for fewer trash trucks, a reduction in injuries to Township employees and a reduction in the volume of solid waste, the annual savings generated by the automated solid waste program is approximately \$400,000. The plan was amended in 2011 by adding the provision that all townhome developments comply with the automated waste collection requirements generating a projected additional annual cost savings of approximately \$150,000. The plan was further amended in 2018 to begin a pilot program of one side of the street trash collection.

In 2014, the Township initiated a multi-year capital improvement program to revitalize the Fort Washington Office Park. In January 2017, the Upper Dublin Township Municipal Authority was created for the purpose of obtaining and financing capital for the construction, improvement and maintenance of projects within the service area of the Authority, which is generally defined as the Fort Washington Office Park. An annual special assessment is levied against all property owners within the service area as a source of capital to fund the improvement projects.

To date, the Township and Authority have secured \$20.2 million in grant funding from 21 separate sources to finance the multi-year projects which include bridge replacements, trails and road improvements. Additional grant funding is currently being sought.

For 2024, the repair and reconstruction of the Upper Dublin Township Building destroyed by the 2021 tornado will take top priority as well as the continuation of the update to the Township comprehensive plan.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide Upper Dublin Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. Questions concerning this report or requests for additional financial information can be directed to the Finance Department of Upper Dublin Township, 801 Loch Alsh Avenue, Fort Washington, PA 19034 or visit our website at www.upperdublin.net.

UPPER DUBLIN TOWNSHIP
STATEMENT OF NET POSITION

December 31, 2023

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Municipal</u>	<u>Fire</u>
	<u>Activities</u>	<u>Authority</u>	<u>Company</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 4,917,937	\$ -	\$ 121,618
Investments	27,922,240	-	125,177
Receivables	2,601,955	2,541,733	-
Lease receivable-due in one year	42,115	-	-
Lease receivable, non-current	708,205	-	-
Land	17,930,235	-	-
Construction in progress	5,270,233	1,318,664	-
Other capital assets (net of accumulated depreciation)	109,409,753	11,828,722	-
Right to use asset (net of accumulated amortization)	628,739	-	-
Total Assets	169,431,412	15,689,119	246,795
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Differences between expected and actual experience on pension plan liability	317,029	-	-
Net difference between projected and actual earnings on pension plan investments	3,053,478	-	-
Change in assumptions	1,600,489	-	-
Total Deferred Outflows of Resources	4,970,996	-	-
<u>LIABILITIES</u>			
Accounts payable and other current liabilities	2,372,360	262,798	-
Internal balances	(1,550,814)	1,550,814	-
Accrued interest payable	3,945	-	-
Unearned revenue	2,714,834	-	-
Taxes held in escrow	-	-	-
Non-current liabilities:			
Due within one year	2,621,814	195,000	-
Due after one year	34,528,978	4,905,000	-
Total Liabilities	40,691,117	6,913,612	-
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows for leases	455,779	-	-
Differences between expected and actual experience on pension plan liability	850,180	-	-
Total Deferred Inflows of Resources	1,305,959	-	-
<u>NET POSITION</u>			
Net investment in capital assets	104,989,739	8,047,386	-
Restricted for:			
Public Safety	1,050,712	-	9,067
Public Works	10,968	728,121	-
Park and recreation	9,936	-	-
Capital projects	27,012,979	-	-
Unrestricted	(669,002)	-	237,728
Total Net Position	\$ 132,405,332	\$ 8,775,507	\$ 246,795

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

UPPER DUBLIN TOWNSHIP

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Administrative	\$ 6,052,321	\$ 841	\$ 1,004,272	\$ 695,001
Licenses and Permits	406,233	1,998,141	-	-
Police and Emergency Services	13,433,387	261,299	247,722	-
Sanitation and Recycling	3,013,539	103,920	96,167	-
Public Works	7,356,357	189,873	841,294	-
Library	2,195,174	3,844	107,533	1,095,298
Park and Recreation	3,500,103	645,709	36,989	-
Community Reinvestment	5,637,172	-	-	-
Open Space	962,144	-	-	266,946
Debt Service	639,639	-	-	-
Total Governmental Activities	<u>43,196,069</u>	<u>3,203,627</u>	<u>2,333,977</u>	<u>2,057,245</u>
Business -Type Activities				
Assessment	-	-	-	-
Total Business-Type Activities	-	-	-	-
 Total Primary Government	<u>\$ (43,196,069)</u>	<u>\$ (3,203,627)</u>	<u>\$ (2,333,977)</u>	<u>\$ (2,057,245)</u>
 Component Unit:				
Fire Company	<u>\$ 406,856</u>	<u>\$ 16,022</u>	<u>\$ 65,450</u>	<u>\$ -</u>
 General Revenues				
Taxes:				
Real Estate				
Transfer				
Earned Income				
Local Services				
Grants and Contributions not				
Restricted to Specific Programs				
Investment Earnings				
Miscellaneous				
Loss on Sale of Capital Assets				
Total General Revenues				
 Change in Net Position				
 Net Position - Beginning				
Net Position - Ending				

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	Component Unit
Governmental Activities	Business-Type Activities	Total	Municipal Authority	Fire Company
\$ (4,352,207)	\$ -	\$ (4,352,207)	\$ -	\$ -
1,591,908	-	1,591,908	-	-
(12,924,366)	-	(12,924,366)	-	-
(2,813,452)	-	(2,813,452)	-	-
(6,325,190)	-	(6,325,190)	-	-
(988,499)	-	(988,499)	-	-
(2,817,405)	-	(2,817,405)	-	-
(5,637,172)	-	(5,637,172)	-	-
(695,198)	-	(695,198)	-	-
(639,639)	-	(639,639)	-	-
<u>(35,601,220)</u>	<u>-</u>	<u>(35,601,220)</u>	<u>-</u>	<u>-</u>
-	-	-	22,123	-
-	-	-	22,123	-
<u>(35,601,220)</u>	<u>-</u>	<u>(35,601,220)</u>	<u>22,123</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (557,414)</u>
14,352,428	-	14,352,428	-	262,000
956,719	-	956,719	-	-
9,777,144	-	9,777,144	-	-
908,653	-	908,653	-	-
262,531	-	262,531	4,599,577	254,233
1,975,838	-	1,975,838	44,061	16,140
5,769,343	-	5,769,343	-	45,855
(17,673)	-	(17,673)	-	-
<u>33,984,983</u>	<u>-</u>	<u>33,984,983</u>	<u>4,643,638</u>	<u>578,228</u>
(1,616,237)	-	(1,616,237)	4,665,761	20,814
<u>134,021,569</u>	<u>-</u>	<u>134,021,569</u>	<u>4,109,746</u>	<u>225,981</u>
<u>\$ 132,405,332</u>	<u>\$ -</u>	<u>\$ 132,405,332</u>	<u>\$ 8,775,507</u>	<u>\$ 246,795</u>

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

UPPER DUBLIN TOWNSHIP

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2023

	General	IDA Fund	Park & Recreation	Debt Service	CRF	Capital Projects	Open Space	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>									
Assets									
Cash and cash equivalents	\$ 1,273,168	\$ -	\$ 64,128	\$ 470,544	\$ 624,095	\$ -	-	\$ 2,611,019	\$ 5,042,954
Investments	2,295,921	19,116,925	-	-	6,509,394	-	-	-	27,922,240
Receivables	423,581	85,533	45,720	19,134	24,878	1,296,705	630,000	51,930	2,577,481
Lease receivable	750,320	-	-	-	-	-	-	-	750,320
Due from other governments	-	-	-	-	1,550,814	-	-	-	1,550,814
Due from other funds	1,820,558	-	-	-	500,000	-	-	-	2,320,558
TOTAL ASSETS	\$ 6,563,548	\$ 19,202,458	\$ 109,848	\$ 489,678	\$ 9,209,181	\$ 1,296,705	\$ 630,000	\$ 2,662,949	\$ 40,164,367
<u>LIABILITIES</u>									
Liabilities									
Accounts payable and accrued wages	\$ 1,162,435	\$ 758,293	\$ 108,952	\$ -	\$ -	\$ 53,151	14,105	\$ 120,169	\$ 2,217,105
Due to other funds	-	-	-	-	-	1,064,296	1,256,262	-	2,320,558
Unearned revenue	-	-	-	-	-	1,400,000	-	1,314,834	2,714,834
Total Liabilities	1,162,435	758,293	108,952	-	-	2,517,447	1,270,367	1,435,003	7,252,497
<u>DEFERRED INFLOWS OF RESOURCES</u>									
Deferred inflows-leases	455,779	-	-	-	-	-	-	-	455,779
<u>FUND BALANCES</u>									
Nonspendable-leases	750,320	-	-	-	-	-	-	-	750,320
Restricted for									
Public safety	-	-	-	-	-	-	-	1,050,712	1,050,712
Public works	-	-	-	-	-	-	-	10,968	10,968
Culture and recreation	-	-	896	-	-	-	-	9,040	9,936
Capital projects	-	18,444,165	-	-	9,209,181	-	(640,367)	-	27,012,979
Assigned for									
Public works	-	-	-	-	-	-	-	157,226	157,226
Unassigned	4,195,014	-	-	489,678	-	(1,220,742)	-	-	3,463,950
Total Fund Balances	4,945,334	18,444,165	896	489,678	9,209,181	(1,220,742)	(640,367)	1,227,946	32,456,091
TOTAL LIABILITIES and FUND BALANCES	\$ 6,563,548	\$ 19,202,458	\$ 109,848	\$ 489,678	\$ 9,209,181	\$ 1,296,705	\$ 630,000	\$ 2,662,949	\$ 40,164,367

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

UPPER DUBLIN TOWNSHIP

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

For the Year Ended December 31, 2023

Amounts reported for governmental activities in the statement of net position (page 15)
are different because:

Total fund balances-total governmental funds (page 18). \$ 32,456,091

Capital assets used in governmental activities are not financial resources
and, therefore, are reported in the funds.

Cost of capital assets and right to use assets	\$ 199,614,302	
Accumulated depreciation & amortization	<u>(66,375,342)</u>	133,238,960

Internal service funds. (255,798)

Deferred inflows and outflows or resources related to pensions are applicable
to future periods and, therefore, are not reported in the funds.

Net difference between projected and actual earnings on pension plan investments	3,053,478	
Change in assumptions	1,600,489	
Differences between expected and actual experience on pension plan liability	<u>(533,151)</u>	4,120,816

Long term liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported in the funds.

Notes payable	(26,617,000)	
Leases payable	(933,759)	
Unamortized issuance premiums	(69,723)	
Interest payable	(3,945)	
Net pension liability	(8,690,893)	
OPEB obligation	(634,197)	
Compensated absences	<u>(205,220)</u>	<u>(37,154,737)</u>

Net position of governmental activities (page 15). \$ 132,405,332

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

UPPER DUBLIN TOWNSHIP

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

For the Year Ended December 31, 2023

	General	IDA Fund	Park & Recreation	Debt Service	CRF	Capital Projects	Open Space	Other Governmental Funds	Total Governmental Funds
Revenues									
Taxes:									
Real estate	\$ 6,847,555	\$ -	\$ 2,226,514	\$ 2,357,191	\$ -	\$ -	\$ -	\$ 2,829,879	\$ 14,261,139
Transfer	956,719	-	-	-	-	-	-	-	956,719
Earned income tax	9,777,144	-	-	-	-	-	-	-	9,777,144
Local services tax	908,653	-	-	-	-	-	-	-	908,653
Fees, licenses and permits	2,387,995	-	-	-	-	-	-	-	2,387,995
Investment income and rent	661,762	848,142	19,000	23,000	360,424	10,500	-	196,123	2,118,951
Grants	1,246,397	695,001	81,590	-	-	1,095,298	255,991	993,032	4,367,309
Fines and forfeitures	51,847	-	-	-	-	-	-	-	51,847
Charges for services	598,743	-	645,709	-	-	58,266	-	28,613	1,331,331
Other	88,685	4,973,669	36,989	-	-	235,000	16,864	125,385	5,476,592
Total Revenues	23,525,500	6,516,812	3,009,802	2,380,191	360,424	1,399,064	272,855	4,173,032	41,637,680
Expenditures									
Current:									
General government	3,194,857	-	-	-	-	-	-	120,519	3,315,376
Public safety	10,925,924	-	-	-	-	-	-	581,019	11,506,943
Sanitation and recycling	2,795,024	-	-	-	-	-	-	-	2,795,024
Highways and roads	3,949,725	-	-	-	-	-	-	-	3,949,725
Culture and recreation	-	-	3,123,773	-	-	-	-	1,604,299	4,728,072
Miscellaneous	2,609,423	-	-	-	-	-	-	-	2,609,423
Debt service:									
Principal	-	-	-	2,199,000	-	-	-	-	2,199,000
Interest	-	-	-	592,573	-	-	-	-	592,573
Capital projects	-	8,184,451	-	-	-	2,521,623	962,144	1,867,161	13,535,379
Total Expenditures	23,474,953	8,184,451	3,123,773	2,791,573	-	2,521,623	962,144	4,172,998	45,231,515
Excess (Deficiency) of Revenues Over Expenditures	50,547	(1,667,639)	(113,971)	(411,382)	360,424	(1,122,559)	(689,289)	34	(3,593,835)
Other Financing Sources (Uses)									
Transfers in	-	2,850,404	15,000	736,000	-	1,977,820	-	213,500	5,792,724
Transfers out	(515,000)	-	-	-	(2,928,674)	-	(611,324)	(1,777,726)	(5,832,724)
Total Other Financing Sources (Uses)	(515,000)	2,850,404	15,000	736,000	(2,928,674)	1,977,820	(611,324)	(1,564,226)	(40,000)
Net Change In Fund Balances	(464,453)	1,182,765	(98,971)	324,618	(2,568,250)	855,261	(1,300,613)	(1,564,192)	(3,633,835)
Fund Balance - Beginning	5,409,787	17,261,400	99,867	165,060	11,777,431	(2,076,003)	660,246	2,792,138	36,089,926
Fund Balance - Ending	\$ 4,945,334	\$ 18,444,165	\$ 896	\$ 489,678	\$ 9,209,181	\$ (1,220,742)	\$ (640,367)	\$ 1,227,946	\$ 32,456,091

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

UPPER DUBLIN TOWNSHIP

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

For the Year Ended December 31, 2023

Amounts reported for governmental activities in the statement of activities (page 16-17)
are different because:

Net change in fund balances-total governmental funds (page 18). \$ (3,633,835)

Governmental funds report capital outlays as expenditures. However, in
the statement of activities the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense.

Capital and right to use outlay	\$ 3,938,528	
Depreciation and amortization expense	<u>(4,035,337)</u>	(96,809)

The effect of sales of capital assets is to decrease net assets. (23,582)

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds. 91,289

The issuance of long-term debt (e.g. bonds, leases) provides current financial
resources to governmental funds, while the repayment of the principal of
long-term debt consumes the current financial resources of governmental
funds. Neither transaction, however, has any effect on net position. This
amount is the net effect of these differences in the treatment of long-term
debt and related items.

Amortization of bond premium	5,810	
Repayment of debt	2,199,000	
Bond Premium	-	
Repayment of leases	296,459	
Interest expense	<u>477</u>	2,501,746

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

Compensated Absences		
Net pension liability and deferred items	160,077	
Postemployment benefits obligation	<u>(140,455)</u>	19,622

The internal service fund is used to charge the cost of self insurance for
workers compensation to individual funds.

The net expense of certain activities of the internal service fund is reported
with governmental activities. (474,668)

Change in net position of governmental activities (page 16-17). \$ (1,616,237)

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

UPPER DUBLIN TOWNSHIP

GENERAL FUND

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

For the Year Ended December 31, 2023

	GENERAL FUND			Variance with Final Budget - Over (Under)
	Budgeted Amounts		ACTUAL	
	Original	Final		
Revenues				
Taxes				
Real estate	\$ 6,963,353	\$ 6,963,353	\$ 6,847,555	\$ (115,798)
Transfer	1,400,000	1,400,000	956,719	(443,281)
Earned income tax	9,200,000	9,200,000	9,777,144	577,144
Local services tax	900,000	900,000	908,653	8,653
Fees, licenses and permits	1,888,000	1,888,000	2,387,995	499,995
Investment income and rent	288,000	288,000	661,762	373,762
Grants	1,136,290	1,136,290	1,246,397	110,107
Fines and forfeitures	61,000	61,000	51,847	(9,153)
Charges for services	610,000	610,000	598,743	(11,257)
Other	65,100	65,100	88,685	23,585
Total Revenues	<u>22,511,743</u>	<u>22,511,743</u>	<u>23,525,500</u>	<u>1,013,757</u>
Expenditures				
Current:				
General government	3,120,651	3,120,651	3,194,857	74,206
Public safety	10,868,902	10,868,902	10,925,924	57,022
Sanitation and recycling	2,872,271	2,872,271	2,795,024	(77,247)
Highways and roads	4,435,653	4,435,653	3,949,725	(485,928)
Miscellaneous	2,581,455	2,581,455	2,609,423	27,968
Total Expenditures	<u>23,878,932</u>	<u>23,878,932</u>	<u>23,474,953</u>	<u>(403,979)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,367,189)</u>	<u>(1,367,189)</u>	<u>50,547</u>	<u>1,417,736</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(515,000)	(515,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(515,000)</u>	<u>(515,000)</u>
Net Change In Fund Balance	(1,367,189)	(1,367,189)	(464,453)	902,736
Fund Balance, Beginning	<u>5,409,787</u>	<u>5,409,787</u>	<u>5,409,787</u>	
Fund Balance, Ending	<u>\$ 4,042,598</u>	<u>\$ 4,042,598</u>	<u>\$ 4,945,334</u>	

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

UPPER DUBLIN TOWNSHIP

PARK & RECREATION FUND

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

For the Year Ended December 31, 2023

	<u>PARK & RECREATION FUND</u>			Variance with Final Budget - Over (Under)
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Real estate taxes	\$ 2,254,765	\$ 2,254,765	\$ 2,226,514	\$ (28,251)
Interest	7,000	7,000	19,000	12,000
Grants	73,977	73,977	81,590	7,613
Charges for services	473,265	473,265	645,709	172,444
Other	37,335	37,335	36,989	(346)
Total Revenues	<u>2,846,342</u>	<u>2,846,342</u>	<u>3,009,802</u>	<u>163,460</u>
Expenditures				
Culture and recreation	<u>2,958,298</u>	<u>2,958,298</u>	<u>3,123,773</u>	<u>165,475</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(111,956)</u>	<u>(111,956)</u>	<u>(113,971)</u>	<u>(2,015)</u>
Other Financing Sources (Uses)				
Transfers in	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Net Change in Fund Balance	(111,956)	(111,956)	(98,971)	12,985
Fund Balance - Beginning	<u>99,867</u>	<u>99,867</u>	<u>99,867</u>	
Fund Balance - Ending	<u>\$ (12,089)</u>	<u>\$ (12,089)</u>	<u>\$ 896</u>	

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

UPPER DUBLIN TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2023

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>ASSETS</u>	
Current Assets	
Cash	\$ -
Receivables	
Accounts	24,474
Total Current Assets	<u>24,474</u>
Noncurrent Assets	
Capital Assets:	
Equipment/vehicles	13,653,139
Less accumulated depreciation	<u>(9,743,342)</u>
Total Capital Assets (net of accumulated depreciation)	<u>3,909,797</u>
Total Noncurrent Assets	<u>3,909,797</u>
Total Assets	<u>\$ 3,934,271</u>
<u>LIABILITIES</u>	
Current Liabilities	
Accounts payable and accrued wages	\$ 280,270
Total Current Liabilities	<u>280,270</u>
<u>NET POSITION</u>	
Invested in capital assets, net of related debt	3,909,797
Unrestricted	<u>(255,796)</u>
Total Net Position	<u>\$ 3,654,001</u>

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

UPPER DUBLIN TOWNSHIP

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

For the Year Ended December 31, 2023

	<u>Governmental Activities</u>
	<u>Internal Service</u>
Operating Revenues	
Charges for services	\$ 2,135,184
Intergovernmental revenues	<u>34,967</u>
Total Operating Revenues	<u>2,170,151</u>
Operating Expenses	
Motor pool	1,645,166
Depreciation	<u>1,047,969</u>
Total Operating Expenses	<u>2,693,135</u>
Operating Income (Loss)	<u>(522,984)</u>
Nonoperating Revenues (Expense)	
Insurance claim settlements	<u>51,331</u>
Total Nonoperating Revenues (Expense)	<u>51,331</u>
Net Income Before Other Financing Sources (Uses)	<u>(471,653)</u>
Other Financing Sources (Uses)	
Transfers in	<u>40,000</u>
Total Other Financing Sources (Uses)	<u>40,000</u>
Change in Net Position	(431,653)
Net Position - Beginning	<u>4,085,654</u>
Net Position - Ending	<u>\$ 3,654,001</u>

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

UPPER DUBLIN TOWNSHIP

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2023

	<u>Governmental</u> <u>Activities</u>
	<u>Internal</u> <u>Service</u>
Cash flows from operating activities	
Cash received from customers	\$ 2,495,677
Cash paid to employees	(486,472)
Cash paid to suppliers	(753,917)
Cash paid for employee benefits	(232,622)
Net cash provided by (used in) operating activities	<u>1,022,666</u>
Cash flows from capital and related financing activities	
Purchase of property, plant and equipment	(1,063,694)
Due to other funds	(50,303)
Transfer from other funds	40,000
Insurance settlements	51,331
Net cash used in capital and related financing activities	<u>(1,022,666)</u>
Net increase (decrease) in cash and cash equivalents	-
Beginning cash and cash equivalents	-
Ending cash and cash equivalents	<u>\$ -</u>

Reconciliation of Net Operating Income (Loss)
to Net Cash Provided By (Used In) Operating Activities

	<u>Proprietary Fund Types</u>
	<u>Internal</u> <u>Service</u>
Net operating income (loss)	\$ (522,984)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities	
Depreciation and amortization	1,047,969
Changes in assets and liabilities:	
(Increase) decrease in receivables	325,526
Increase (decrease) in payables and accruals	172,155
Net adjustments	<u>1,545,650</u>
Cash provided by (used in) operating activities	<u>\$ 1,022,666</u>

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

UPPER DUBLIN TOWNSHIP

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

December 31, 2023

	Pension & Other Employee Benefit Trust Funds	Private - Purpose Trust Funds	Custodial General Escrow
<u>ASSETS</u>			
Current Assets			
Cash	\$ 1,168,874	\$ 260,403	\$ 1,778,980
Receivables			
Accrued interest	<u>28,433</u>	<u>-</u>	<u>-</u>
Total Receivables	<u>28,433</u>	<u>-</u>	<u>-</u>
Investments			
Mutual funds	<u>47,622,355</u>	<u>-</u>	<u>-</u>
Total Current Assets	<u>48,819,662</u>	<u>260,403</u>	<u>1,778,980</u>
 <u>LIABILITIES</u>			
Accounts payable	<u>-</u>	<u>-</u>	<u>10,812</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>10,812</u>
 <u>NET POSITION</u>			
Restricted for			
Assets held in trust for pension and other post employment benefits	48,819,662	-	-
Individual, organizations, and developers	<u>-</u>	<u>260,403</u>	<u>1,768,168</u>
Total Net Position	<u>\$ 48,819,662</u>	<u>\$ 260,403</u>	<u>\$ 1,768,168</u>

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

UPPER DUBLIN TOWNSHIP

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended December 31, 2023

	Pension & Other Employee Benefit Trust <u>Funds</u>	Private - Purpose Trust <u>Funds</u>	Custodial General <u>Escrow</u>
Additions			
Contributions			
Member contributions	\$ 350,318	\$ -	\$ -
Employer contributions	1,379,722	-	-
State contributions	961,602	-	-
Escrow receipts	<u>-</u>	<u>-</u>	<u>3,060,432</u>
Other contributions/additions	<u>-</u>	<u>500</u>	<u>-</u>
Total Contributions	<u>2,691,642</u>	<u>500</u>	<u>3,060,432</u>
Investment Earnings			
Net appreciation (depreciation) in			
fair value of investments	4,988,260	-	-
Investment income	<u>1,368,878</u>	<u>3,855</u>	<u>-</u>
Total Investment Earnings	6,357,138	3,855	-
Less investment expense	<u>139,007</u>	<u>-</u>	<u>-</u>
Net Investment Income	<u>6,218,131</u>	<u>3,855</u>	<u>-</u>
Total Additions	<u>8,909,773</u>	<u>4,355</u>	<u>3,060,432</u>
Deductions			
Benefits	3,215,679	-	-
Lump Sum DROP Distributions	46,193	-	-
Refund of employee contributions	-	-	-
Escrow disbursements	-	-	6,291,299
Miscellaneous expense	<u>31,700</u>	<u>6,276</u>	<u>-</u>
Total Deductions	<u>3,293,572</u>	<u>6,276</u>	<u>6,291,299</u>
Change in Net Position	5,616,201	(1,921)	(3,230,867)
Net position			
Beginning of Year	<u>43,203,461</u>	<u>262,324</u>	<u>4,999,035</u>
End of Year	<u>\$ 48,819,662</u>	<u>\$ 260,403</u>	<u>\$ 1,768,168</u>

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

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

I. Summary of significant accounting policies

A. *Reporting entity*

Upper Dublin Township is a municipal corporation existing and operating under the First Class Township code of the Commonwealth of Pennsylvania. The accompanying financial statements present the primary government. In evaluating the Township (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Township have been addressed. Financial accountability is present if the Township appoints a voting majority of a component unit's governing body and has the ability to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Township.

Discretely presented component units. The *Upper Dublin Municipal Authority* and the *Fort Washington Fire Company* are component units of Upper Dublin Township as the Township has the responsibility for funding, funding deficits; and handles the fiscal management of tax levied on the Fire Company's behalf and the Township appoints the Board for the Municipal Authority. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that it is legally separate from the government. Complete financial statements for the individual component units may be obtained at the Township's office for the Municipal Authority and at the entity's administrative offices as follows: Fort Washington Fire Company, 1245 Fort Washington Avenue, Fort Washington, PA 19034.

Blended component units Included within the reporting entity, in blended presentation is the Police Pension Plan and the Nonuniform Pension Plan (the Plans). The Plans are single employer defined benefit pension plans that provide pension benefits for all regular full-time employees. The Plans are separate legal entities, but they are reported as if they are part of the Township as they are governed by a board comprised of members appointed by the Board of Commissioners or by the Board of Commissioners themselves and the Township is responsible for funding the Plans. The activities of the Plans are blended as fiduciary funds and do not issue separate financial statements.

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

I. Summary of significant accounting policies (Continued)

B. Government-wide and fund financial statements (continued)

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 government.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

I. Summary of significant accounting policies (Continued)

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

The government reports the following major governmental funds:

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

The *CRF fund* accounts for capital purchases and construction to enhance and improve infrastructure.

The *IDA fund* accounts for the capital purchase and construction related to the losses from Hurricane Ida.

The *park & recreation fund* accounts for the programs and services provided for residents relating to culture and recreation. Revenues are provided from program service fees and real estate taxes.

The *debt service fund* accounts for the real estate taxes collected to service debt and the debt paid.

The *capital projects fund* accounts for capital purchases and construction to enhance and improve Township infrastructure.

The *open space fund* accounts for the funds to acquire open space in the Township.

Additionally, the government reports the following fund types:

The *pension trust fund* accounts for the activities of the Police and Non-Uniformed Pension plans and the life insurance plan, which accumulate resources for pension benefit payments to qualified employees.

The *private purpose trust fund* accounts for monies that are not used to support municipal operations. Activity in each fund is restricted by the purpose designated when the fund was established.

The *internal service fund* accounts for the motor pool and insurance programs. Fees are charged to the various funds to cover their respective costs.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

I. Summary of significant accounting policies (Continued)

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

The *custodial fund* accounts for monies held by the Township on a purely custodial basis.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. As the sewer system was sold in 2002, the only remaining operating revenues of the sewer fund are special assessments and collections of outstanding accounts. Operating expenses for enterprise funds include the interfund transfers, consultant expenses, and treatment costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

I. Summary of significant accounting policies (Continued)

D. Assets, liabilities, and net position or equity

1. Deposits and investments

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

With the exception of Pension Trust Funds, state law allows the government to invest in obligations of the United States of America, the Commonwealth of Pennsylvania, or any agency or instrumentality of either, which are secured by the full faith and credit of such entity. The law also allows for the Government to invest in certificates of deposit of banks, savings and loans, and savings banks both within and outside the Commonwealth of Pennsylvania, provided such amounts are insured by the Federal Deposit Insurance Corporation (FDIC) or other like insurance, and that deposits in excess of such insurance are collateralized by the depository. The state also imposes limitations with respect to the amount of investment in certificates of deposit to the extent that such deposits may not exceed 20% of a bank's total capital surplus or 20% of a savings and loan or savings bank's assets, net of its liabilities. The government may also invest in shares of registered investment companies, provided that investments of the company are authorized investments, as noted above.

The government invests in obligations and agencies of the United States of America. These investments are comprised of U.S. Treasury obligations. The government recognizes interest rate risk and extension risk with some of these obligations. The government has stratified their portfolio so that the investments with extension risk are comprised of monies needed on a long-term basis. Investments with interest rate risk are selected so that the risk of interest decline below area savings accounts rates is minimal.

The law provides that the government's Pension Trust Funds may invest in any form or type of investment, financial instrument, or financial transaction if determined by the government to be prudent.

Investments for the government are reported at fair value. The Investment Pool operates in accordance with appropriate state laws and regulations. The external investment pool is reported at amortized cost, which approximates fair value. There is no limitation or restriction on withdraws other than investments within the PLGIT/TERM and PLGIT CD accounts which can only be withdrawn at maturity. In addition, there are certain limitations placed on the following withdrawals: for PLGIT/ARM and PLGIT I Class accounts, there is a one-day holding period; for PLGIT/TERM and PLGIT CD accounts, there is a 60 day holding period and a penalty for early withdrawal.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

I. Summary of significant accounting policies (Continued)

D. Assets, liabilities, and net position or equity (continued)

2. Receivables and payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Due to the immaterial nature of uncollectible accounts, all trade and property tax receivables are deemed fully collectible and an allowance has not been recorded.

Property taxes are levied as of January 1 on property values assessed as of the same date. Taxes are billed February 1 and payable under the following terms: a 2% discount February 1 through April 1; face amount April 2 through June 1; and a 10% penalty after June 1. Any unpaid bills at December 31 are subject to lien, and penalties and interest are assessed.

3. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. Management’s estimate of accumulated depreciation and depreciation expense is based on original cost and estimated useful lives of the capital assets. Management’s estimate of the end of year liability for compensated absences is calculated based on vested time accumulated. Management’s estimate of the minimum municipal obligation, net pension liability and deferred inflows and outflows related to the pension plans are based on actuarial valuations. Management’s estimate of the fair value of investments is based on market values as of the financial statement date. Management’s estimate of earned income tax receivable is based on prior experience.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

I. Summary of significant accounting policies (Continued)

D. Assets, liabilities, and net position or equity (continued)

4. Leases

The Township is a lessor for various long-term noncancellable lease agreements. The Township recognizes leases receivable and deferred inflows of resources in the government-wide and fund financial statements.

At the commencement of a lease, the Township initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Township determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Township uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease plus any options to extend. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

Any variable payments received are based on direct monthly usage and are recognized as revenue when received.

The Township monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the leases receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$7,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

I. Summary of significant accounting policies (Continued)

D. Assets, liabilities, and net position or equity (continued)

5. Capital assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Prior to January 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost. Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	45
Roads and bridges	75
Storm sewers	100
Lighting	20
Trucks, vehicles and heavy equipment	5-25
Library books	12
Library media	10

Capital assets for the Municipal Authority are primarily roads and bridges that have an estimated useful life of 45-75 years.

6. Right to use Assets

The Township has recorded the right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount to the initial measurement of the related lease liability. The right to use assets are amortized on a straight-line basis over the life of the related lease.

7. Compensated absences

It is the Township's policy to permit employees to accumulate earned but unused vacation and sick benefits. Vacation pay is accrued when earned.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

I. Summary of significant accounting policies (Continued)

D. Assets, liabilities, and net position or equity (continued)

8. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures and expensed when incurred.

9. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The following qualifies for reporting in these categories:

Change in assumptions is reported in the government-wide statement of net position. A net difference results from the actual earnings in the plan either exceeding or falling short of projected earnings. This amount is deferred and amortized over a five year period.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

I. Summary of significant accounting policies (Continued)

D. Assets, liabilities, and net position or equity (continued)

9. Deferred outflows/inflows of resources (continued)

Net difference between projected and actual earnings on pension plan investments is reported in the government-wide statement of net position. A net difference results from the actual earnings in the plan either exceeding or falling short of projected earnings. This amount is deferred and amortized over a five year period.

Differences between expected and actual experience on pension plan liability is reported in the government-wide statement. A difference results when actual economic or demographic factors differ from expected results. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become available.

Leases are reported in the governmental funds and the government-wide statement of net position. A deferred balance results at the initiation of the lease in an amount equal to the initial recording of the lease receivable. A deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

10. Net position

In the government-wide financial statements, net positions are classified in the following categories:

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

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

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

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

I. Summary of significant accounting policies (Continued)

D. Assets, liabilities, and net position or equity (continued)

11. Fund balance

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

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

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

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

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

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

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

I. Summary of significant accounting policies (Continued)

E. Accounting Pronouncements

In 2023, the Township adopted GASB Statement No. 96 (Subscriptions). The Township reviewed the criteria of the standard and determined that the statement had no material effect on the financial statements.

GASB has issued statements that will become effective in future years including Nos. 100 (Accounting Changes and Error Corrections), 101 (Compensated Absences) and 102 (Certain Risk Disclosures). Management has not yet determined the impact of these statements on the financial statements.

II. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds of the Township. All annual appropriations lapse at fiscal year end.

During November, the Township holds budget hearings for the purpose of receiving oral and written comments from interested parties in regard to the proposed budget for the following year. The Township makes available to the public its proposed operating budget for all funds. The operating budget includes proposed expenditures and the means of financing them. The Board holds public hearings and a final budget must be prepared and adopted no later than December 31 through the passage of an ordinance.

All budget revisions require the approval of the Township Board of Commissioners. There were no budget revisions made during the year. The Board authorized the use of unallocated fund balance in 2023.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders) outstanding at year end lapse.

B. Excess of expenditures over appropriations

For the year ended December 31, 2023, expenditures exceeded appropriations in the general fund in the general government, public safety, and miscellaneous categories by approximately \$74,000, \$57,000 and \$28,000 due to increase legal activity, more police overtime, and increased insurance expense, respectively. These over expenditures were funded by increased permit revenue. Negative fund balance in the open space fund and capital projects funds will be funded by developer fees and grants.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds

A. *Deposits and investments*

As of December 31, 2023, the Township had the following maturities:

<u>Investment Type</u>	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>6 to 10 years</u>	<u>Fair Value</u>
Governmental Funds				
US Treasuries	\$ 1,342,653	\$ 6,873,270	\$ -	\$ 8,215,923
US Agencies	3,168,417	1,617,689	-	4,786,106
Certificates of Deposit	1,535,680	401,088	-	1,936,768
PLGIT	-	-	-	6,412,699
Money Market	-	-	-	6,570,744
Total Governmental Funds	<u>\$ 6,046,750</u>	<u>\$ 8,892,047</u>	<u>\$ -</u>	<u>\$ 27,922,240</u>
Fiduciary Funds				
Mutual Funds - Bonds	\$ -	\$ 768,161	\$ 12,751,421	\$ 13,519,582
Exchange Traded Funds	-	-	4,770,444	4,770,444
	<u>\$ -</u>	<u>\$ 768,161</u>	<u>\$ 17,521,865</u>	<u>\$ 18,290,026</u>

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds (Continued)

A. *Deposits and investments* (continued)

Fair Value Measurements: The Township categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Township has the following recurring fair value measurements as of December 31, 2023:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
GOVERNMENTAL FUNDS			
Money Market	\$ 6,570,744	\$ 6,570,744	\$ -
CD's	1,936,768	1,936,768	-
PLGIT	6,412,699	-	6,412,699
US Treasuries	8,215,923	8,215,923	-
US Agencies	4,786,106	4,786,106	-
Total Governmental Funds	<u>\$ 27,922,240</u>	<u>\$ 21,509,541</u>	<u>\$ 6,412,699</u>
FIDUCIARY FUNDS			
Money Market	\$ 1,168,874	\$ 1,168,874	\$ -
Mutual Funds-Bonds	18,290,026	18,290,026	-
Mutual Funds-Equities	29,332,329	29,332,329	-
Total Fiduciary Funds	<u>\$ 48,791,229</u>	<u>\$ 48,791,229</u>	<u>\$ -</u>

Interest Rate Risk. This is the risk that changes in interest rates will adversely affect the fair market value of an investment. The government has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The policy states that a cash management investment may not exceed 12 months. Reserve and trust funds may be invested in government securities with maturities exceeding 12 months but not more than 36 months if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds (Continued)

A. *Deposits and investments (continued)*

Credit Risk. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the investment of governmental funds as described in Section 1, Note D. The government's investment in the external investment pool was rated AAAM by Standard & Poor's. The rating of the bond mutual funds in the pension plan is as follows:

	<u>Fair Value</u>	<u>Quality</u>
Bond Mutual Fund	\$ 3	AA
Exchange Traded Fund	3,852,488	AA
Bond Mutual Fund	12,751,418	A
Exchange Traded Fund	917,956	BBB
Bond Mutual Fund	<u>768,161</u>	BB
	<u>\$ 18,290,026</u>	

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has deposits in money market funds and external investment pools. These deposits are considered cash equivalents because of their short maturity dates and are included in deposits. The government does not have a deposit policy for custodial credit risk. As of December 31, 2023, the government's carrying amount of deposits was \$7,028,962 and the bank balance was \$7,449,497. Of the bank balance, \$312,646 was covered by depository insurance. Any balances exceeding depository insurance are exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the government's name.

The Township's cash equivalent investments in PLGIT are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The Township's position in the external investment pool is the same as the value of the pool shares and is reported at amortized cost which approximates fair value. PLGIT activities are invested directly in a portfolio of securities, which are held by a third-party custodian. All investments in an external investment pool that is not SEC registered are subject to oversight by the Commonwealth of Pennsylvania. At year end the total of the Township balances in the PLGIT funds were \$1,473,682 and the total for the Authority was \$0.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds (Continued)

A. *Deposits and investments (continued)*

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. As the government invests solely in mutual funds, external investment pools, and US obligations, there is not a concentration of credit risk required to be disclosed.

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of a failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. All investments are “held in the name of the government” and thus not exposed to custodial credit risk.

As of December 31, 2023, the Fire Company’s carrying amount of deposits was \$121,618 and the bank balance was \$128,379. Of the bank balance, all was covered by depository insurance. Any balances exceeding depository insurance are exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging institution’s trust department or agent, but not in the government’s name. Fire company investments include mutual funds classified as Level 1 in the amount of \$70,020 and certificates of deposit classified as Level 2 in the amount of \$55,157.

B. *Receivables*

Receivables as of the year end for the government’s individual major funds, non-major funds, and fiduciary funds in the aggregate:

	General	Non-Major								Total
		IDA Fund	Park & Recreation	Debt Service	CRF	Capital Projects	Open Space Fund	Governmental Funds	Fiduciary	
Receivables:										
Taxes	\$ 347,914	\$ -	\$ -	\$ 19,134	\$ -	\$ -	\$ -	\$ 51,930	\$ -	\$ 418,978
Accounts	29,746	69,500	45,720	-	-	1,291,457	630,000	-	-	2,066,423
Special assessments	29,582	-	-	-	-	5,248	-	-	-	34,830
Interest	16,339	16,033	-	-	24,878	-	-	-	28,433	85,683
Leases	750,320	-	-	-	-	-	-	-	-	750,320
Total Receivables	\$ 1,173,901	\$ 85,533	\$ 45,720	\$ 19,134	\$ 24,878	\$ 1,296,705	\$ 630,000	\$ 51,930	\$ 28,433	\$ 3,356,234

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds (Continued)

C. *Leases*

The Township has entered in to various lease agreements for cell tower property rentals. Under these agreements, the Township receives minimum monthly payments. The terms are typically for a period of five years with renewable options for two to five more five year periods through 2043. Scheduled increases occur every 5 years per the different contracts. As of December 31, 2023, the lease receivable for the noncancellable portion and additional options was \$750,320 and the deferred inflows of resources associated with this lease that will be recognized as revenue over the lease term was \$455,779.

For the year ended December 31, 2023, the principal and interest received on long-term noncancellable leases was \$37,371 and \$38,227 respectively.

Amounts receivable are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2024	\$ 42,115	\$ 36,233
2025	44,270	34,078
2026	46,535	31,813
2027	51,601	29,403
2028	60,733	26,553
2029-2033	281,488	83,905
2034-2038	90,550	44,701
2039-2043	<u>133,028</u>	<u>16,971</u>
	<u>\$ 750,320</u>	<u>\$ 303,657</u>

D. *Right to Use Leased Asset*

The Township has recorded one right to use leased assets for a building. The related lease is discussed in the leases section of this note. The right to use lease asset is amortized on a straight-line basis over the anticipated term of the related asset.

Right to use asset activity for the Township for the year ended December 31, 2023 is noted below in capital asset activity.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds (Continued)

E. Capital assets

Capital asset activity for the year ended December 31, 2023 for the Township and the Authority was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 17,930,235	\$ -	\$ -	\$ 17,930,235
Construction in Progress	<u>18,438,142</u>	<u>2,635,178</u>	<u>15,803,087</u>	<u>5,270,233</u>
Total capital assets, not being depreciated	<u>36,368,377</u>	<u>2,635,178</u>	<u>15,803,087</u>	<u>23,200,468</u>
Capital assets, being depreciated:				
Buildings and improvements	17,857,209	15,772,152	-	33,629,361
Machinery, vehicles and equipment	13,980,072	1,154,171	347,080	14,787,163
Library	1,938,028	180,114	68,729	2,049,413
Infrastructure	<u>124,376,051</u>	<u>-</u>	<u>-</u>	<u>124,376,051</u>
Total capital assets being depreciated	<u>158,151,360</u>	<u>17,106,437</u>	<u>415,809</u>	<u>174,841,988</u>
Less accumulated depreciation for:				
Buildings and improvements	5,922,905	599,897	-	6,522,802
Machinery, vehicles and equipment	9,018,873	1,047,969	323,498	9,743,344
Library	1,682,387	233,130	68,729	1,846,788
Infrastructure	<u>45,479,329</u>	<u>1,839,972</u>	<u>-</u>	<u>47,319,301</u>
Total accumulated depreciation	<u>62,103,494</u>	<u>3,720,968</u>	<u>392,227</u>	<u>65,432,235</u>
Total capital assets, being depreciated, net	<u>96,047,866</u>	<u>13,385,469</u>	<u>23,582</u>	<u>109,409,753</u>
Leased Assets	1,571,846	-	-	1,571,846
Less Accumulated Amortization	<u>628,738</u>	<u>314,369</u>	<u>-</u>	<u>943,107</u>
Total capital assets, being amortized, net	<u>943,108</u>	<u>(314,369)</u>	<u>-</u>	<u>628,739</u>
Governmental-type activities capital assets, net	<u>\$ 133,359,351</u>	<u>\$ 15,706,278</u>	<u>\$ 15,826,669</u>	<u>\$ 133,238,960</u>

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds (Continued)

E. Capital assets (continued)

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2023</u>
Business type activities				
Capital assets, not being depreciated:				
Construction in Progress	\$ 1,490,024	\$ 5,639,846	\$ 5,811,206	\$ 1,318,664
Total capital assets, not being depreciated	<u>1,490,024</u>	<u>5,639,846</u>	<u>5,811,206</u>	<u>1,318,664</u>
Capital assets, being depreciated:				
Infrastructure	6,485,223	5,811,206	-	12,296,429
Total capital assets being depreciated	<u>6,485,223</u>	<u>5,811,206</u>	<u>-</u>	<u>12,296,429</u>
Less accumulated depreciation for:				
Infrastructure	232,936	234,771	-	467,707
Total accumulated depreciation	<u>232,936</u>	<u>234,771</u>	<u>-</u>	<u>467,707</u>
Total capital assets, being depreciated, net	<u>6,252,287</u>	<u>5,576,435</u>	<u>-</u>	<u>11,828,722</u>
Business-type activities capital assets, net	<u>\$ 7,742,311</u>	<u>\$ 11,216,281</u>	<u>\$ 5,811,206</u>	<u>\$ 13,147,386</u>

Depreciation and amortization expense was charged to functions/programs of the primary government and the Authority is as follows:

Governmental activities:	
Administrative	\$ 72,084
Codes	13,293
Police and emergency services	648,601
Public works, including depreciation of general infrastructure except park systems	2,099,497
Libraries	434,912
Parks, including depreciation related to park systems	<u>452,581</u>
Total depreciation expense - governmental activities	<u>\$ 3,720,968</u>
Total depreciation expense - business activities	<u>\$ 234,771</u>
Governmental Activities	
General Government	\$ 314,369
Total amortization expense-governmental activities	<u>\$ 314,369</u>

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds (Continued)

F. Interfund receivables, payables, and transfers

Interfund receivables and payables:

	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
Community Reinvestment	\$ 500,000	\$ -
General Fund	1,820,558	-
Capital Projects	-	1,064,296
Open Space	-	<u>1,256,262</u>
Total	<u>\$ 2,320,558</u>	<u>\$ 2,320,558</u>

During the year, the Township lent the Municipal Authority \$1,550,814 to cover expenses that will be reimbursed by grants.

The interfund and due from other government receivable and payable is temporary and will be repaid once property is sold and grants are received.

Interfund transfers:

	Transfer <u>Out</u>	Transfer <u>In</u>
General Fund	\$ 515,000	\$ -
IDA Fund	-	2,850,404
Park & Recreation	-	15,000
Debt Service	-	736,000
Community Reinvestment	2,928,674	-
Internal Services	-	40,000
Capital Projects	-	1,977,820
Nonmajor Other Governmental	1,777,726	213,500
Open Space	<u>611,324</u>	<u>-</u>
	<u>\$ 5,832,724</u>	<u>\$ 5,832,724</u>

The interfund transfers are a result of various funds sharing the cost of pension and capital project expense.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds (Continued)

G. *Leases*

The Township leases a building at a rate of \$29,006 per month through September 2026. This noncancelable lease has been recorded at the present value of the future minimum lease payments as of the date of adoption of GASB 87. The lease liability is measured at a discount rate of 5% which is the Township's long-term borrowing rate at the date of GASB 87 implementation. As a result, the Township recorded a right to use asset and lease liability of \$1,505,550 at January 1, 2022 (retroactive restatement).

The government leases other pieces of office equipment under non-cancelable operating leases. Total liabilities under these leases are considered immaterial to the financial statements.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2023, were as follows:

Year <u>Ending Dec 31</u>	Governmental <u>Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 318,814	\$ 37,994
2025	342,461	21,487
2026	<u>272,484</u>	<u>4,554</u>
Total	<u>\$ 933,759</u>	<u>\$ 64,035</u>

H. *Long-term debt*

General Obligation Notes

The government issues general obligation notes to provide funds for the acquisition and construction of major capital facilities. General obligation notes have been issued for both governmental activities. The original amount of general obligation notes issued was \$35,023,000.

General obligation notes are direct obligations and pledge the full faith and credit of the government. These notes are generally issued as 15-20 year serial bonds with varying amounts of principal maturing each year.

General obligation notes currently outstanding are as follows:

<u>Purpose</u>	Interest	
	<u>Rates</u>	<u>Amount</u>
Governmental activities	1.6-4.6%	<u>\$ 26,617,000</u>

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds (Continued)

H. Long-term debt (continued)

Interest Rate Management

The Township has notes outstanding with Delaware Valley Regional Finance Authority (DVRFA) as described below. The DVRFA has issued bonds to provide funds for these loans and has entered into interest rate swap agreements with Bank of America (BANA) and Citibank. The objective is to reduce the costs of participants in the DVRFA Loan Program and to enhance the ability of participants to manage their interest rate risks. The interest rate swaps serve as hedges against swings in the cash flows that would be required to repay outstanding debt.

Terms: The significant terms of the interest rate swap was as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Principal Outstanding</u>	<u>Type of Note</u>	<u>Effect at Year End</u>	<u>Market Value</u>
GO Note	2008	2028	\$ 3,059,000	Fixed	4.088%	\$ 109,347
GO Note	2016	2036	2,783,000	Fixed	2.150%	99,481
GO Note	2017	2037	6,794,000	Fixed	2.579%	242,859
GO Note	2020A	2035	6,129,000	Fixed	1.680%	219,088
GO Note	2020B	2035	1,686,000	Fixed	1.652%	60,268
GO Note	2022	2036	4,967,000	Fixed	1.02%	177,551
GO Note	2022A	2042	<u>1,199,000</u>	Fixed	1.88%	<u>42,860</u>
			<u>\$ 26,617,000</u>			<u>\$ 951,454</u>
 <u>Authority</u>						
GO Note	2018	2043	<u>\$ 5,100,000</u>	Fixed	2.825%	<u>\$ 929,078</u>

Interest Rate Risk: The Township has the option under the loan agreements to pay a variable rate of interest or a fixed rate. If the Township elects the variable rate, the interest rate, based upon the Securities Industry and Financial Markets Association Municipal Swap Index (the "Municipal Swap Index"), adjusts weekly with a maximum interest rate of 15%. If the Township elects a fixed rate, the rate, with terms and conditions selected by the Township, would be set based upon the fixed rate swap market at that time with a new confirm executed by DVRFA under the DVRFA Swap Agreement. The Township has the option to convert all or a portion of the variable rate notes to a fixed rate at any time to mitigate the exposure to changes in interest rates.

Basis Risk: The Township does not have a basis risk.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds (Continued)

H. Long-term debt (continued)

Interest Rate Management (continued)

Credit Risk: The Township is exposed to credit risk on the swaps only when their fair values are negative or liabilities. At December 31, 2023, the swap had a positive fair value and the maximum amount of loss due to credit risk is zero. The long term unsecured, senior debt ratings of DVRFA are currently A2 and A+ by Moody's and Standards & Poor's, respectively.

Termination Risk: The Township is obligated to pay any termination payment associated with the portion of the DVRFA Swap Agreement allocable to the applicable note. A termination payment may be incurred due to the termination of all or a portion of the DVRFA Swap Agreement with the mutual consent of DVRFA, BANA, Citibank, and the Township. These termination payments could be triggered in the event of (i) a payment default by the Township under the Loan Agreement, (ii) a payment default by DVRFA, BANA, or Citibank under the DVRFA Swap Agreement, (iii) the occurrence of events that may precipitate a payment default by DVRFA, BANA, or Citibank or (iv) the downgrading of the long term, unsecured, senior debt ratings of BANA, Citibank, or DVRFA.

In all instances of termination, except a payment default on a note converted to a fixed rate, DVRFA would seek to replace the DVRFA Swap Agreement with a new interest rate swap agreement with similar terms and conditions. The amount of the termination payment is determined by the market value of the DVRFA Swap Agreement; therefore, the cost or income of the replacement swap should offset the cost or income from the termination payment.

DVRFA may not be able to secure the replacement interest rate swap if the swap market is not functioning normally or if DVRFA does not have access to the swap market. If DVRFA was obligated to make a payment and sufficient funds were not available, DVRFA could access each borrower its allocable share of the termination payment.

The estimated termination payment (i.e., the market value) for the DVRFA Swap Agreement allocable to the Township debt as of December 31, 2023, is shown in the table on the previous page. In the event of a termination payment, DVRFA would assess the net loss, if any, to the Township. Any net gain on the termination payment allocable to variable rate Notes would be retained by DVRFA.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds (Continued)

H. *Long-term debt* (continued)

Interest Rate Management (continued)

Rollover Risk: This is the risk that the derivative does not last as long as the associated debt is outstanding. There is rollover risk on the interest rate swaps only to the extent that the swaps may be terminated prior to the maturity of the debt, as described above. Absent of a termination event, the swap is scheduled to mature at the same time as the related debt.

Market Access Risk: The Township does not have this risk.

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Max Interest
2024	\$ 2,253,000	\$ 1,731,298
2025	2,302,000	1,566,592
2026	2,363,000	1,396,499
2027	2,427,000	1,220,633
2028	2,482,000	1,038,951
2029-2033	9,640,000	3,326,246
2034-2038	4,857,000	933,284
2039-2042	<u>293,000</u>	<u>13,918</u>
	<u>\$ 26,617,000</u>	<u>\$ 11,227,421</u>

Long-term liability activity for the year ended December 31, 2023 was as follows:

	Beginning			Ending	
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds and notes payable	\$ 28,816,000	\$ -	\$ 2,199,000	\$ 26,617,000	\$ 2,253,000
Plus premiums	75,533	-	5,810	69,723	-
Less discount	-	-	-	-	-
	<u>28,891,533</u>	-	2,204,810	26,686,723	2,253,000
Lease liability	1,230,218	-	296,459	933,759	\$ 318,814
Net Pension Liability	12,577,979	-	3,887,086	8,690,893	-
OPEB obligation	493,743	186,076	45,621	634,198	40,000
Compensated absences	<u>177,935</u>	<u>50,000</u>	<u>22,715</u>	<u>205,220</u>	<u>10,000</u>
Governmental activity					
Long-term liabilities	<u>\$ 43,371,408</u>	<u>\$ 236,076</u>	<u>\$ 6,456,691</u>	<u>\$ 37,150,793</u>	<u>\$ 2,621,814</u>

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds (Continued)

H. Long-term debt (continued)

Changes in long-term liabilities

Debt service for general obligation notes and capital leases are funded primarily from taxes for governmental activities. Any liabilities for compensated absences, net pension liabilities, or OPEB liabilities are generally liquidated by the general fund for governmental activities.

In 2008, the Township issued \$9 million in general obligation notes with an average interest rate of 4.088% for stormwater management and to acquire land.

In 2014, the Township issued \$8,535,000 in general obligation notes with interest rates ranging between .7 and 3.28%. The Township issued the bonds to advance refund \$8,175,000 of the outstanding series 2010 general obligation bonds with interest rates of 3.98%. The outstanding principal of the defeased bonds is \$5,780,000.

In 2015, the Township issued \$2,535,000 in general obligation notes with interest rates ranging between .55 and 3.25%. The Township issued the bonds to advance refund \$2,390,000 of the outstanding series 2010 general obligation bonds with interest rates of 3.98%. The outstanding principal of the defeased bonds is \$1,685,000. The 2015 notes were refinanced in 2020.

In 2017, the Township issued \$9,000,000 in general obligation notes with interest rates of 2.579%. The Township issued the bonds to provide for \$9,000,000 for construction projects.

In 2020, the Township issued \$9,345,000 of General Obligation Bonds to refinance outstanding bonds issued in 2014 and 2015. The refinancing will result in a net savings to the Township of \$1,165,000 over the life of the bonds.

In 2022, the Township issued \$5,416,000 of General Obligation Bonds to refinance outstanding bonds issued in 2016. The refinancing will result in a net savings to the Township of \$350,000 over the life of the bonds.

In 2022, the Township issued a forward loan for \$1,250,000 for fire apparatus. The loan was subsequently converted to a fixed rate loan with the Delaware Valley Regional Finance Authority. The note is due in yearly principal payments ranging from \$51,000 to \$76,000, beginning April, 2023 to April 2042. Interest at 1.878% is payable monthly beginning April, 2022.

In 2018, the Authority issued \$6 million in lease rental debt to fund the Fort Washington Park improvements. The notes were issued at an interest rate of 2.825% and will mature in 2043.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

III. Detailed notes on all funds (Continued)

H. Long-term debt (continued)

Changes in long-term liabilities (continued)

Long-term liability activity for the year ended December 31, 2023 was as follows:

	Balance December 31, <u>12/31/2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>12/31/2023</u>	Amounts due within <u>one year</u>
2018 Debt Issue	\$ 5,290,000	\$ -	\$ 190,000	\$ 5,100,000	\$ 195,000

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

	<u>Principal</u>
2024	\$ 195,000
2025	200,000
2026	206,000
2027	211,000
2028	217,000
2029-2033	1,178,000
2034-2038	1,349,000
2039-2043	<u>1,544,000</u>
	<u>\$ 5,100,000</u>

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

IV. Other information

A. *Risk management*

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Township participates in the Delaware Valley Insurance Trust pool. The insurance expense for the year ended December 31, 2023 was \$541,629 and \$13,613 was paid in deductibles. The pooling agreement permits the pool to make additional assessments to its members. At December 31, 2023 there were no additional assessments due or anticipated. Instead, the pool declared a dividend of which Upper Dublin's share was \$26,936.

The Township is also a member of the Delaware Valley Workers' Compensation Trust (D VWCT), a risk retention pool. The insurance expense for the year ended December 31, 2023 was \$484,863. The Trust declared a dividend in 2023. Upper Dublin Township's share of the dividend distribution was \$15,264. As a result of the 2022 Payroll Audit, the Township received \$17,821. At December 31, 2023, there were no additional assessments due or anticipated. Instead, an audit of the reported 2023 payroll will be performed during the first quarter of 2024. For both Trusts, claims did not exceed expenses for the past three years.

B. *Contingent liabilities*

In 2021, the Township building was significantly damaged by Hurricane Ida. Insurance proceeds will cover \$26.5 million of the cost and additional costs will be offset by state and federal grants. The remaining balance on the \$50 million project will be funded by the Township.

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

In the normal course of business, there are various relatively minor claims and suits pending against the Township, none of which materially affect the financial position of the Township.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

IV. Other information (Continued)

C. Employee retirement systems and pension plans

Plan Description and Membership

The Township sponsors two single employer defined benefit pension plans, the Police Pension Plan and the Non-Uniformed Pension Plan. They are controlled by the provisions of Ordinances No. 49 for the Police and 939 Non-Uniformed, as amended, adopted pursuant to Act 581. These plans are reported as Pension Trust Funds in the accompanying financial statements and do not issue stand-alone reports. The plans are administered by the Township. The most recent valuation was as of January 1, 2023 whose details are discussed below.

Police Pension Defined Benefit Pension Plan - The plan is a contributory, single employer defined benefit plan that covers all full time uniformed police officers of the Township who join the Plan on the date of hire.

Non-Uniformed Defined Benefit Pension Plan - The plan is a contributory, single employer defined benefit plan that covers all full-time employees, except members of the police force, of the Township who join the Plan on December 31 following employment. Township Department Head employees who did not participate in the Plan upon hire date may participate upon approval of the Board.

The plans are governed by the Board of Commissioners which is responsible for the management of plan assets. The Board of Commissioners has appointed a Pension Board for each of the plans as the official bodies to which all related investment matters of the fund are delegated.

At December 31, 2023, Upper Dublin Township Pension Plans consisted of the following:

	<u>Police</u>	Non- <u>Uniformed</u>
Inactive employees (or their beneficiaries) currently receiving benefits (1)	39	42
Inactive employees entitled to benefits but not yet receiving them	2	11
Active employees	<u>37</u>	<u>92</u>
	<u>78</u>	<u>145</u>

(1) There is 1 member in the DROP plan at 12/31/23.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

IV. Other information (Continued)

C. Employee retirement systems and pension plans (continued)

Plan Description and Membership (continued)

The Pension Boards consist of five members, consisting of Township Manager, Township Finance Director, one member of the Board of Commissioners and two participants of the plans. The Board of Commissioners has delegated the authority to manage certain plan assets to PFM Asset Management LLC with Wells Fargo bank as custodian.

Benefits Provided

Non-Uniformed Defined Benefit Pension Plan: The Pension Plan provides retirement and disability benefits for non-uniform full-time employees. A participant is eligible for normal retirement benefits on the first day of the month coincident with or immediately following attainment of age 60. The normal retirement pension is payable monthly during the participant's lifetime, with payments guaranteed for the first 120 months. The amount of monthly pension is equal to 1.35% (1.1667% prior to January 1, 2001) of average monthly pay per year of service – up to 30 years. Average monthly pay is based upon the last 60 months of employment. Overtime pay is included. Participants' benefits vest according to a vesting schedule.

If a participant continues working after the normal retirement date, the pension does not start until the participant actually retires. The late retirement benefit is the greater of the benefit accrued to the retirement date or the actuarial equivalent of the normal retirement benefit. Early retirement is available after age 55 and 10 years of service. The early retirement benefit is the pension accrued to the date of early retirement reduced by 0.5% for each month by which the early retirement date precedes the normal retirement date. A death benefit is payable to a participant's surviving spouse, or beneficiary in an amount equal to the present value of his accrued benefit.

Benefit provisions are established and amended by Pennsylvania law. Administrative costs of the Plan are financed through investment earnings.

The Police Pension Plan offers a Deferred Retirement Option Program (DROP) to officers who are eligible to retire. A member is eligible to enter the DROP program on or after his normal retirement date. Upon entering the DROP program, the member's retirement benefit is frozen and his retirement benefit payments will be deposited into an account that will be credited with interest and paid to the participant in a lump sum at his actual retirement in addition to his monthly pension payments. The member must retire within 48 months after entering the DROP. As of December 31, 2023, there was one member in the DROP plan with assets totaling \$101,927 held in the plan.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

IV. Other information (Continued)

C. Employee retirement systems and pension plans (continued)

Benefits Provided (continued)

Police Pension Defined Benefit Pension Plan: The Pension Fund provides retirement benefits as well as death and disability benefits. All benefits vest after 12 years of credited service. Employees who retire at or after age 50 with 25 years of credited service are entitled to monthly retirement benefit, payable for life, in an amount equal to 50% (60% if retire on or after January 1, 2013) of their average eligible monthly compensation received during the last 36 months of employment (excluding overtime). A member who completes at least 20 years of service and terminates prior to reaching the normal retirement may receive an immediate pension. The pension is the accrued pension, reduced by an actuarial factor to account for early payment. If a participant continues working after his normal retirements date, his pension does not start until he actually retires. The late retirement benefit is the benefit accrued to the late retirement date. A disability pension is available to participants disabled in the line of duty. The disability pension is equal to 50% of the member's monthly salary at the time of disability. If an active member is killed in the line of duty, the Plan provides a monthly death benefit to the surviving spouse, or eligible child equal to 100% of the member's monthly salary at the time of death. If a member is eligible for retirement at the time of death, a monthly death benefit is payable to his surviving spouse, or eligible child, equal to 50% of the monthly benefit the member would have been receiving had he been retired at the time of death. Benefits and contribution provisions are established by Pennsylvania law. Benefit provisions are established and amended by Pennsylvania law. Administrative costs of the Plan are financed through investment earnings.

Measurement Focus and Basis of Accounting

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

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

IV. Other information (Continued)

C. Employee retirement systems and pension plans (continued)

Measurement Focus and Basis of Accounting (continued)

Method Used to Value Investments: In both the Police and Non-Uniform Pension Plans, equity securities are reported at fair value. Fixed income securities are reported at fair value, investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date. Market related value of assets is used to determine the indicated contribution.

Contributions

Non-Uniformed member contributions are not required prior to 2002. For 2002, union employees contribute 1% of pay and non-union employees contributed .5% of pay. Effective January 1, 2003, members shall contribute 1% of pay. Administrative costs and investment costs of the plan are financed through an addition to the Actuarially Determined Employer Contribution.

Police member contributions are determined each year according to funding needs. Member contributions are 5% of pay for 2023. Member contributions are credited with 5% interest. Administrative costs and investment costs of the plan are financed through an addition to the Actuarially Determined Employer Contribution.

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

The Township's annual required contribution is equal to its minimum municipal obligation ("MMO") as calculated in accordance with Pennsylvania law (Act 205 of 1984) less state aid and employee contributions deposited in the pension fund during the year. State law requires that state aid be used first to fund the plan, then employee contributions and finally general Township funds. The Township received state aid, which is recognized as revenue and expenses, in the amount of \$961,602 for the pensions for the year ended December 31, 2023.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

IV. Other information (Continued)

C. *Employee retirement systems and pension plans (continued)*

Investments

Investment Policy: The Pension Board, with the assistance of PFM Asset Management LLC., shall select the appropriate asset weighting percentage to be allocated to each specific asset class. Each asset class shall consist of a combination of investment options that have been made available to obtain the absolute investment objective of the fund. Investments shall be diversified with the intent to minimize the risk of large investment losses. Consequently, the total portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holdings in investment funds specializing in individual issues, issuers, countries, governments or industries.

Rate of Return: For the year ended December 31, 2023, the annual money-weighted rate of return on Plan investments, net of investment expense was 14.47% for police and 14.29% percent for Non-Uniform. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of participating entities at December 31, 2023 were as follows:

	<u>Police</u>	<u>Non-Uniformed</u>
Total pension liability	\$ 37,041,995	\$ 20,429,969
Plan fiduciary net position	<u>(31,039,773)</u>	<u>(17,741,298)</u>
Net pension liability	<u>\$ 6,002,222</u>	<u>\$ 2,688,671</u>
Plan fiduciary net position as a percentage of the total pension liability	83.8%	86.8%

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

IV. Other information (Continued)

C. *Employee retirement systems and pension plans (continued)*

Net Pension Liability (continued)

Actuarial Assumptions: The total pension liability in the January 1, 2023 actuarial valuation for Police was determined using the following economic assumptions, applied to all periods included in the measurement:

	<u>Police</u>	<u>Non-Uniformed</u>	
Inflation	2.25%	2.25%	
Salary Increases	4.5%	4.5%	(average, including inflation)
Investment Rate of Return	7.0%	7.0%	(including inflation)
Postretirement Cost of Living Increase	3.0%	3.0%	

Mortality rates were based on the PUBS-2010 Mortality Tables.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2021 to December 31, 2022.

The net pension liability for the Plans was measured as of December 31, 2023 and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023. For the Non-Uniformed Pension Plan and the Police Pension Plan, no significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

The long-term expected rate of return on pension 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 pension plan 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.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

IV. Other information (Continued)

C. Employee retirement systems and pension plans (continued)

Net Pension Liability (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2022 as summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	39.00%	7.55%
International Equity	15.00%	7.06%
Emerging Equity	6.00%	7.43%
Core Fixed Income	17.50%	4.70%
Intermediate Inv Grade Corp	8.75%	5.40%
High Yield	4.38%	6.79%
Emerging Debt	4.38%	5.96%
Cash	5.00%	<u>2.72%</u>
Total Net Blended Return		3.94%

*Excludes 2.5% inflation assumption

Discount Rate: The discount rate used to measure the total pension liability was 7.0 percent for both Police and Non-Uniformed Pension Plans. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of active and inactive Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

IV. Other information (Continued)

C. *Employee retirement systems and pension plans (continued)*

Net Pension Liability (continued)

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
<u>Police Pension Plan</u>			
Balance at December 31, 2022	\$ 35,645,365	\$ 27,233,441	\$ 8,411,924
Changes for the year:			
Service cost	941,902	-	941,902
Interest	2,413,910	-	2,413,910
Change of benefit terms	-	-	-
Differences between expected and actual experience	(158,831)	-	(158,831)
Change of assumptions	-	-	-
Contributions - employer	-	1,420,538	(1,420,538)
Contributions - employee	-	259,395	(259,395)
Net investment income	-	3,941,450	(3,941,450)
Benefit payments, including refunds of employee contribution:	(1,800,351)	(1,800,351)	-
Administrative expense	-	(14,700)	14,700
Other changes	-	-	-
Net Changes	1,396,630	3,806,332	(2,409,702)
Balance at December 31, 2023	\$ 37,041,995	\$ 31,039,773	\$ 6,002,222

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
<u>Non-Uniformed Pension Plan</u>			
Balance at December 31, 2022	\$ 20,097,484	\$ 15,931,429	\$ 4,166,055
Changes for the year:			
Service cost	491,984	-	491,984
Interest	1,352,161	-	1,352,161
Change of benefit terms	-	-	-
Differences between expected and actual experience	(50,138)	-	(50,138)
Change of assumptions	-	-	-
Contributions - employer	-	920,786	(920,786)
Contributions - employee	-	90,923	(90,923)
Net investment income	-	2,276,682	(2,276,682)
Benefit payments, including refunds of employee contribution:	(1,461,522)	(1,461,522)	-
Administrative expense	-	(17,000)	17,000
Other changes	-	-	-
Net Changes	332,485	1,809,869	(1,477,384)
Balance at December 31, 2023	\$ 20,429,969	\$ 17,741,298	\$ 2,688,671

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

IV. Other information (Continued)

C. *Employee retirement systems and pension plans (continued)*

Net Pension Liability (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of participating entities calculated using the discount rate of 7.0 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount <u>7.00%</u>	1% Increase <u>8.00%</u>
Net pension liability			
Police	\$ 10,839,257	\$ 6,002,222	\$ 1,981,543
Non-Uniformed	4,793,057	2,688,671	883,453

Deferred Outflows and Inflows of Resources: For the year ended December 31, 2023, the Township recognized pension expense of \$913,624 for Police Pension and \$1,267,623 for Non-Uniformed Pension. At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Police Pension</u>		
Differences between expected and actual experience	\$ 144,025	\$ 614,726
Changes in assumptions	998,791	-
Net difference between projected and actual earnings on pension plan investments	<u>1,893,129</u>	<u>-</u>
Total	<u>\$ 3,035,945</u>	<u>\$ 614,726</u>
 <u>Non-Uniformed Pension</u>		
Differences between expected and actual experience	\$ 173,004	\$ 235,454
Changes in assumptions	601,698	-
Net difference between projected and actual earnings on pension plan investments	<u>1,160,349</u>	<u>-</u>
Total	<u>\$ 1,935,051</u>	<u>\$ 235,454</u>

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

IV. Other information (Continued)

C. Employee retirement systems and pension plans (continued)

Deferred Outflows and Inflows of Resources (continued)

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

Year Ended December 31:	<u>Police</u>	<u>Non-Uniformed</u>
2024	\$ 563,719	\$ 305,773
2025	995,213	591,806
2026	1,244,288	841,776
2027	(350,035)	(62,225)
2028	(25,373)	29,747
Thereafter	<u>(6,593)</u>	<u>(7,280)</u>
Total	<u>\$ 2,421,219</u>	<u>\$ 1,699,597</u>

Payable to the Pension Plan: For the year ended December 31, 2023, there was no amount payable for contributions to the pension plan.

D. Other postemployment benefit plans

The Township administers an employer defined benefit plan to provide for certain postretirement healthcare.

In accordance with the Police Labor Contract effective January 25, 1996, the Township implemented a post-retirement healthcare benefit plan for police employees who retire from the Township. All officers will be eligible for coverage upon retirement after reaching the minimum age of 50 years and the completion of 25 years of service. A retired officer's spouse, surviving spouse as long as he/she has not remarried, are also eligible for coverage under the plan. Plan benefits may be amended through Police Labor Contracts.

Description of the Police OPEB Plan

An officer who retires between January 1, 1995 and December 31, 2023 will receive, based on year of retirement a maximum defined benefit amount that may be drawn down by the retiree or the retiree's spouse.

The plan does not issue a stand-alone financial report.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

IV. Other information (Continued)

D. Other postemployment benefit plans (continued)

Funding Policy

The contribution requirements of plan members have been established and may be amended through Police Labor Contracts. Currently retirees are not required to make contributions to the plan. The Township is accounting for these expenditures on a “pay-as-you-go” basis. In 2023 there were contributions of \$178,652 made into the plan by the Township. The amount paid out for insurance premium reimbursements to eligible retirees for the 2023 was \$45,621 under the police plan.

Funded Status and Funding Progress

The Township has elected not to have an actuarial valuation to determine liability. The calculated value of the OPEB liability is \$608,517. This liability number is calculated with the assumptions of employees will retire when they reach eligibility and a 3% rate of inflation. Because the benefit will end December 31, 2023, the difference between the actuarially determined liability and the calculation liability is not material to the financial statements. The Township currently has 16 participants eligible to receive benefits.

E. Municipal life insurance

The Township is required to provide \$5,000 in life insurance coverage for each retired police officer who has completed 25 years of service and reached age 50. During 2023, \$0 was paid out in benefits. At December 31, 2023, the Township has twenty-five retired police officers eligible for this benefit. Any liability is not material to the financial statements.

F. Escrow cash deposits and investments

The Township acts in a custodial capacity with respect to monies deposited with it by developers and others. These monies are held by the Township and used to pay legal, engineering, and other fees incurred on behalf of a specific project. Any unused deposits are returned to the developer upon completion of the project, except for an administrative handling fee. None of the monies received from or expended on behalf of the developers are recorded in the revenues or expenses of the Township. At December 31, 2023, \$1,768,168 represents the balance of these monies held in escrow.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

IV. Other information (Continued)

G. Self-insurance

The Township is self-insured for short-term disability, and general liability claims on the first \$25,000 of any claim; \$100,000 in aggregate per annum. The Township carried liability insurance for amounts not otherwise self-insured. Estimated losses on claims are charged to expense in the period the loss is determinable. For the year ended December 31, 2023, \$31,440 was expensed for short-term disability.

H. Related Party Commitments

Management Agreement: During 2017, the Township signed an intergovernmental agreement with the Authority for provision of services. Under the terms of the agreement, the Township will provide all relevant and related management, administrative insurance accounting, audit, operations and maintenance requirements of the Authority in regard to projects implemented by the Authority. The Authority will pay the employees at their regular Township hourly rates. Other appropriate costs will be passed through to the Authority. The agreement is for the life of the Authority.

I. Subsequent events

The Township has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report which is the date the statements were available for release.

During the first quarter of 2024, the Township entered into commitments totaling approximately \$39 million for the construction of a Township building. Construction will occur in 2024 and 2025 with occupancy expected in late 2025.

**REQUIRED
SUPPLEMENTAL INFORMATION**

UPPER DUBLIN TOWNSHIP

Required Supplemental Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability			
Service cost	\$ 941,902	\$ 818,641	\$ 732,139
Interest	2,413,910	2,338,167	2,303,922
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(158,831)	-	(879,008)
Changes of assumptions	-	-	1,824,238
Benefit payments, including refunds of employee contributions	(1,800,351)	(1,827,649)	(1,801,778)
Net change in total pension liability	1,396,630	1,329,159	2,179,513
Total pension liability - beginning	35,645,365	34,316,206	32,136,693
Total pension liability - ending (a)	<u>\$ 37,041,995</u>	<u>\$ 35,645,365</u>	<u>\$ 34,316,206</u>
Plan fiduciary net position			
Contributions - employer	\$ 1,420,538	\$ 1,409,626	\$ 1,691,490
Contributions - employee	259,395	250,084	241,993
Net investment income	3,941,450	(5,438,797)	3,605,679
Benefit payments, including refunds of employee contributions	(1,800,351)	(1,827,649)	(1,801,778)
Administrative expense	(14,700)	(9,100)	(12,950)
Other	-	-	-
Net change in plan fiduciary net position	3,806,332	(5,615,836)	3,724,434
Plan fiduciary net position - beginning	<u>27,233,441</u>	<u>32,849,277</u>	<u>29,124,843</u>
Plan fiduciary net position - ending (b)	<u>\$ 31,039,773</u>	<u>\$ 27,233,441</u>	<u>\$ 32,849,277</u>
Township's net pension liability - ending (a)-(b)	<u>\$ 6,002,222</u>	<u>\$ 8,411,924</u>	<u>\$ 1,466,929</u>
Plan fiduciary net position as a percentage of the total pension liability	83.80%	76.40%	95.70%
Covered payroll	\$ 5,036,162	\$ 4,878,802	\$ 4,840,600
Township's net pension liability as a percentage of covered payroll	119.18%	172.42%	30.30%
Annual money-weighted return, net of investment expenses	14.47%	-16.56%	12.38%

Notes to Schedule:

Change in benefit terms: Survivor benefit increased from 50% to 60% for retirement after January 1, 2015.

Assumption changes: In 2017, the mortality assumption was changed from the RP-2000 Table to the IRS 2017 Static Combined Table for Small Plans. In 2021, the interest rate assumption was lowered from 7.50% to 7.00% per annum and the mortality assumption was changed from the IRS 2017 Static Combined Table for Small Plans to the PubS-2010.

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	694,842	\$ 664,921	\$ 543,171	\$ 519,781	\$ 523,875	\$ 498,929	\$ 445,157
	2,305,694	2,227,794	2,145,237	2,060,024	2,026,830	1,910,898	1,872,117
	-	-	-	-	-	170,470	-
	-	517,140	-	(817,715)	-	(446,659)	-
	-	-	-	732,632	-	-	-
	<u>(1,823,178)</u>	<u>(1,944,763)</u>	<u>(2,508,302)</u>	<u>(1,860,402)</u>	<u>(1,180,156)</u>	<u>(1,088,455)</u>	<u>(1,220,211)</u>
	1,177,358	1,465,092	180,106	634,320	1,370,549	1,045,183	1,097,063
	<u>30,959,335</u>	<u>29,494,243</u>	<u>29,314,137</u>	<u>28,679,817</u>	<u>27,309,268</u>	<u>26,264,085</u>	<u>25,167,022</u>
\$	<u>32,136,693</u>	<u>30,959,335</u>	<u>29,494,243</u>	<u>29,314,137</u>	<u>28,679,817</u>	<u>27,309,268</u>	<u>26,264,085</u>
\$	1,667,790	\$ 1,400,109	\$ 1,596,391	\$ 798,522	\$ 730,499	\$ 734,786	\$ 591,310
	231,020	222,252	209,833	191,424	185,329	177,274	180,737
	4,031,767	4,236,462	(1,148,870)	3,133,542	1,141,897	48,932	1,048,687
	(1,823,178)	(1,944,763)	(2,508,302)	(1,860,402)	(1,180,156)	(1,088,455)	(1,220,211)
	(8,500)	(16,750)	(5,995)	(16,430)	(6,920)	(8,430)	(3,170)
	-	-	-	-	-	-	-
	<u>4,098,899</u>	<u>3,897,310</u>	<u>(1,856,943)</u>	<u>2,246,656</u>	<u>870,649</u>	<u>(135,893)</u>	<u>597,353</u>
	<u>25,025,944</u>	<u>21,128,634</u>	<u>22,985,577</u>	<u>20,738,921</u>	<u>19,868,272</u>	<u>20,004,165</u>	<u>19,406,812</u>
\$	<u>29,124,843</u>	<u>25,025,944</u>	<u>21,128,634</u>	<u>22,985,577</u>	<u>20,738,921</u>	<u>19,868,272</u>	<u>20,004,165</u>
\$	<u>3,011,850</u>	<u>5,933,391</u>	<u>8,365,609</u>	<u>6,328,560</u>	<u>7,940,896</u>	<u>7,440,996</u>	<u>6,259,920</u>
	90.60%	80.80%	72%	78.4%	72.3%	72.8%	76.2%
\$	4,632,072	\$ 4,315,868	\$ 3,934,892	\$ 3,875,595	\$ 3,602,643	\$ 3,680,011	\$ 3,614,738
	65%	137.50%	212.6%	163.3%	220.4%	202.2%	173.2%
	16.11%	19.70%	-5.00%	15.80%	6.20%	-0.76%	3.68%

UPPER DUBLIN TOWNSHIP

Required Supplemental Information

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS –
NON-UNIFORMED PENSION PLAN

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability			
Service cost	\$ 491,984	\$ 481,344	\$ 430,482
Interest	1,352,161	1,312,905	1,283,086
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(50,138)	-	296,577
Changes of assumptions	-	-	1,031,484
Benefit payments, including refunds of employee contributions	<u>(1,461,522)</u>	<u>(905,113)</u>	<u>(809,083)</u>
Net change in total pension liability	332,485	889,136	2,232,546
Total pension liability - beginning	<u>20,097,484</u>	<u>19,208,348</u>	<u>16,975,802</u>
Total pension liability - ending (a)	<u>\$ 20,429,969</u>	<u>\$ 20,097,484</u>	<u>\$ 19,208,348</u>
Plan fiduciary net position			
Contributions - employer	\$ 920,786	\$ 908,360	\$ 959,518
Contributions - employee	90,923	81,869	69,321
Net investment income	2,276,682	(3,199,107)	2,041,373
Benefit payments, including refunds of employee contributions	(1,461,522)	(905,113)	(809,083)
Administrative expense	(17,000)	(10,100)	(15,250)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	1,809,869	(3,124,091)	2,245,879
Plan fiduciary net position - beginning	<u>\$ 15,931,429</u>	<u>\$ 19,055,520</u>	<u>16,809,641</u>
Plan fiduciary net position - ending (b)	<u>\$ 17,741,298</u>	<u>\$ 15,931,429</u>	<u>\$ 19,055,520</u>
Township's net pension liability - ending (a)-(b)	<u>\$ 2,688,671</u>	<u>\$ 4,166,055</u>	<u>\$ 152,828</u>
Plan fiduciary net position as a percentage of the total pension liability	86.84%	79.27%	99%
Covered payroll	\$ 6,406,488	\$ 6,051,530	\$ 5,642,500
Township's net pension liability as a percentage of covered payroll	41.97%	68.84%	2.7%
Annual money-weighted return, net of investment expenses	14.29%	-16.79%	12.14%

Notes to Schedule:

Change in benefit terms: None since 1/1/2013

Assumption changes: In 2017, the mortality assumption was changed from the RP-2000 Table to the IRS 2017 Static Combined Table for Small Plans. In 2021, the interest rate assumption was lowered from 7.50% to 7.00% per annum and the mortality assumption was changed from the IRS 2017 Static Combined Table for Small Plans to the PubS-2010.

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	368,167	\$ 352,313	\$ 388,596	\$ 371,862	\$ 296,850	\$ 284,067	\$ 292,409
	1,207,052	1,139,902	1,127,528	1,055,866	911,300	864,270	815,664
	-	-	-	-	-	-	-
	-	(779,234)	-	554,402	-	409,073	-
	-	-	-	546,269	-	-	-
	<u>(650,548)</u>	<u>(574,916)</u>	<u>(496,350)</u>	<u>(481,563)</u>	<u>(431,032)</u>	<u>(637,065)</u>	<u>(1,084,393)</u>
	924,671	138,065	1,019,774	2,046,836	777,118	920,345	23,680
	16,051,131	15,913,066	14,893,292	12,846,456	12,069,338	11,148,993	11,125,313
\$	<u>16,975,802</u>	<u>\$ 16,051,131</u>	<u>\$ 15,913,066</u>	<u>\$ 14,893,292</u>	<u>\$ 12,846,456</u>	<u>\$ 12,069,338</u>	<u>\$ 11,148,993</u>
\$	976,288	\$ 966,703	\$ 1,582,203	\$ 660,457	\$ 648,691	\$ 629,792	\$ 498,923
	57,115	58,149	58,778	54,648	51,766	51,472	48,045
	2,276,592	2,286,428	(644,177)	1,405,232	498,837	20,823	426,583
	(650,548)	(574,916)	(496,350)	(481,563)	(431,032)	(637,065)	-
	(9,500)	(15,550)	(9,740)	(15,935)	(9,470)	(15,350)	(1,084,393)
	-	-	-	-	-	-	(4,450)
	2,649,947	2,720,814	490,714	1,622,839	758,792	49,672	(115,292)
	14,159,694	11,438,880	10,948,166	9,325,327	8,566,535	8,516,863	8,632,155
\$	<u>16,809,641</u>	<u>\$ 14,159,694</u>	<u>\$ 11,438,880</u>	<u>\$ 10,948,166</u>	<u>\$ 9,325,327</u>	<u>\$ 8,566,535</u>	<u>\$ 8,516,863</u>
\$	<u>166,161</u>	<u>\$ 1,891,437</u>	<u>\$ 4,474,186</u>	<u>\$ 3,945,126</u>	<u>\$ 3,521,129</u>	<u>\$ 3,502,803</u>	<u>\$ 2,632,130</u>
	99%	88.20%	71.90%	73.5%	72.6%	71.0%	76.4%
\$	5,960,074	\$ 5,675,163	\$ 5,346,903	\$ 5,527,106	\$ 5,089,310	\$ 5,508,235	\$ 4,817,117
	2.8%	33.30%	83.70%	71.4%	69.2%	63.6%	54.6%
	16.08%	19.99%	-5.88%	15.69%	6.24%	-0.76%	3.68%

UPPER DUBLIN TOWNSHIP

Required Supplemental Information

SCHEDULE OF CONTRIBUTIONS - POLICE PENSION PLAN

<u>Fiscal</u> <u>Year Ended</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Employer</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Payroll</u>	<u>Contribution as</u> <u>a Percentage</u> <u>of Covered</u> <u>Payroll</u>
2014	\$ 591,310	\$ 591,310	\$ -	\$ 3,614,738	16.36%
2015	734,786	734,786	-	3,680,011	19.97%
2016	730,499	730,499	-	3,602,643	20.28%
2017	798,522	798,522	-	3,875,595	20.60%
2018	818,591	1,596,391	(777,800)	3,934,892	40.57%
2019	1,400,109	1,400,109	-	4,315,868	32.44%
2020	1,667,790	1,667,790	-	4,632,072	36.01%
2021	1,687,610	1,691,490	(3,880)	4,840,600	34.94%
2022	1,409,626	1,409,626	-	4,878,802	28.89%
2023	1,420,538	1,420,538	-	5,036,162	30.37%

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	5 years
Asset valuation method	5 year smoothing
Inflation	2.25%
Projected salary increases	4.5%, average, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Retirement age	Age 51 and completion of 29 years of service
Mortality	PUBS-2010 Mortality Tables

Change in benefit terms: Survivor benefit increased from 50% to 60% for retirement after January 1, 2015.

Mortality rates were based on the IRS 2017 Static Combined Tables for Small Plans. This was an assumption change from the RP-2000 Table.

UPPER DUBLIN TOWNSHIP

Required Supplemental Information

SCHEDULE OF CONTRIBUTIONS - NON-UNIFORMED PENSION PLAN

<u>Fiscal Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2014	\$ 498,923	\$ 498,923	\$ -	\$ 4,817,117	10.36%
2015	629,792	629,792	-	5,508,235	11.43%
2016	648,691	648,691	-	5,089,310	12.75%
2017	660,457	660,457	-	5,527,106	12.95%
2018	660,003	1,582,203	(922,200)	5,346,903	29.59%
2019	966,703	966,703	-	5,675,163	17.03%
2020	976,288	976,288	-	5,960,074	16.38%
2021	959,518	959,518	-	5,642,500	17.01%
2022	908,340	908,360	(20)	6,051,530	15.01%
2023	920,786	920,786	-	6,406,488	14.37%

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	5 years
Asset valuation method	5 year smoothing
Inflation	2.25%
Projected salary increases	4.5%, average, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Retirement age	Age 62
Mortality	PUBS-2010 Mortality Tables

Change in benefit terms: None

Mortality rates were based on the IRS 2017 Static Combined Tables for Small Plans. This was an assumption change from the RP-2000 Table.

UPPER DUBLIN TOWNSHIP

COMBINING BALANCE SHEET NONMAJOR
GOVERNMENTAL FUNDS

December 31, 2023

	<u>Special Revenue Funds</u>			
	<u>Fire Protection</u>	<u>Library</u>	<u>Highway Aid</u>	<u>Total</u>
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 312	\$ 76,335	\$ 10,968	\$ 87,615
Receivables	41,218	10,712	-	51,930
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 41,530</u>	 <u>\$ 87,047</u>	 <u>\$ 10,968</u>	 <u>\$ 139,545</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable and accrued wages	\$ 15,984	\$ 78,007	\$ -	\$ 93,991
Due to other funds	-	-	-	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>15,984</u>	<u>78,007</u>	<u>-</u>	<u>93,991</u>
 Fund Balances				
Restricted for				
Public safety	25,546	-	-	25,546
Public works	-	-	10,968	10,968
Culture and recreation	-	9,040	-	9,040
Assigned for				
Public works	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>25,546</u>	<u>9,040</u>	<u>10,968</u>	<u>45,554</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 41,530</u>	 <u>\$ 87,047</u>	 <u>\$ 10,968</u>	 <u>\$ 139,545</u>

<u>Capital Projects Funds</u>				<u>Total Nonmajor Governmental Funds</u>
<u>ARPA</u>	<u>Equipment Insurance</u>	<u>Fire Capital</u>	<u>Total</u>	
\$ 1,490,379	\$ 113	\$ 1,032,912	\$ 2,523,404	\$ 2,611,019
-	-	-	-	51,930
-	-	-	-	-
<u>\$ 1,490,379</u>	<u>\$ 113</u>	<u>\$ 1,032,912</u>	<u>\$ 2,523,404</u>	<u>\$ 2,662,949</u>
\$ 18,319	\$ 113	\$ 7,746	\$ 26,178	\$ 120,169
-	-	-	-	-
<u>1,314,834</u>	<u>-</u>	<u>-</u>	<u>1,314,834</u>	<u>1,314,834</u>
<u>1,333,153</u>	<u>113</u>	<u>7,746</u>	<u>1,341,012</u>	<u>1,435,003</u>
-	-	1,025,166	1,025,166	1,050,712
-	-	-	-	10,968
-	-	-	-	9,040
157,226	-	-	157,226	157,226
-	-	-	-	-
<u>157,226</u>	<u>-</u>	<u>1,025,166</u>	<u>1,182,392</u>	<u>1,227,946</u>
<u>\$ 1,490,379</u>	<u>\$ -</u>	<u>\$ 1,032,912</u>	<u>\$ 2,523,404</u>	<u>\$ 2,662,949</u>

UPPER DUBLIN TOWNSHIP

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

For the Year Ended December 31, 2023

	Special Revenue Funds			
	Fire		Highway	
	Protection	Library	Aid	Total
Revenues				
Taxes:				
Real estate	\$ 1,519,145	\$ 1,310,734	\$ -	\$ 2,829,879
Investment income and rent	10,700	12,600	26,398	49,698
Grants	-	107,533	812,262	919,795
Charges for services	24,769	3,844	-	28,613
Other	-	4,866	-	4,866
Total Revenues	1,554,614	1,439,577	838,660	3,832,851
Expenditures				
Current:				
General government	-	-	-	-
Public safety	581,019	-	-	581,019
Culture and recreation	-	1,604,299	-	1,604,299
Capital projects	-	-	-	-
Total Expenditures	581,019	1,604,299	-	2,185,318
Excess (Deficiency) of Revenues Over Expenditures	973,595	(164,722)	838,660	1,647,533
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(949,500)	-	(828,226)	(1,777,726)
Total Other Financing Sources (Uses)	(949,500)	-	(828,226)	(1,777,726)
Net Change in Fund Balances	24,095	(164,722)	10,434	(130,193)
Fund Balance - Beginning	1,451	173,762	534	175,747
Fund Balance - Ending	\$ 25,546	\$ 9,040	\$ 10,968	\$ 45,554

<u>Capital Projects Funds</u>				<u>Total Nonmajor Governmental Funds</u>
<u>ARPA</u>	<u>Equipment Insurance</u>	<u>Fire Capital</u>	<u>Total</u>	
\$ -	\$ -	\$ -	\$ -	\$ 2,829,879
124,425	-	22,000	146,425	196,123
73,237	-	-	73,237	993,032
-	-	-	-	28,613
-	120,519	-	120,519	125,385
<u>197,662</u>	<u>120,519</u>	<u>22,000</u>	<u>340,181</u>	<u>4,173,032</u>
-	120,519	-	120,519	120,519
-	-	-	-	581,019
-	-	-	-	1,604,299
<u>73,237</u>	<u>-</u>	<u>1,793,924</u>	<u>1,867,161</u>	<u>1,867,161</u>
<u>73,237</u>	<u>120,519</u>	<u>1,793,924</u>	<u>1,987,680</u>	<u>4,172,998</u>
<u>124,425</u>	<u>-</u>	<u>(1,771,924)</u>	<u>(1,647,499)</u>	<u>34</u>
-	-	213,500	213,500	213,500
-	-	-	-	(1,777,726)
-	-	213,500	213,500	(1,564,226)
124,425	-	(1,558,424)	(1,433,999)	(1,564,192)
32,801	-	2,583,590	2,616,391	2,792,138
<u>\$ 157,226</u>	<u>\$ -</u>	<u>\$ 1,025,166</u>	<u>\$ 1,182,392</u>	<u>\$ 1,227,946</u>

UPPER DUBLIN TOWNSHIP

COMBINING STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS

For the Year Ended December 31, 2023

	Pension and Other Employee Benefit Trust Funds				Private Purpose Trust Funds
	Police Pension	Municipal Pension	Police Life Insurance	Total	Cheston Trust
<u>ASSETS</u>					
Current Assets					
Cash	\$ 704,521	\$ 425,762	\$ 38,591	\$ 1,168,874	\$ 57,844
Receivables					
Accrued interest	18,259	10,174	-	28,433	-
Total Receivables	18,259	10,174	-	28,433	-
Investments					
Mutual funds	30,316,993	17,305,362	-	47,622,355	-
Total Current Assets	31,039,773	17,741,298	38,591	48,819,662	57,844
<u>LIABILITIES</u>					
Accounts payable	-	-	-	-	-
Total Liabilities	-	-	-	-	-
<u>NET POSITION</u>					
Restricted for					
Assets held in trust for pension and other post employment benefits	31,039,773	17,741,298	38,591	48,819,662	-
Individual, organizations, and developers	-	-	-	-	57,844
Total net position	\$ 31,039,773	\$ 17,741,298	\$ 38,591	\$ 48,819,662	\$ 57,844

Private Purpose Trust Funds					Custodial	Total
Dannenberg Trust	Bauman Trust	Kayser Scholarship	North Hills	Total	General Escrow	Fiduciary Funds
\$ 158,253	\$ 21,215	\$ 4,147	\$ 18,944	\$ 260,403	\$ 1,778,980	\$ 3,208,257
-	-	-	-	-	-	28,433
-	-	-	-	-	-	28,433
-	-	-	-	-	-	47,622,355
<u>158,253</u>	<u>21,215</u>	<u>4,147</u>	<u>18,944</u>	<u>260,403</u>	<u>1,778,980</u>	<u>50,859,045</u>
-	-	-	-	-	10,812	10,812
-	-	-	-	-	10,812	10,812
-	-	-	-	-	-	48,819,662
<u>158,253</u>	<u>21,215</u>	<u>4,147</u>	<u>18,944</u>	<u>260,403</u>	<u>1,768,168</u>	<u>2,028,571</u>
<u>\$ 158,253</u>	<u>\$ 21,215</u>	<u>\$ 4,147</u>	<u>\$ 18,944</u>	<u>\$ 260,403</u>	<u>\$ 1,768,168</u>	<u>\$ 50,848,233</u>

UPPER DUBLIN TOWNSHIP

COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION - FIDUCIARY FUNDS

For the Year Ended December 31, 2023

	<u>Pension and Other Employee Benefit Trust Funds</u>				<u>Private Purpose Trust Funds</u>	
	<u>Police Pension</u>	<u>Municipal Pension</u>	<u>Police Life Insurance</u>	<u>Total</u>	<u>D.A.R.E</u>	<u>Cheston Trust</u>
Additions						
Contributions						
Member contributions	\$ 259,395	\$ 90,923	\$ -	\$ 350,318	\$ -	\$ -
Employer contributions	977,618	402,104	-	1,379,722	-	-
State contributions	442,920	518,682	-	961,602	-	-
Escrow receipts	-	-	-	-	-	-
Other contributions/additions	-	-	-	-	-	500
Total Contributions	<u>1,679,933</u>	<u>1,011,709</u>	<u>-</u>	<u>2,691,642</u>	<u>-</u>	<u>500</u>
Investment Earnings						
Net appreciation (depreciation) in fair value of investments	3,129,937	1,858,323	-	4,988,260	-	-
Investment income	<u>899,487</u>	<u>469,391</u>	<u>-</u>	<u>1,368,878</u>	<u>16</u>	<u>1,008</u>
Total Investment Earnings	4,029,424	2,327,714	-	6,357,138	16	1,008
Less investment expense	<u>87,975</u>	<u>51,032</u>	<u>-</u>	<u>139,007</u>	<u>-</u>	<u>-</u>
Net Investment Income	<u>3,941,449</u>	<u>2,276,682</u>	<u>-</u>	<u>6,218,131</u>	<u>16</u>	<u>1,008</u>
Total Additions	<u>5,621,382</u>	<u>3,288,391</u>	<u>-</u>	<u>8,909,773</u>	<u>16</u>	<u>1,508</u>
Deductions						
Benefits	1,754,157	1,461,522	-	3,215,679	-	-
Lump Sum DROP Distributions	46,193	-	-	46,193	-	-
Escrow disbursements	-	-	-	-	-	-
Miscellaneous expense	<u>14,700</u>	<u>17,000</u>	<u>-</u>	<u>31,700</u>	<u>1,917</u>	<u>3,059</u>
Total Deductions	<u>1,815,050</u>	<u>1,478,522</u>	<u>-</u>	<u>3,293,572</u>	<u>1,917</u>	<u>3,059</u>
Change in Net Position	3,806,332	1,809,869	-	5,616,201	(1,901)	(1,551)
Net Position						
Beginning of Year	<u>27,233,441</u>	<u>15,931,429</u>	<u>38,591</u>	<u>43,203,461</u>	<u>1,901</u>	<u>59,395</u>
End of Year	<u>\$ 31,039,773</u>	<u>\$ 17,741,298</u>	<u>\$ 38,591</u>	<u>\$ 48,819,662</u>	<u>\$ -</u>	<u>\$ 57,844</u>

Private Purpose Trust Funds					Custodial	Total
Dannenberg	Bauman	Kayser	North		Escrow	Fiduciary
Trust	Trust	Scholarship	Hills	Total	Funds	Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,318
-	-	-	-	-	-	1,379,722
-	-	-	-	-	-	961,602
-	-	-	-	-	3,060,432	3,060,432
-	-	-	-	500	-	500
-	-	-	-	500	3,060,432	5,752,574
-	-	-	-	-	-	4,988,260
1,973	394	86	378	3,855	-	1,372,733
1,973	394	86	378	3,855	-	6,360,993
-	-	-	-	-	-	139,007
1,973	394	86	378	3,855	-	6,221,986
1,973	394	86	378	4,355	3,060,432	11,974,560
-	-	-	-	-	-	3,215,679
-	-	-	-	-	-	46,193
-	-	-	-	-	6,291,299	6,291,299
-	-	300	1,000	6,276	-	37,976
-	-	300	1,000	6,276	6,291,299	9,591,147
1,973	394	(214)	(622)	(1,921)	(3,230,867)	2,383,413
156,280	20,821	4,361	19,566	262,324	4,999,035	48,464,820
\$ 158,253	\$ 21,215	\$ 4,147	\$ 18,944	\$ 260,403	\$ 1,768,168	\$ 50,848,233