

**THE TOWNSHIP OF UPPER DARBY**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**



CYNTHIA FELZER LEITZELL, CPA  
STELLA C. ECONOMIDIS, CEA

LEITZELL & ECONOMIDIS, PC  
CERTIFIED PUBLIC ACCOUNTANTS

THE TOWNSHIP OF UPPER DARBY  
YEAR ENDED DECEMBER 31, 2013

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CYNTHIA FELZER LEITZELL, CPA  
STELLA C. ECONOMIDIS, CEA

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## INDEPENDENT AUDITOR'S REPORT

To the Township Council  
Upper Darby Township  
Upper Darby, Pennsylvania

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Upper Darby, Upper Darby, Pennsylvania, as of and for the year ended December 31, 2013, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



CYNTHIA FELZER LEITZELL, CPA  
STELLA C. ECONOMIDIS, CPA

**LEITZELL & ECONOMIDIS, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Upper Darby, Upper Darby, Pennsylvania as of December 31, 2013, and the respective changes in its financial position, and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and pension plan trend information on pages 4 through 13 and 55 through 62 presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Upper Darby's financial statements. The combining non-major fund financial statements (pages 69 through 72), selected individual fund information (pages 73 through 81), schedule of COSA fund (page 83), the Statement of Sources and Status of Funds and Statement of Program Costs (pages 84 through 91) are presented for purposes of additional analysis and are not a required part of the financial statements. The combining non-major fund financial statements, the selected individual fund information, schedule of COSA fund, the Statement of Sources and Status of Funds and Statement of Program Costs are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the selected individual fund information, schedule of COSA fund, the Statement of Sources and Status of Funds and Statement of Program Costs are fairly stated in all material respects in relation to the financial statements as a whole.



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STELLA C. ECONOMIDIS, CPA

**LEITZELL & ECONOMIDIS, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2014, on our consideration of the Township of Upper Darby, Upper Darby, Pennsylvania's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Upper Darby, Upper Darby, Pennsylvania's internal control over financial reporting and compliance.

*Leitzell & Economidis PC*

LEITZELL & ECONOMIDIS, PC  
Certified Public Accountants

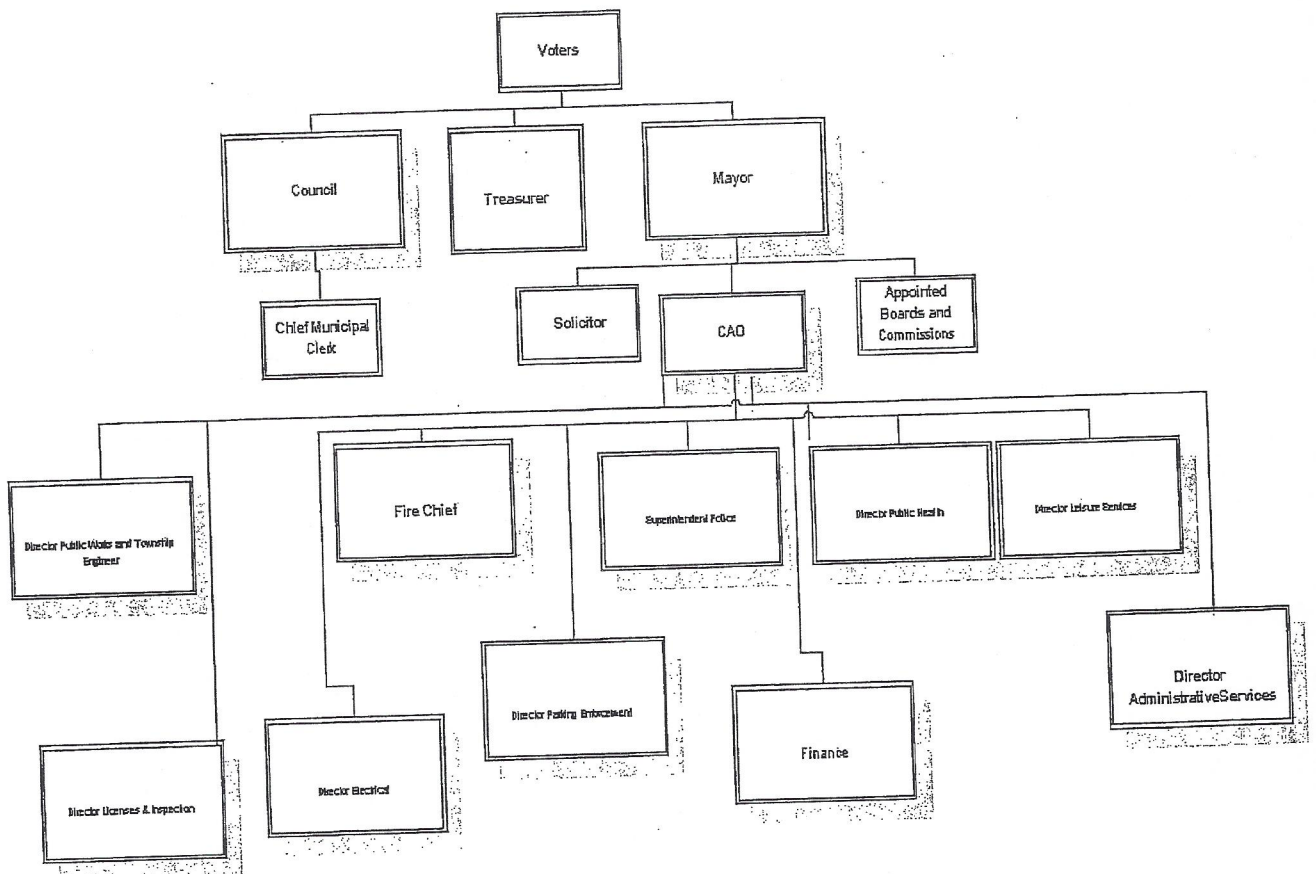
June 30, 2014

**THE TOWNSHIP OF UPPER DARBY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
(UNAUDITED)**

This Management's Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of the financial activities of the Township of Upper Darby for the year ended December 31, 2013. The Township's financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow. This discussion focuses on the Township's primary government. Component units are not included in this discussion.

Upper Darby Township operates under a Home Rule Charter. Following is an organizational chart detailing the governmental and administrative structure of the Township.

### Upper Darby Township





## FINANCIAL HIGHLIGHTS

Council and Management believe the Township's financial condition continues to be strong despite signs of the challenging economic circumstances. Performance has exceeded budgetary and other expectations.

- On the government-wide basis, the Township's net position decreased (\$68,559,094) This was a decrease in net position from 2012 to 2013 once again resulting principally from the adoption of Government Accounting Standards Board Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" (OPEB), which represented \$15,889,396 in expense within the government-wide statements that are not reflected in the governmental funds pursuant to generally accepted accounting principles. The governmental funds reported an excess of revenue over expenditures in the amount of \$825,264 including \$2,006,347 in capital related expenditures relative to recreational needs, community development, highways, streets and sewers and other departmental capital costs. Of that amount, \$1,221,180 was made part of capitalized assets within the government-wide statement.
- The Township's investment in its capital lease with the Philadelphia Water Department for wastewater treatment decreased this period by \$413,848. This represents the book value of those assets over the related depreciation and additional capital costs.
- During the year, the Township's operating revenue on the government wide statements increased to \$76,946,283, an approximate 6.4% increase. Charges for services and grant awards did increase somewhat but remained stable and consistent from 2012 to 2013. Increased revenue represented primarily increased tax, both real estate and local enabling taxes. Operating expenses without regard to the OPEB charges and not including allocated and non-allocated depreciation and amortization in the government-wide statements (\$1,439,145 net) increased approximately 3.7% primarily in the general governmental expenses (including benefits and insurance) and public safety (inclusive of pension obligations for police and fire personnel).
- Revenues for the Township's governmental fund activities increased \$4,497,421 in total (approximately 6%), while total governmental fund expenditures increased correspondingly by \$3,796,140 over the previous year, approximately five percent. Revenues showed marked increases in tax collection (which is reflective of increased millage and collection efforts) sewer fees. Operating and entitlement grants were slightly increased this period as well as Commonwealth contributions for pension funding. Investment earnings remained low as a result of market conditions. Community development costs were reduced corresponding to the reduced grant activity.
- At the close of this fiscal year, unassigned fund balance in the General Fund was \$4,582,250, or 7.32% of total General Fund expenditures or 7.2% of total General Fund revenues.

- The General Fund activities resulted in a surplus of \$1,028,506 despite a decrease within the general fund of intergovernmental support. Investment earnings as noted above continue to decrease as a result of market conditions. Revenues as a whole were slightly under budget—particularly in regard to grants and entitlements, local enabling taxes as well as license and permits. Management maintained expenditures significantly below budgeted levels. The Township was able to utilize less of its fund balance for operations than that budgeted.
- Sewer Fund revenues increased primarily as a result of increased sewer rental fee collection. Other municipality reimbursements for joint sewer treatment costs reduced somewhat this period as a result of lower treatment costs. Expenditures decreased over the prior year primarily in the areas of treatment costs and debt service.
- Tax collection increased during the period resulting from enhanced collection and a tax increase of less than one mill.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves. This MD&A represents management's analysis of the Township's financial condition and performance. Summary financial statement data and other management tools were utilized for analysis.

#### **Government-wide financial statements.**

The Township's report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. These statements are intended to provide the reader with a broad overview of the Township's finances, similar to the perspective found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The *Statement of Net Position* includes all of the Township's assets and liabilities, as well as its deferred outflows and inflows of resources. The difference between net assets plus deferred outflows of resources less liabilities and deferred inflows of resources is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating.

The second statement, the *Statement of Activities* presents information on how the Township's net position has changed during the most recent fiscal year. All of the current year revenue and expenses are included regardless of when cash is received or paid. Revenues and expenses are reported in this statement for some items that will result in cash flows in subsequent fiscal periods, such as uncollected taxes. An

important purpose of this statement is to show the financial reliance of the Township's distinct functions on revenues provided by various sources.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and intergovernmental revenue, such as grants, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, highways and streets, sewers and culture and recreation. The government-wide financial statements include not only the Township itself, but also a legally separate library for which the Township is financially accountable, as well as a not-for-profit entity which has significant financial and programmatic interdependency with the Township itself. Financial information for those component units is reported separately from the financial information presented for the Township itself.

The fiduciary activities such as the Library Trust Fund, employee pension plans and a self-insurance trust fund are not included in the government-wide statements since these assets are not available to fund the Township's programs. Further, the pension plans are each administered independently with their own Boards of Trustees and are reported on separately as well as being presented herein. Such full reports are available from the Boards of the respective plans.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the Township's most significant *funds*—not the Township as a whole. The funds are an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Major funds are separately reported, while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in the supplemental information section of this report.

The Township has two types of funds - governmental funds and fiduciary funds. The Township itself does not have any proprietary funds. A proprietary fund is a fund in which customers are charged fees for specific services. Although a separate assessment is charged through the Sewer Fund, historically the Township has considered this a governmental fund due to the nature and intent of the activities.

*Governmental Funds* - Most all of the Township's basic services are included in the governmental funds, which are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, the governmental fund statements focus on a detailed short-term view that helps determine whether there are sufficient financial resources that are available at the end of the fiscal year or that can be spent in the near future to finance the programs and commitments of the Township. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided subsequent to the governmental funds statement to reconcile the differences between the two statements.

The Township maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, sewer fund, highway aid fund, two capital project funds and a sinking fund (debt service fund), all of which are considered to be major funds. Information relative to the other governmental funds is combined into a single, aggregated presentation titled "Non-Major Governmental Funds". Individual fund information for each of the nonmajor governmental funds as well as detailed information on the General fund is provided in the form of combining statements in supplemental information to this report.

*Fiduciary Funds* - The Township has five fiduciary funds. The resources of the Library Trust Fund are intended for the support of the Upper Darby Township and Sellers Memorial Free Public Library. The Township is responsible for ensuring that the assets that flow through and are reported in this fund are used for its intended purpose. The Township has three independent pension plans, the Police Pension Plan, the Municipal Employees Pension Plan and the Firefighters' Pension Plan. While each of these have their own independent Board of Trustees, the Township has chosen to report them herein as fiduciary funds because of the Plans' dependency on the Minimum Municipal Obligation provided each year by the Township for funding requirements. The final fiduciary fund represents funds held for self-insurance purposes relative to workers' compensation requirements. These fiduciary funds are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The activities of these funds are not a part of the government wide financial statements since the Township cannot use these assets to finance its operations.

*Notes to Financial Statements* - The notes to the financial statements provide required disclosures and other information essential to a full understanding of the material data provided in the government wide and fund financial statements. The notes present information about the Township's accounting policies, significant accounts and activities, obligations, commitments and subsequent events, if any.

### **Budgetary Highlights**

The Township adopted an annual appropriated budget for its General Fund, Sewer Rental, Highway Aid and Debt Service Fund. There was reallocation of budgetary amounts during the period as approved by Council. A budgetary comparison statement has been provided for those funds with legally adopted budgets to demonstrate budgetary compliance, such statements reflecting both original and final budget presentations.

### **FINANCIAL ANALYSIS OF THE TOWNSHIP**

The following comparative condensed financial data serve as indicators of the Township's financial health or financial position. Table 1 below shows a condensed version of the Township's Net Position. The component change in net position is shown below in Table 2 as a condensed *Statement of Revenue, Expenses and Changes in Net Position*. Table 3 provides a comparative of the components of the capital assets from 2012 to 2013. Table 4 shows changes in outstanding bonded debt from 2012 to 2013.

**TABLE 1**  
**SUMMARY OF NET ASSETS**  
**DECEMBER 31,**

	<b>2013</b>	<b>2012</b>
Current assets	\$ 20,871,815	\$ 19,742,392
Capital assets, net	25,105,591	25,339,278
Restricted assets	151,696	203,806
Other assets	<u>7,463,626</u>	<u>7,763,678</u>
Total assets	53,592,728	53,049,154
Current liabilities	2,173,200	1,937,699
Noncurrent liabilities	<u>119,862,417</u>	<u>106,968,086</u>
Total liabilities	<u>122,035,617</u>	<u>108,905,785</u>
Deferred inflows of resources	<u>13,785</u>	<u>16,082</u>
Net position invested in capital assets	15,741,421	11,433,956
Restricted net assets	5,390,271	7,999,771
Unrestricted	<u>(89,690,786)</u>	<u>(75,306,440)</u>
Total net position	<u><u>\$(68,559,094)</u></u>	<u><u>\$(55,872,713)</u></u>

**TABLE 2**  
**SUMMARY OF CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED DECEMBER 31,**

	2013	2012
<b>Revenues</b>		
Property taxes	\$ 47,691,570	\$ 44,351,860
Local enabling taxes	2,670,010	2,555,041
Charges for services	18,784,684	18,622,640
Operating grants	6,918,483	6,713,103
Rent	187,337	210,020
Interest	1,608	15,163
Gain on disposal of assets	23,802	-
Miscellaneous	668,789	508,930
Total revenues	<u>76,946,283</u>	<u>72,976,757</u>
<b>Operating expenses</b>		
General government	13,140,847	12,457,210
Public safety	36,705,997	34,548,570
Sewers	6,946,324	7,235,487
Highway and streets	1,702,646	1,655,462
Sanitation	4,457,832	3,973,265
Community development	1,980,446	2,191,455
Public works	3,932,151	3,959,377
Leisure services	2,728,532	2,881,388
Library contribution	1,227,080	1,163,742
Interest	450,276	565,893
Loss on disposal of assets	-	9,975
Post employment benefits	15,889,396	17,745,110
Unallocated depreciation/amortization	66,789	67,069
Total program/function	<u>89,228,316</u>	<u>88,454,003</u>
Excess of total revenues over (under) expenses	(12,282,033)	(15,477,246)
Contributed capital	9,500	-
Increase (decrease) in investment net of contribution	<u>(413,848)</u>	<u>(702,127)</u>
Change in net position	<u><u>\$ (12,695,881)</u></u>	<u><u>\$ (16,179,373)</u></u>

The Township's capital assets increased by \$840,399 net of deletions from 2012 to 2013 including construction in progress. Total fixed assets at December 31, 2013 were valued at \$62,011,697 before depreciation.

**TABLE 3**  
**CHANGES IN CAPITAL ASSETS INCLUDING CONSTRUCTION IN PROGRESS**  
**YEAR-TO-YEAR COMPARISON**  
**DECEMBER 31,**

<u>CAPITAL INVESTMENT</u>	<u>2013</u>	<u>2012</u>	<u>%Inc/Decr</u>
Land	\$ 4,663,375	\$ 4,652,790	0.23%
Buildings	16,400,897	15,878,219	3.29%
Equipment	17,755,829	17,597,593	0.90%
Infrastructure	23,094,500	23,042,696	0.22%
Construction in progress	97,096	-	100.00%
Totals	<u>\$ 62,011,697</u>	<u>\$61,171,298</u>	1.37%

The Township, at December 31, 2013, had \$16,714,000 in outstanding general obligation bonds and notes. The 2012 note in the amount of \$3,035,000 carries an interest rate range from .30 percent to 1.5 percent on the bonds maturing annually to 2018. The 2006 note carries variable interest rates as does the 2010 bond. The 2008 note has an interest rate of 2.45%; and the 2009 note carries an interest rate of 2.29%.

**TABLE 4**  
**CHANGES IN OUTSTANDING GENERAL OBLIGATION BONDS AND NOTES**  
**DECEMBER 31,**

<u>SERIES</u>	<u>2013</u>	<u>2012</u>	<u>Inc. / Dec.</u>
Note of 2006	\$ 4,882,000	\$ 5,988,000	(1,106,000)
Note of 2008	2,537,000	3,024,000	(487,000)
Series of 2010 Bonds	3,455,000	4,100,000	(645,000)
Note of 2009	3,475,000	3,480,000	(5,000)
Series 2012 Bonds	2,365,000	2,830,000	(465,000)
Total outstanding debt	<u>\$ 16,714,000</u>	<u>\$ 19,422,000</u>	<u>\$(2,708,000)</u>

### ECONOMIC DEVELOPMENT

Upper Darby Township continues to make Economic Development a priority. The Administration and Township Council are focused on the goals presented in the Township's 2004 Comprehensive Plan.

The Market Street and 69<sup>th</sup> Street area is the Township's main business center. This area offers a vibrant mixed use area with regional transit access, walkable streets, entertainment venues and quality retail establishments. The Ashkenazy Corporation owns the majority of the property along the 69<sup>th</sup> Street business district. This property owner is committed to restoring the infrastructure of the shopping district and continues

to make investment in improving the property facades and an overall clean-up of the street. In 2013 we saw the opening of retail outlets Burlington Coat Factory, Ross Dress Store and H and M. Ross Dress retail outlet has also targeted October 2014 for the opening of their new store in the Pilgrim Gardens Shopping Center. Ashkenazy Corporation continues its efforts to revitalize the 69<sup>th</sup> Street shopping district and has started talks related to the redevelopment of a new shopping area at the site of a former big box retail operation on the corner of 69<sup>th</sup> Street and Walnut Street. A little off the Market Street/West Chester Pike strip on the 7000 block of Terminal Square, the national supermarket chain H-Mart continues to be a successful community partner. This Korean owned chain has been very successful in its efforts to serve the diverse Upper Darby community. The H-Mart complex, also houses a full service market, a food court and a bank. Right at the corner of Garrett Road and Long Lane we saw the opening of Five Points Coffee House a blend of refreshment and student housing for the schools in Philadelphia University city.

The Township, through its economic development efforts, has established a reputation as a business friendly municipality. Upper Darby Township continues to work with the Southeastern Transportation Authority on the development of a parking garage in the area of 69<sup>th</sup> and Market Streets. The Township and SEPTA have partnered on the parking garage project with the proposed garage planned to be built on the SEPTA parking lot adjacent to the 69<sup>th</sup> Street transportation terminal. Budget constraints have slowed the redevelopment of this parking garage but both Upper Darby Township and SEPTA are committed to forging ahead. In addition, SEPTA and the Township Administration worked together to refurbish the Primos train station on the Media Elwyn train line. The Primos station which included enhanced and expanded parking was completed in the spring of 2013. The refurbishing of the Secane train station continues to move forward but budget issues have slowed the pace.

Township officials continue to encourage and work with the business communities within the Township like the Aronimink Business Association, Long Lane Business Association and the West Chester Pike Business Association. The Township Administration was pleased to welcome Goodwill Industry to the corner of Baltimore Pike and Union Avenue. The goodwill facility also houses a collection/refurbish warehouse and job training and opportunity office. The plan also has this site scheduled for development of a McDonalds Restaurant and Advanced Auto retail outlet. The Township will continue to promote all business districts in the community while attempting to avoid cross competition among the business districts.

A joint cooperative effort with the County of Delaware and the Township continued to provide a safe and friendly environment at the Kent Dog Park. The Township continues its joint work with the county on the long range plans for a walking trail along the Darby Creek.

The Township continues to support the concepts of the Department of Justice Weed and Seed grant program. The Department of Justice discontinued funding for the Weed and Seed program in 2011. The Township, through the Center for Family Safety, continues its support of the program's goal to weed out drugs and crime and through faith based organizations and seed the area with programs to prevent the return of drugs and crime. The Center for Family Safety staff has initiated an aggressive program to reach out into the community with programs. In 2013 these programs included topics such as parenting skills, how to improve your credit seminars, first time homebuyers programs,



how to start a small business, along with activities related to English as a second language and immigration law and regulations. In addition the Center for Family Safety adds support to the Police Athletic League summer basketball program and the Anthony Becht football camp held at the Monsignor Bonner athletic complex.

The Center for Family Safety staff, together with the Upper Darby Welcome Center staff, and the Chamber of Commerce, continues their outreach program to local community businesses to help assess their skills and needs as business owners. This effort enhanced with the staffing of a police substation on Long Lane, manned by a civilian employee of the Police Department, is just one of the additional efforts by the Township to reach out and identify the needs of the Upper Darby Township immigrant population. .

In 2013 the Upper Darby Performing Arts Center, in a joint effort between the Upper Darby School District and Upper Darby Township, continued its mission to develop young people and the magic of their talents through participation in theatrical performances for the entire family. Through the Summer Stage and Main Stage Theater this group performed seven theater productions enjoyed by over 30,000 individuals.

#### **TO CONTACT TOWNSHIP MANAGEMENT AND REQUESTS FOR INFORMATION**

This financial report is designed to provide our clients, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability of its funds. If you have questions regarding this report or would like additional information, contact the Chief Administrative Officer, Upper Darby Township, 100 Garrett Road, Upper Darby, PA 19082.

Complete financial statements for the individual component unit can be obtained from its administrative office: Upper Darby Township and Sellers Memorial Library, 76 S. State Road, Upper Darby, PA 19082.

THE TOWNSHIP OF UPPER DARBY

STATEMENT OF NET POSITION

DECEMBER 31, 2013

	Primary	Component Units	
	Government	UD Township and	Weed and Seed
	Governmental	Sellers Memorial	Center for
	Activities	Library	Family Safety
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,471,828	\$ 422,615	\$ 290,808
Investment	-	30,590	-
Receivables (net of allowance for uncollectibles)	8,566,398	7,876	213,051
Due from other governments	809,328	-	-
Prepaid assets	24,261	30,299	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	151,696	-	-
Capital assets (net of accumulated depreciation):			
Land and non-depreciable historical site	4,637,840	464,384	-
Land improvements	22,763	-	-
Buildings and improvements	2,560,933	262,302	-
Leasehold improvements	-	14,092	-
Machinery and equipment	6,158,228	81,642	-
Infrastructure	11,628,731	-	-
Construction in progress	97,096	-	-
Library books and materials	-	27,464	-
Investment in Wastewater Treatment Plant	7,349,830	-	-
Total assets	<u>53,478,932</u>	<u>1,341,264</u>	<u>503,859</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>11,376</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Overdraft liability	216,150	-	-
Accounts payable and accrued expenses	1,588,210	89,427	48,708
Due to other entities	13,638	-	432,494
Escrow liability	105,419	-	-
Unearned grant revenue	249,783	9,721	-
Long-term liabilities:			
Due within one year	2,774,000	-	-
Due in more than one year	117,088,417	-	-
Total liabilities	<u>122,035,617</u>	<u>99,148</u>	<u>481,202</u>
DEFERRED INFLOWS OF RESOURCES	<u>13,785</u>	<u>-</u>	<u>-</u>
Unamortized bond premiums	<u>13,785</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	15,718,658	-	-
Restricted for:			
Capital projects	4,797,352	-	-
Debt service	592,919	-	-
Unrestricted	(89,668,023)	1,242,116	22,657
Total net position	<u>\$ (68,559,094)</u>	<u>\$ 1,242,116</u>	<u>\$ 22,657</u>

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

THE TOWNSHIP OF UPPER DARBY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	Primary Government Activities	Component Units
<b>Primary Government:</b>					\$ (12,942,105)	\$ -
General governmental	\$ 13,140,847	\$ 154,935	\$ 43,807	\$ -	(32,026,747)	-
Public safety	36,705,997	2,097,037	2,582,213	-	873,456	-
Sewers	6,946,324	7,819,780	-	-	566,825	-
Highways and streets	1,702,646	667,410	1,602,061	-	156,229	-
Sanitation	4,457,832	4,526,397	87,664	-	384,295	-
Community development	1,980,446	124,923	2,239,818	-	-	-
Street lights, electric, parking and public works	3,932,151	-	-	-	(3,932,151)	-
Leisure services, COSA and parks	2,728,532	582,041	303,427	-	(1,843,064)	-
Library contribution	1,227,080	-	-	-	(1,227,080)	-
Interest on long-term debt	450,276	-	-	-	(450,276)	-
Post employment benefits	15,889,396	-	-	-	(15,889,396)	-
Non-allocated depreciation/amortization	66,789	-	-	-	(66,789)	-
<b>Total governmental activities</b>	<b>\$ 89,228,316</b>	<b>\$ 15,972,523</b>	<b>\$ 6,858,990</b>	<b>\$ -</b>	<b>(66,396,803)</b>	<b>-</b>
<b>Component Units:</b>						29,053
UD Township and Sellers Memorial Library	\$ 1,596,177	\$ 79,946	\$ 1,545,284	\$ -		8,609
Weed and Seed Center for Family Safety	310,481	8,607	310,483	-		37,662
<b>Total component unit</b>	<b>\$ 1,906,658</b>	<b>\$ 88,553</b>	<b>\$ 1,855,767</b>	<b>\$ -</b>		
<b>General Revenues:</b>					47,691,570	-
Property taxes					2,670,010	-
Local enabling taxes					1,386,903	-
Cable television					1,425,258	-
Joint project sewers					59,493	-
Grants and contributions not restricted to a specific program					1,608	3,931
Investment earnings					620,984	-
Refunds and reimbursements					47,805	-
Miscellaneous income					23,802	-
Gain on sale of fixed assets					(413,848)	-
Increase (decrease) in investment value					187,337	-
Rent					53,700,922	3,931
<b>Total general revenues</b>					<b>47,691,570</b>	<b>3,931</b>
Change in net position					(12,695,881)	41,593
Net position - beginning					(55,872,713)	1,223,180
Contributed capital					9,500	-
<b>Net position - ending</b>					<b>\$ (68,559,094)</b>	<b>\$ 1,264,773</b>

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

THE TOWNSHIP OF UPPER DARBY

BALANCE SHEET  
GOVERNMENTAL FUNDS

DECEMBER 31, 2013

	General Fund	Sewer Rental Fund	Highway Aid Fund	Debt Service Fund	Sewer Rental Capital Fund	Capital Project Fund	Non-Major Governmental Funds	Totals Governmental Funds
\$ 4,472,432	\$ -	\$ -	\$ 512,373	\$ 1,426,313	\$ 4,797,352	\$ 263,358	\$ 11,471,828	
2,587,415	-	-	164,818	-	-	-	2,752,233	
2,396,953	2,921,563	-	-	-	-	-	2,921,563	
24,261	-	-	-	-	-	495,649	2,892,802	
516,337	469,224	-	88,118	-	-	-	1,073,679	
432,494	350,167	-	-	26,667	-	-	809,328	
-	31,066	120,630	-	1,452,980	-	-	151,686	
10,429,892	3,772,020	120,630	765,309	1,452,980	4,797,352	759,007	22,097,190	
\$ 10,429,892	\$ 3,772,020	\$ 120,630	\$ 765,309	\$ 1,452,980	\$ 4,797,352	\$ 759,007	\$ 22,097,190	

ASSETS

Cash and cash equivalents  
Property tax receivable (net of allowance for uncollectibles)  
Sewer assessments (net of allowance for uncollectibles)  
Other receivables  
Prepaid insurance  
Due from other funds  
Due from other municipalities/entities  
Restricted cash  
Total assets

DEFERRED OUTFLOW OF RESOURCES

Total assets and deferred outflows of resources

LIABILITIES AND FUND BALANCES

Liabilities:  
Accounts payable  
Overdraft liability  
Accrued payroll and related costs  
Due to other governments or entities  
Due to other funds  
Unearned revenue  
Escrow  
Total liabilities

DEFERRED INFLOWS OF RESOURCES

Unavailable taxes, sewer fees and trash fees  
Total liabilities and deferred inflows of resources

Fund balances:

Nonspendable  
Restricted  
Committed for:  
Debt service  
Capital projects  
Assigned to 2014 appropriation  
Unassigned  
Total fund balance

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

\$ 580,254	\$ 269,705	\$ 25,734	\$ -	\$ -	\$ -	\$ 33,042	\$ 908,735
-	216,150	-	-	-	-	-	216,150
603,048	42,134	34,293	-	-	-	-	679,475
13,638	-	-	-	-	-	-	13,638
469,224	-	-	26,851	-	-	577,604	1,073,679
35,053	-	-	-	-	-	214,730	249,783
105,419	-	-	-	-	-	-	105,419
1,806,636	527,989	60,027	26,851	-	-	825,376	3,246,879
3,476,501	1,893,054	-	145,639	-	-	-	5,515,094
5,283,137	2,421,043	60,027	172,390	-	-	825,376	8,761,973
24,261	-	-	-	-	-	-	24,261
-	-	-	592,919	-	-	-	592,919
-	-	-	-	4,797,352	-	-	4,797,352
540,244	1,350,977	60,603	-	1,452,980	-	(66,369)	7,380,441
4,582,250	1,350,977	60,603	592,919	1,452,980	4,797,352	(66,369)	13,335,217
5,146,755	1,350,977	60,603	592,919	1,452,980	4,797,352	759,007	22,097,190
\$ 10,429,892	\$ 3,772,020	\$ 120,630	\$ 765,309	\$ 1,452,980	\$ 4,797,352	\$ 759,007	\$ 22,097,190

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

**THE TOWNSHIP OF UPPER DARBY**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**

**DECEMBER 31, 2013**

**Total fund balances - governmental funds**

\$ 13,335,217

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 4,663,375	
Infrastructure assets	23,094,500	
Other capital assets	34,156,726	
Construction in progress	97,096	
Accumulated depreciation	<u>(36,906,106)</u>	
Total capital assets		25,105,591

Investment in Wastewater Treatment Plant 7,349,830

Some revenues may be collected after year-end but are not available soon enough for the current period expenditures and therefore are deferred in the funds. 5,515,094

Bond discounts and premiums are capitalized and amortized in the government-wide statements (shown as net) (2,409)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds and notes payable, compensated absences and other post employment benefits (119,862,417)

Net position of governmental activities \$ (68,559,094)

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

**THE TOWNSHIP OF UPPER DARBY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	General Fund	Sewer Rental Fund	Highway Aid Fund	Debt Service Fund	Sewer Rental Capital Fund	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>								
Taxes and assessments	\$ 45,032,306	\$ -	\$ -	\$ 2,551,260	\$ -	\$ -	\$ -	\$ 47,583,566
Property	-	7,706,169	-	-	-	-	-	7,706,169
Sewer rentals/penalties and interest	2,670,010	-	-	-	-	-	-	2,670,010
Local enabling act taxes	2,663,057	-	-	-	-	-	-	2,663,057
Licenses-permits	747,869	-	-	-	-	-	-	747,869
Fines and forfeits	187,337	-	-	-	-	-	-	187,337
Rent	-	-	404	-	298	-	-	1,608
Investment earnings	59,493	-	-	-	-	-	804,198	59,493
Public utility realty tax	1,711,582	-	1,510,259	-	-	-	-	4,026,039
Grants and entitlements	303,427	-	-	-	-	-	-	303,427
Delaware County Office of Services for the Aging (COSA)	6,082,860	1,425,258	-	-	-	-	-	6,082,960
Departmental earnings	-	-	-	-	-	-	-	1,425,258
Joint projects other municipalities	2,190,779	-	-	-	-	-	-	2,190,779
Pennsylvania contribution for pension	328,428	-	-	-	-	-	-	328,428
Volunteer fireman allocation	620,984	-	-	-	-	-	-	620,984
Other revenue	977,831	-	-	-	-	-	-	977,831
Sewer fund reimbursement	-	-	-	-	298	906	804,198	-
<b>Total revenues</b>	<b>69,574,063</b>	<b>9,131,427</b>	<b>1,510,663</b>	<b>2,551,260</b>	<b>298</b>	<b>906</b>	<b>804,198</b>	<b>77,572,815</b>
<b>EXPENDITURES</b>								
Current:								
General government	12,019,758	-	-	-	-	-	161	12,019,919
Public safety/including police and fire pension contribution	35,699,649	-	-	-	-	-	-	35,699,649
Sewer	-	7,731,366	-	-	-	-	-	7,731,366
Highways and streets	4,384,052	-	1,480,255	-	-	-	-	1,490,255
Health and sanitation	1,825,269	-	-	-	-	-	-	1,825,269
Community development	3,423,885	-	-	-	-	-	-	3,423,885
Street lights, electric, parking and public works	2,585,251	-	-	-	-	-	-	2,585,251
Leisure services, COSA and parks	328,428	-	-	-	-	-	-	328,428
Volunteer fire allocation	669,754	-	-	-	-	-	-	669,754
Municipal pension contribution	1,198,654	-	-	-	-	28,428	-	1,227,080
Library contribution	-	-	-	2,708,000	-	-	-	2,708,000
Debt service:	-	-	-	450,276	-	-	-	450,276
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	77,427	-	77,427
Capital outlay:	-	-	-	-	-	-	697,788	697,788
Recreation	7,053	-	-	-	-	-	-	7,053
Community development	52,351	-	-	-	320,905	-	-	446,623
Highways and streets and sewers	17,672	-	-	108,048	-	-	-	469,186
Public safety	188,131	-	-	-	194,846	-	-	255,919
Departmental	-	-	-	-	255,919	-	-	255,919
<b>Total expenditures</b>	<b>62,577,907</b>	<b>7,731,366</b>	<b>1,490,255</b>	<b>3,156,276</b>	<b>108,048</b>	<b>877,322</b>	<b>804,359</b>	<b>76,747,551</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>996,156</b>	<b>1,400,041</b>	<b>20,408</b>	<b>(607,016)</b>	<b>(107,748)</b>	<b>(876,416)</b>	<b>(161)</b>	<b>825,264</b>
<b>OTHER FINANCING SOURCES (USES) OF FUNDS</b>								
Tax revenue anticipation loan	4,400,000	-	-	-	-	-	-	4,400,000
Repayment of tax revenue anticipation loan	(4,400,000)	-	-	-	-	-	-	(4,400,000)
Operating transfer in	32,350	-	-	495,463	-	-	(32,350)	528,813
Operating transfer out	-	(495,463)	-	(495,463)	-	-	(32,350)	(628,813)
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	<b>1,028,506</b>	<b>903,578</b>	<b>20,408</b>	<b>(110,553)</b>	<b>(107,748)</b>	<b>(876,416)</b>	<b>(32,511)</b>	<b>825,264</b>
<b>FUND BALANCE - BEGINNING</b>	<b>4,118,249</b>	<b>447,399</b>	<b>40,195</b>	<b>703,472</b>	<b>1,560,728</b>	<b>5,673,768</b>	<b>(33,668)</b>	<b>12,509,953</b>
<b>FUND BALANCE - ENDING</b>	<b>5,146,755</b>	<b>1,350,977</b>	<b>80,603</b>	<b>592,919</b>	<b>1,452,980</b>	<b>4,797,352</b>	<b>(66,369)</b>	<b>13,335,217</b>

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

**THE TOWNSHIP OF UPPER DARBY**  
**RECONCILIATION OF THE CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**Net change in fund balances - total governmental funds** \$ 825,264

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period these amounts were:

Capital outlay	\$ 1,221,180	
Depreciation expense	(1,439,549)	
Amortization expense	<u>404</u>	(217,965)

Sale of fixed assets are reflected as revenue or expenditure in the governmental funds; the gain or loss net of depreciation is reflected in the government wide statements net of proceeds as shown (15,318)

Repayment of long term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of: 2,708,000

Principal repayment

Long-term compensated absences and other post employment benefits are reported in the statement of net assets; changes in the liability are reported as an expense in the Statement of Activities (15,948,631)

The Township makes capital payments to a third party which is reported net on the Statement of Net Assets, but which is reported as an expenditure on the governmental fund; net of increase in investment in capital lease with third party. (413,848)

Some revenues are not collected for several months or longer after the Township's year-end. They are not considered "available" revenues and are deferred in the governmental funds. Those amounts were for real estate taxes, sewer assessments and trash collections and reflected prior years revenues collected in the current period and are shown as net 366,617

Changes in net assets of governmental activities \$ (12,695,881)

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

**TOWNSHIP OF UPPER DARBY  
STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2013**

	<b>POLICE PENSION PLAN</b>	<b>MUNICIPAL EMPLOYEES PENSION PLAN</b>	<b>FIREFIGHTER'S PENSION PLAN</b>	<b>LIBRARY TRUST FUND</b>	<b>SELF INSURANCE TRUST FUND</b>	<b>TOTAL</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 2,209,663	\$ 1,217,110	\$ 912,910	\$ 3,299	\$ 254,790	\$ 4,597,772
Investments (at market value)	53,644,959	57,467,616	20,027,734	-	1,196,354	132,336,663
Interest receivable	-	87,937	-	-	-	87,937
Contribution receivable	53,715	50,154	27,014	-	-	130,883
Prepaid expense	13,816	2,370	9,521	-	-	25,707
Total assets	<u>55,922,153</u>	<u>58,825,187</u>	<u>20,977,179</u>	<u>3,299</u>	<u>1,451,144</u>	<u>137,178,962</u>
<b>Liabilities</b>						
Accounts payable	4,850	7,540	7,800	3,283	-	23,473
Escrow	-	-	-	-	1,451,144	1,451,144
	<u>4,850</u>	<u>7,540</u>	<u>7,800</u>	<u>3,283</u>	<u>1,451,144</u>	<u>1,474,617</u>
<b>Net position</b>						
Restricted	<u>\$ 55,917,303</u>	<u>\$ 58,817,647</u>	<u>\$ 20,969,379</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 135,704,345</u>

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



**TOWNSHIP OF UPPER DARBY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	POLICE PENSION PLAN	MUNICIPAL EMPLOYEES PENSION PLAN	FIREFIGHTER'S PENSION PLAN	LIBRARY TRUST FUND	SELF INSURANCE TRUST FUND	TOTAL
<b>Additions:</b>						
Contributions:						\$ 2,190,779
State subsidies - Act 205	\$ 1,017,702	\$ 753,566	\$ 419,511	\$ -	\$ -	1,690,176
Employee contributions	715,055	630,146	344,975	-	-	4,653,013
Township contributions	3,931,311	116,188	605,514	-	-	13,131
Donations	-	-	-	13,131	-	8,547,099
Total contributions	5,664,068	1,499,900	1,370,000	13,131	-	
Investment earnings:						15,395,295
Net appreciation in fair value of investments	6,582,632	6,763,489	2,049,174	-	-	3,021,910
Investment earnings	1,122,370	1,254,356	645,184	-	-	(532,123)
Less: investment expense	(167,849)	(294,171)	(70,103)	-	-	17,885,082
Total investment earnings	7,537,153	7,723,674	2,624,255	-	-	
Total additions	13,201,221	9,223,574	3,994,255	13,131	-	26,432,181
<b>Deductions:</b>						8,031,812
Pension benefits	4,263,397	3,128,962	639,453	-	-	13,131
Donation to Library	-	-	-	13,131	-	123,612
Other services and charges	41,096	54,988	27,528	-	-	8,168,555
Total deductions	4,304,493	3,183,950	666,981	13,131	-	
Change in net position	8,896,728	6,039,624	3,327,274	-	-	18,263,626
Net position - beginning of the year	47,020,575	52,778,023	17,642,105	16	-	117,440,719
Net position - end of the year	\$55,917,303	\$58,817,647	\$ 20,969,379	\$ 16	\$ -	\$ 135,704,345

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

**COMPONENT UNIT**  
**UPPER DARBY TOWNSHIP AND SELLERS MEMORIAL FREE PUBLIC LIBRARY**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2013**

**Assets**

Cash and cash equivalents	\$ 422,615
Investments	30,590
Accounts receivable	7,876
Prepaid insurance	9,964
Prepaid expenses	20,335
Capital assets (net of accumulated depreciation)	
Land and non-depreciable historical site	464,384
Buildings and improvements	262,302
Leasehold improvements	14,092
Furniture and equipment	81,642
Library books and materials	27,464
Total capital assets	<u>849,884</u>
Total assets	<u>1,341,264</u>

**Liabilities**

Accounts payable and accrued liabilities	14,326
Accrued payroll and related expenses	31,475
Accrued compensated absences	43,626
Deferred grant revenue	9,721
Total liabilities	<u>99,148</u>

**Net Assets**

Unrestricted	
Undesignated	1,211,526
Designated	30,590
Total net assets	<u>\$ 1,242,116</u>

**COMPONENT UNIT**  
**UPPER DARBY TOWNSHIP AND SELLERS MEMORIAL FREE PUBLIC LIBRARY**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**UNRESTRICTED NET ASSETS**

Revenues, gains and other support:

Upper Darby Township support:

Contribution	\$ 1,198,655
Donated capital	51,954
Sellers Trust Fund	13,131
Total Upper Darby Township support	1,263,740

Revenues from operations

Fines	33,042
Copier / computer / miscellaneous	41,576
Video rentals	5,328
Total revenues from operations	79,946

Other revenues

Investment income	3,335
Unrealized gain/(loss) in market value	332
Total other revenues	3,667

Grants and donations

Commonwealth of Pennsylvania	240,705
County of Delaware Aid	5,642
Grant	25,400
Fundraising / endowments / gifts	9,797
Total grants and donations	281,544
Total revenues, gains and other support	1,628,897

Expenses

Program	1,162,675
Personnel	44,742
Library services	139,039
Support	46,763
Facilities and equipment	21,564
Other supporting services	181,394
Pension	1,596,177
Depreciation	32,720
Total operating expenses	1,209,396

Change in net assets

Net assets - beginning of year	1,242,116
Net assets - end of year	\$ 1,242,116

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

**COMPONENT UNIT**  
**UPPER DARBY TOWNSHIP AND SELLERS MEMORIAL FREE PUBLIC LIBRARY**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	\$ 80,009
Receipts from customers and users	1,445,002
Receipts from intergovernmental support	13,131
Donation received from intergovernmental support	25,400
Receipt of grant income	9,797
Miscellaneous cash income	(273,669)
Payments to suppliers	(1,183,049)
Payments to employees	116,621
Net cash provided by operating activities	<u>116,621</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	 <u>(128,280)</u>
Purchases of capital assets	(128,280)
Net cash used by capital and related financing activities and related financing activities	<u>(128,280)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	 <u>3,335</u>
Interest and dividends income	3,335
Net cash provided by investing activities	<u>3,335</u>
Net decrease in cash and cash equivalents	(8,324)
Cash and cash equivalents January 1,	430,939
Cash and cash equivalents December 31,	<u>\$ 422,615</u>
 <b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating income - non-inclusive of investment income	\$ 29,385
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	181,394
Unrealized gain in market value	(332)
Donated capital	(51,954)
(Increase) decrease in accounts receivable	61
(Increase) decrease in prepaid items	(16,462)
Increase (decrease) in accounts payable and accrued expenses	(26,662)
Increase (decrease) in accrued payroll and related expenses	5,097
Increase (decrease) in accrued compensated absences	(3,906)
Increase (decrease) in deferred revenue	-
Total adjustments	<u>87,236</u>
Net cash provided by operating activities	<u>\$ 116,621</u>

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

**COMPONENT UNIT**  
**UPPER DARBY TOWNSHIP WEED AND SEED INC.**  
**CENTER FOR FAMILY SAFETY**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2013**

<b>Assets</b>	\$ 290,808
Cash	213,051
Accounts receivable	<u>503,859</u>
Total assets	<u>503,859</u>
 <b>Liabilities</b>	
Accounts payable	\$ 48,708
Due to Upper Darby Township	<u>432,494</u>
Total liabilities	<u>481,202</u>
 <b>Net assets</b>	
Unrestricted	22,657
Total liabilities and net assets	<u>503,859</u>

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

COMPONENT UNIT

UPPER DARBY WEED AND SEED INC.  
CENTER FOR FAMILY SAFETY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2013

**Unrestricted revenues, gains and other support**

Revenues and other additions	\$ 8,607
Contributions	310,483
Grants	264
Interest income	<u>319,354</u>
Total unrestricted revenues, gains and other support	

**Expenses**

Program expenses	44,181
Supplies and equipment	317
Travel and seminars	191,877
Consultants	1,300
Equipment	2,911
Miscellaneous	69,895
Community outreach	<u>310,481</u>
Total expenses	

Change in unrestricted net assets 8,873

**Temporarily restricted net assets**

Change in temporarily restricted net assets -

**Permanently restricted net assets**

Change in permanently restricted net assets -

Change in net assets 8,873

Net assets - beginning of the year 13,784  
Net assets - end of the year \$ 22,657

**COMPONENT UNIT**  
**UPPER DARBY WEED AND SEED INC.**  
**CENTER FOR FAMILY SAFETY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 8,873</b>
Change in net assets	
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
(Increase) decrease in:	
Accounts receivable	(181,569)
Due from other entity	112,712
Increase (decrease) in:	
Accounts payable and accrued expense	35,228
Due to Upper Darby Township	258,779
Net cash provided by operating activities	<u>234,023</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	 <u>-</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	 <u>-</u>
Net increase in cash and cash equivalents	234,023
Cash and cash equivalents January 1,	<u>56,785</u>
Cash and cash equivalents December 31,	<u><u>\$ 290,808</u></u>
 <b>Supplemental Disclosure</b>	
Income taxes paid	\$ -
Interest paid	\$ -

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

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

The Township's annual financial report includes the accounts of all Township operations. The accounting policies of the Township conform to generally accepted accounting principles (GAAP) as applicable to municipalities. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Effective in 2012, the Township had adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, introduced and defined in GASB Concepts Statement No. 4. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The Township also determined in 2012 to early implement GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (required to be implemented in 2013). This statement establishes accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources certain items that were previously reported as assets and liabilities.

As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of Upper Darby Township and its component units: Sellers Memorial Free Public Library, and the Weed and Seed Center for Family Safety, Inc. These component units are included in the Township's reporting entity because of the significance of its operational and/or financial relationship with the Township including financial accountability and fiscal dependency. Separate financial statements are available for the component units. The Township provides pension plans for the benefit of its employees. These plans are each administered independently of the Township with their own Boards of Directors and Administrators and are reported on separately but are made a part of these basic financial statements. Each plan's reports are available from the Board of each of the respective plans.

Following is a summary of the Township's significant accounting policies:

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

**Government Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the government of Upper Darby Township as a whole. These statements include all funds of the reporting entity except for the fiduciary fund. The statements distinguish between governmental and business type activities. The Township, however, does not have any proprietary or business type funds. One of its component units, however, does follow the accounting for not-for-profit entities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.



THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis is placed on major funds within the governmental categories. A fund for the purposes of these financial statements is considered major if it is the primary operating fund (General Fund) or it meets the following criteria:

1. Total assets, liabilities, revenues or expenditures of the fund are at least ten percent of the total for all funds of that category or type; and
2. Total assets, liabilities, revenues or expenditures of the fund are at least five percent of the total for all funds combined.
3. Other funds not necessarily meeting the above criteria are shown in these financial statements as major per the Township's discretion.

The funds of the financial reporting entity are described as follows:

Governmental Funds

General Fund: General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds: The Special Revenue Funds account for revenue derived from specifically earmarked revenue sources. For the purposes of this report, the Special Revenue Funds are as follows: Sewer Rental and Highway Aid (shown here in as major funds), Historic Preservation, Community Forestry Grant, Weed and Seed, Municipal Building Improvements I, Upper Darby Football Bowl, Stormwater and Curb Replacement, and Community Development Grants (shown in these financial statements as Other Governmental Funds).

Debt Service Funds: The General Debt Service Fund is used to account for accumulation of resources for and the payment of general long-term debt principal and interest. In addition, a Sewer Rental Sinking Fund (shown here in as part of Other Governmental Funds) was established to account for the accumulation of resources for and the payment of debt principal and interest associated with the bond issues relative to sewer related capital expenditures.

Capital Project Funds: Capital Project Funds, both the General Obligation Bond Funds and Special Sewer Rental, are used to account for acquisition or construction of capital

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

items and special projects. Principal sources of revenue for the Capital Project Funds are municipal long-term debt proceeds and interest income. The Special Sewer Rental Fund revenue has been provided by the Sewer Rental surplus over the years to fund sewer system capital projects.

**Proprietary Funds/Component Unit**

The Township of Upper Darby has no Proprietary Funds. The Upper Darby Township and Sellers Memorial Free Public Library, shown in these statements as a component unit of the Township, is a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code, and for the purposes of these statements takes on the character of a proprietary fund for the discrete presentation of the financial information. Condensed financial statements are herein presented.

Complete financial information and statements of the Upper Darby Township and Sellers Memorial Free Public Library are available independently of these financial statements.

**Fiduciary Trust Funds**

**Trust and Fiduciary Funds:** The Township operates two Trust Funds: The Library Trust Fund and the self-insurance liability fund. However, as noted above, the Township considers the Police Pension Plan, the Municipal Employees Pension Plan and the Firefighter's Pension Plan to be fiduciary funds for the purpose of these financial statements due to the financial dependency on the Township's annual contribution even though these entities are managed by their own respective Boards of Directors.

**Major and Non-Major Funds**

The funds are either classified as major or nonmajor as follows:

**Major Funds:** General Fund, Sewer Rental Fund, Highway Aid Fund, Capital Projects, Sewer Rental Capital Projects and Debt Service Fund.

**Nonmajor Funds** include the following: Sewer Rental Sinking Fund, Historic Preservation, Community Forestry Grant, Weed and Seed, Municipal Building Improvements I, Upper Darby Football Bowl, Stormwater and Curb Replacement, and Community Development Grants.

**B. Measurement Focus**

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. On the government-wide Statement of Net Position and Statement of Activities, governmental and business like activities (as applicable) are presented using the economic resources measurement focus. The objective of the economic resources measurement focus is the determination of

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

operating income, changes in net position, net position and cash flows (if applicable). All assets and liabilities, whether current or non-current, are reported. All Governmental Fund Types are accounted for on a current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Operating statements of such funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**C. Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities the governmental activities are presented using the accrual basis of accounting, as are the component units presented discretely herein. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days of the year-end. Expenditures, including capital outlay are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Penalties and interest are recorded when received in cash because they are generally not measurable until actually received. Interest is accrued when its receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

**D. Compensated Absences**

The Township allows employees to accumulate unused sick leave and vacation time. Both are vesting and measured at year-end. Earned vacation for municipal employees is allowed to be carried up to two years in addition to the current year vacation time. All vacation vests for Police and Fire employees, however. Employees may accumulate unused sick leave to a maximum of 280 days upon retirement to be paid for one-half of the accumulated time.

Management considers compensated absences when budgeting salaries and benefits and always budgets at the gross salary levels to assure unpaid vacation, sick pay, and other employee amounts considered compensated resources to pay compensated absences when they occur. These compensated absences for accumulated vacation or sick pay are recorded as expenditures in governmental funds when paid. Non-uniform employees of the Township receive compensation for unused sick leave for each year at the beginning of the next calendar year. This amount, \$ 39,118 is shown as a current liability in the General Fund, \$5,770 as a current liability in the Sewer Rental Fund, and \$652 as a current liability

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

in the Highway Aid Fund. As of December 31, 2013, the long-term liability for accrued vacation leave and accrued sick was \$6,458,450, of which \$5,386,229 is included in total of other post-employment benefits of \$102,076,196, the balance is included in the total long term liability (see Note 4).

The liability for the long-term portion of compensated absences is recorded as long-term debt in the government-wide financial statements as part of the long term debt. In the fund financial statements, governmental funds report only the compensated absence liability payable from the expendable available financial resources—as noted above. A proprietary fund, such as the Township's library component unit, reports the liability as it is incurred.

**E. Budgets**

Budgets are legally adopted for the following funds: General, Sewer Rental, Highway Aid (Special Revenue Funds), and Debt Service Fund. Further, although the budget ordinance passed by the Township did not specifically reference the Sewer Rental Sinking Fund, funds were appropriated for debt service through that fund by transfer from the Sewer Rental Fund. Consequently, the Township has shown those debt service appropriations as part of the budget to actual statement for the Debt Service Funds.

Annual budgets for those funds with legally adopted budgets are prepared in the basis of accounting utilized by the respective funds. The Township's Home Rule Charter allows the Mayor of the Township to transfer part or all of any unencumbered appropriation balance among line items within a department; and upon written request of the Mayor allows Council by ordinance to transfer part or all of any unencumbered appropriation balance from one department, office or agency to another. Certain supplemental budgetary appropriations were performed during the period as reflected in the Budget to Actual Schedule relative to the General Fund. Excess appropriations lapse at the end of the fiscal year. Encumbrance accounting is utilized for budgetary control purposes and accountability. The Township recognized no outstanding encumbrances at year-end. Subsequent year appropriations provide the authority to complete committed transactions.

**F. Reporting Entity**

In accordance with GASB Statement No. 14 "The Financial Reporting Entity", as amended by GASB Statement No. 39, the Township has evaluated all related entities for the possible inclusion into the financial reporting entity. In conformity with generally accepted accounting principles, the financial statements of the Upper Darby Township and Sellers Memorial Free Public Library and the Weed and Seed Center for Family Safety Program (a non-for-profit 501(c)(3) organization) have been included into the financial reporting entity. Condensed statements of each have been presented herein.

**G. Estimates**

The preparation of 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 at the date of the financial statements, and the reported

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**H. Fixed Assets**

The accounting treatment over property, plant and equipment depends on whether such assets are reported in the government-wide or fund financial statements. In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value assets such as township buildings acquired prior to 1980. A value has not been determined for the land on which the buildings stand. The Township has adopted a capitalization policy of \$5,000 per individual asset.

In 1989, the Township acquired the Collenbrook Farm property, valued at \$400,000. The cost to the Township was \$200,000; however, the former owners of the property had sold a portion to the Township and donated the balance, for a total value of \$400,000 (See Note 12). This is non-depreciable property due to its historical classification.

Prior to January 1, 2003, governmental funds' infrastructure were not capitalized. These assets back to January 1, 1980 have been valued at estimated historical cost where exact records were unavailable and historical cost based on actual job cost records.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense where possible in the Statement of Activities, a certain portion of which is shown as "unallocated" due to the asset's applicability to multiple functions of the government. Depreciation is provided over the assets' useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset as follows:

Buildings	30 years
Equipment	3-5 years
Machinery	10 years
Fire trucks	25 years
Infrastructure	40 -50 years

In the fund financial statements, fixed assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Fixed assets used in proprietary fund operations (in the Township's case only the component unit) are accounted for the same as in the government-wide statements.

**I. Long-term Debt**

The accounting treatment of long-term debt depends on whether the assets are utilized in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental resources is reported as liabilities on the government-wide statements. The

THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

long-term debt consists of general obligation bonds payable and accrued compensated absences.

**J. Equity Classifications**

*Government-wide Statements*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets —consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted —consists of items within net position with constraints placed on the use either by outside groups such as grantors or laws and regulations of other governments; or through law.
- c. Unrestricted —includes all other net position that do not meet the definition of "restricted" or "investment in capital assets."

*Fund Statements*

Governmental fund equity is classified as fund balance. In the fund financial statements, governmental fund balance is presented in five possible categories:

*Nonspendable*—resources which cannot be spent because they are either a) not in spendable form) or; b) legally or contractually required to be maintained intact.

*Restricted*—resources with constraints placed on the use of resources are either a)externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; b) imposed by law through constitutional provisions or enabling legislation.

*Committed*—resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

*Assigned*—resources neither restricted nor committed for which a government has a stated intended use as established by the Board or an official to which the Board has delegated the authority to assign amounts for specific purposes.

*Unassigned*—resources which cannot be properly classified in one of the other four categories. The General fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**K. Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances in both government-wide and fund statements, particularly with regard to real estate taxes, sewer rental assessments and trash and rubbish collections are based upon historical trends. Non-exchange transactions collectible but not available such as the real estate taxes, sewer rental assessments and trash and rubbish are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting.

**L. Deferred Inflows and Outflows of Resources**

Deferred outflows of resources include such items as:

- Grants paid in advance to a grantee
- Deferred amounts from refunding of debt
- Decrease in value of derivative instruments
- Payments made to a pension fund after the actuarial year but before the end of the fiscal year

Deferred inflows of resources include such items as:

- Grants received in advance when time requirements are the only eligibility requirement that has not been met
- Resources received in advance that are related to an imposed nonexchange transaction such as prepaid taxes
- Assets recorded in governmental fund financial statements for which revenue is not available such as taxes receivable, previously reported as "deferred" revenue in the fund financial statements
- Current and advance refunding related items
- Increase in fair value of derivative instruments
- Service concession arrangements for up-front payments.

**NOTE 2. DEPOSITS/INVESTMENTS/CASH EQUIVALENTS**

Investments are stated at fair market value. Generally, the policy of the Township is to limit its investments to Certificates of Deposit and Repurchase Agreements. The Township follows an investment policy pursuant to the Home Rule Charter or the First Class Township Code if not addressed in the Home Rule Charter.

The Township considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 2. DEPOSITS/INVESTMENTS/CASH EQUIVALENTS** (continued)

**Custodial Risk—deposits** is the risk that in the event of a bank failure, the government's deposits may not be returned or the government will not be able to recover collateral securities in the position of an outside party. The entity does not have a policy for custodial credit risk.

Upper Darby Township, however, primarily maintains deposits either with financial institutions which, pursuant to Act No. 72 of Pennsylvania, pool assets required to be pledged to secure public deposits, the total value of the pool to equal not less than the sum of all the pledges required for each separate deposit, or in amounts insured by the Federal Deposit Insurance Corporation. Deposits for all funds are either fully insured or collateralized pursuant with Commonwealth of Pennsylvania statutes.

As of December 31, 2013, the aggregate bank balance of bank deposits included in cash and cash equivalents of the primary government and the fiduciary funds (without regard to the Pension Plans nor for the certificates of deposit within the self-insured fund which are not maintained by the Township) was \$11,623,524 (\$151,696 as restricted cash and cash equivalent) of which \$1,000,000 is insured by the federal depository insurance (FDIC). Therefore, included in bank deposits is the remaining \$10,623,524 collateralized as noted above pursuant to Act 72. The bank deposits for the component units totaled \$713,423 of which \$500,000 was covered by the FDIC.

**Custodial Credit Risk—Investments** 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 position of an outside party. The risks of default are limited due to the constraints imposed upon allowable investment instruments.

Shown as part of Cash and Cash Equivalents are the Township's investments in the Pennsylvania Local Government Investment Trust (PLGIT) in the amount of \$1,545,014 in the General Fund; \$31,055 in the Sewer Rental Fund; \$1,406,537 in the Special Sewer Rental Fund; and \$5,297,148 in Capital Project Funds. The PLGIT investment portfolios are invested in full faith and credit obligations of the Commonwealth of Pennsylvania and its agencies, instrumentalities and political subdivisions. Collateralization requirements of Act No. 72, when required for deposits in excess of insurance limits are followed with respect to pooling, custody and type of collateral. Of the PLGIT investments noted above, \$250,000 is insured by the FDIC. The balance as noted above is collateralized within the requirements of Act No. 72. Because of this collateralization policy, the entity has no investments subject to custodial credit risk.

Police Pension Plan

*Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the Plan's deposits may not be returned. At December 31, 2013, the carrying amount and the balance of the Plan's deposits in cash and cash alternatives was held with Ameritrade of which \$250,000 was covered by FDIC insurance.



THE TOWNSHIP OF UPPER DARBY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013

NOTE 2. DEPOSITS/INVESTMENTS/CASH EQUIVALENTS (continued)

*Investments*

In accordance with Government Accounting Standards Board (GASB) No. 25, investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Unrealized gains and/or losses due to fluctuations in market value are recorded in the financial statements. Securities traded on national exchanges are valued at the last reported sales price. Realized gains or losses are recorded at the time of sale. Net appreciation or depreciation in the fair value of plan investments include both realized and unrealized gains and losses and related fees as well as investment. Plan investments at year end are as follows:

Vanguard Mid Cap Index Fund	\$ 4,714,247
Vanguard Small Cap Index Fund	2,692,126
Vanguard Total Bond Market Index Fund	6,769,748
Vanguard Value ETF Prime Market Fund	10,690,328
Vanguard International Equity Index Fund	7,809,884
Vanguard Value Index Fund	10,561,299
Vanguard Emerging Market Index Fund	1,849,120
Vanguard REIT ETF Index	1,813,684
Vanguard Total Return	6,744,523
	<u>\$53,644,959</u>

Investments in the following funds that are 5% or more of the plan net position at December 31, 2013:

Vanguard Mid Cap Index Fund	\$ 4,714,247
Vanguard Total Bond Market Index Fund	6,769,748
Vanguard Value ETF Prime Market Fund	10,690,328
Vanguard International Equity Index Fund	7,809,884
Vanguard Value Index Fund	10,561,299
Vanguard Total Return	6,744,523
	<u>\$ 47,290,029</u>

Pension fund investments, pursuant to Government Accounting Standards Board Statement Nos. 3 and 40, are categorized to give an indication of the level of risk assumed by the Plan at December 31, 2013. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan and are held by either counterparty or the counterparty's trust department or agent but not in the Plan's name. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities in the possession of an outside party.

The securities are registered in the name of the Plan, thus they are not subject to credit risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. Generally, the longer the maturity of an investment, the greater sensitivity of its fair value to changes in market interest rates. The Board has no formal policy that limits investment maturities as a means of managing its exposure to interest rate risk. The Board has, however, adopted a long-term investment policy to weigh the chances and duration of

**THE TOWNSHIP OF UPPER DARBY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013**

**NOTE 2. DEPOSITS/INVESTMENTS/CASH EQUIVALENTS (continued)**

investment losses against the long-term potential for appreciation of assets. Investments in mutual funds and certain investment pools are excluded from this requirement.

**Municipal Employee Pension Plan**

In accordance with Government Accounting Standards Board (GASB) No. 25, investments are reported at fair value. Short-term investments such as in money market are reported at cost, which approximates fair value. Unrealized gains and/or losses due to fluctuations in market value are recorded in the financial statements. Securities traded on national exchanges are valued at the last reported sales price. Realized gains or losses are recorded at the time of sale. Net appreciation or depreciation in the fair value of plan investments includes both realized and unrealized gains and losses. All Plan investments are held by PNC Financial Services in the name of the bank's nominee.

**Concentrations**

At December 31, 2013, the Plan held the following investments which were 5% or more of the Plan's net position (\$ 2,940,882):

Dodge and Cox Income Fund	\$	3,745,912
Fidelity Advisor Floating High Income Fund	\$	3,555,918
PIMCO FDS Total Return Bond Fund	\$	3,465,114

**Deposits and Investments**

Pension fund investments, pursuant to Government Accounting Standards Board Statement Nos. 3 and 40, are categorized to give an indication of the level of risk assumed by the Fund securities are uninsured, are not registered in the name of the Plan and are held by either a counterparty or the counterparty's trust department or agent but not in the Plan's name. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The securities are registered in the name of the Plan, thus they are not subject to credit risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. Generally, the longer the maturity of an investment, the greater sensitivity of its fair value to changes in market interest rates. The Board has no formal policy that limits investment maturities as a means of managing its exposure to interest rate risk. The Board has, however, adopted a long-term investment policy to weigh the chances and duration of investment losses against the long-term potential for appreciation of assets. Investments in mutual funds and certain investment pools are excluded from this requirement.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 2. DEPOSITS/INVESTMENTS/CASH EQUIVALENTS (continued)**

Following is the fair value of investments at December 31, 2013:

	MOODY'S RATING	FAIR VALUE	DURATION (YEARS)
Cash and Cash Equivalents	n/a	\$ 1,217,110	n/a
Investments	n/a	13,515,827	n/a
Mutual funds	n/a	35,808,647	n/a
Equities			
Fixed income			
	A1	155,599	5-9.84
	A2	341,373	1.5-10.5
	A3	276,898	1.91-9.75
	AA1	26,976	9.33
	AA2	148,487	4-7.66
	AA3	230,229	.0833-7.75
	AAA	5,059,099	.33-33.33
	BAA1	486,318	1.16-9.33
	BAA2	962,952	1.25-10
	BAA3	341,904	1.33-9.29
	Unrated	113,307	5.625
		<u>\$ 58,684,726</u>	

Firefighters' Pension Plan

In accordance with Government Accounting Standards Board (GASB) No. 25, investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Unrealized gains and/or losses due to fluctuation in market value are recorded in the financial statements. Realized gains or losses are recorded at the time of sale. Assets of the plan are managed by two investment advisors, Wealth Management Services through Schwab and INR with Ameritrade acting as custodian and trustee for INR investments. Net appreciation in the fair value of plan investments includes both realized and unrealized gains and losses. For those funds which are managed by INR, related fees are primarily included in the appreciated or depreciated value of the fund and included in the net appreciation/(depreciation) section of these financial statements. Investment fees charged by Wealth Management and INR are discretely presented herein.

Ameritrade, at December 31, 2013, held plan assets in investments as follows:

Investments at fair value:	\$ 1,112,412
Vanguard Mid Cap Index Fund*	635,071
Vanguard Small Cap Index Fund	975,249
Vanguard Total Bond Market Index Fund*	2,493,599
Vanguard Value ETF Prime Market Fund*	1,843,630
Vanguard International Equity Index Fund*	2,524,074
Vanguard Growth ETF Prime Market Fund *	436,496
Vanguard Emerging Markets	428,097
Vanguard REIT ETF Index	971,568
Vanguard Total Return	<u>\$ 11,420,196</u>

**THE TOWNSHIP OF UPPER DARBY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013**

**NOTE 2. DEPOSITS/INVESTMENTS/CASH EQUIVALENTS (continued)**

\*Indicates an investment of 5% or more of the plan net position at December 31, 2013.

Wealth Management Services held plan assets in investments at December 31, 2013 as follows:

Equities and equity funds	\$5,858,354
Mortgage pools and asset backed maturities	118,930
Bond funds	1,626,634
Structured settlement-WMS Chestnut Fund Trust*	1,003,620
	<u>\$8,607,538</u>

The Plan's investment in the WMS Chestnut Fund Trust was the only individual investment or funds held on behalf of the Plan by Wealth Management Services are 5% or more of the plan net position at December 31, 2013.

Pension Fund investments, pursuant to Government Accounting Standards Board Statement Nos. 3 and 40 are categorized to give an indication of the level of risk assumed by the Fund at December 31, 2013. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government and are held by either a counterparty or the counterparty's trust department or agent but not in the government's name. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The securities are managed by INR through Ameritrade are registered in the name of the Plan, thus they are not subject to credit risk. Investments managed by Wealth Management Services are held by a counterparty. Although the account itself is in the Plan name, the individual investments are held in the name of the nominee. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. Generally, the longer the maturity of an investment, the greater sensitivity of its fair value to changes in market interest rates. The Board has no formal policy that limits investment maturities as a means of managing its exposure to interest rate risk. The Board has, however, adopted a long-term investment policy to weigh the chances and duration of investment losses against the long-term potential for appreciation of assets. Investments in mutual funds and certain investment pools are excluded from this requirement.

**THE TOWNSHIP OF UPPER DARBY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013**

**NOTE 3. PROPERTY TAXES**

Property taxes in arrears attach as an enforceable lien on property as of February 28 of each year. Taxes were levied on February 1, 2013. A 2% discount was generally allowed if payment was made by March 31, 2013. The Township property tax revenue is recognized when levied to the extent that they result in current receivables. The Township levied taxes at the rate of \$17.94 per \$1,000 of assessed valuation. The penalty period begins June 1<sup>st</sup> of each year. A ten percent penalty is assessed at that point. Taxes are returned to the County for collection after February 28 of the subsequent year.

An allowance for uncollectible accounts has been established at 30 percent of the balance of taxes owed in the total funds (General Fund and Sinking Fund) amount of \$1,179,526 as of December 31, 2013. A reserve has been established, shown on the fund financial statements as deferred inflow, representing that portion net delinquent taxes not expected to be available and measurable as revenue in the current period. The government-wide financial statements do not show such a deferral as consistent with the accrual basis of accounting.

Current year tax receivable (see following statement of real estate taxes - 2013 duplicate)	\$2,322,359
Prior year tax receivable (see following statement of real estate taxes - prior years)	<u>1,609,400</u>
	3,931,759
Less: Allowance for uncollectible accounts	<u>(1,179,526)</u>
	<u>\$2,752,233</u>

Following are schedules detailing property taxes and their appropriation to the various funds for the year ended December 31, 2013, property taxes received from prior years assessments, and a ten year summary of property taxes showing the relationship between amount levied and that actually collected.

THE TOWNSHIP OF UPPER DARBY

STATEMENT OF REAL ESTATE TAXES - 2013 DUPLICATE

FOR THE YEAR ENDED DECEMBER 31, 2013

	ASSESSED VALUATION	TOTAL TAX LEVY	GENERAL FUND	SINKING FUND
Tax rate in mills		17.94	16.99	0.95
Tax duplicate	\$ 2,671,806,689	\$ 47,932,212	\$ 45,393,996	\$ 2,538,216
Add: interim taxes prorated	<u>5,910,725</u>	<u>72,762</u>	<u>68,909</u>	<u>3,853</u>
Net tax duplicate	<u>\$ 2,677,717,414</u>	<u>48,004,974</u>	<u>45,462,905</u>	<u>2,542,069</u>
Deduct: taxes collected face		44,897,088	42,519,594	2,377,494
Discounts allowed		<u>785,527</u>	<u>743,930</u>	<u>41,597</u>
Total deductions		<u>45,682,615</u>	<u>43,263,524</u>	<u>2,419,091</u>
Taxes receivable for year ended December 31, 2013		<u>\$ 2,322,359</u>	<u>\$ 2,199,380</u>	<u>\$ 122,979</u>
Penalty assessed at 10%		<u>\$ 232,236</u>	<u>\$ 219,938</u>	<u>\$ 12,298</u>

THE TOWNSHIP OF UPPER DARBY  
 STATEMENT OF REAL ESTATE TAXES - PRIOR YEARS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	TOTAL	GENERAL FUND	SINKING FUND
Prior year 2012 duplicate taxes	\$ 2,148,296	\$ 2,026,742	\$ 121,554
Add: Penalties liened and collected to February 28, 2013 (net)	214,830	202,674	12,156
Deduct: Collections including penalties	<u>(410,228)</u>	<u>(387,017)</u>	<u>(23,211)</u>
	1,952,898	1,842,400	110,499
Taxes returned to County Treasurer (\$1,775,361 plus 10% penalty of \$177,537)	1,580,756	1,474,377	106,379
Prior years returned and liened balance January 1, 2013	<u>1,952,898</u>	<u>1,842,400</u>	<u>110,499</u>
Add: 2012 taxes returned to County Treasurer	3,533,654	3,316,777	216,878
Sub-total	<u>(1,924,254)</u>	<u>(1,819,852)</u>	<u>(104,402)</u>
Deduct: Collections	\$ 1,609,400	\$ 1,496,925	\$ 112,476
Prior years taxes receivable - December 31, 2013			

THE TOWNSHIP OF UPPER DARBY

TEN YEAR SUMMARY OF REAL ESTATE TAXES

YEARS 2003 TO 2012 INCLUSIVE

YEAR	TAX RATE IN MILLS	NET ASSESSED VALUATION	TAX LEVY	COLLECTIONS	RETURNED TO COUNTY TREASURER	PERCENTAGE OF CURRENT COLLECTIONS TO TAX LEVY
2003	9.18	\$ 2,699,608,344	\$ 24,782,404	\$ 23,898,003	\$ 884,401	96.431
2004	10.15	\$ 2,708,069,356	\$ 27,486,905	\$ 26,611,347	\$ 875,558	96.815
2005	11.12	\$ 2,712,125,338	\$ 30,146,380	\$ 29,073,639	\$ 1,072,741	96.442
2006	12.09	\$ 2,702,952,726	\$ 32,648,592	\$ 31,386,731	\$ 1,261,861	96.135
2007	13.04	\$ 2,708,120,361	\$ 35,313,889	\$ 33,839,883	\$ 1,474,006	95.826
2008	13.69	\$ 2,706,527,963	\$ 37,052,368	\$ 35,566,899	\$ 1,485,469	95.991
2009	14.34	\$ 2,704,398,527	\$ 38,773,819	\$ 37,192,298	\$ 1,581,521	95.921
2010	14.99	\$ 2,690,210,980	\$ 40,356,445	\$ 38,817,815	\$ 1,538,630	96.187
2011	15.94	\$ 2,686,345,670	\$ 42,814,279	\$ 41,178,742	\$ 1,635,537	96.180
2012	16.79	\$ 2,679,747,596	\$ 44,992,932	\$ 43,217,570	\$ 1,775,362	96.389
2013	17.49	\$ 2,671,806,689	\$ 47,932,112	\$ 45,682,605		



**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 4. LONG-TERM DEBT**

Upper Darby Township currently has five bond issues outstanding, maturing between 2017 and 2020, for a total remaining indebtedness of \$16,714,000. Each bond issue is maintained and repaid as a separate entity.

The 1992 Series A Bonds were issued for the purpose of purchasing the current treatment capacity from Philadelphia's Southwest Water Pollution Control plant thus reducing the annual payment to Philadelphia. A separate Sinking Fund has been established for the repayment of this indebtedness to be funded by the Sewer Rental Fund assessments. These bonds were refunded with the 2002 bonds. The balance remaining in that issuance was satisfied in 2012 through the Sewer Sinking Fund accordingly with a requisite transfer to the Sewer Sinking Fund from the Sewer Rental Fund.

Funds to repay bonded indebtedness (aside from that relative to the Sewer related remaining indebtedness) are derived through property taxes at the rate of .95 mills and are accounted for through the Sinking Fund. Additional support is provided as needed through General Fund transfers.

In 2007, the Township incurred a general obligation note, Series of 2006, in the amount of \$7,500,000 in conjunction with the Delaware Valley Regional Finance Authority (DVRFA). The DVRFA purchased the note with proceeds of its DVRFA Bonds for which the Township shall remit to DVRFA principal and interest payments at a variable rate (3.490 to 3.598%) of interest through 2018. The Township as part of its agreement with DVRFA incurred additional debt through general obligation notes, series of 2008, in the amount of \$3,495,000 with a maturity date of May 2018, with an interest rate of 2.45%. Further, as part of its agreement the Township in 2011 incurred additional debt (Series of 2009) through the third general obligation note in the principal amount of \$3,485,000 with a maturity date of December, 2020, carrying an interest rate of 2.29%.

In 2010, the Township refunded its Series 2003 bonds in the amount of \$5,235,000. The 2010 Series Bonds carry interest rates of .52 to 2.50% with a maturity date of October 2018. The Series 2010 bonds were issued to reduce the total debt service over the next eight years by approximately \$171,340.

As noted above, in 2012 the Township refunded the existing balance of its 2002 bonds in the amount of \$2,860,000. The bond issuance, in the amount of \$3,035,000 carries interest rates of .3 to 1.5% with a maturity date of July 2018. The Series 2012 bonds were issued to reduce total debt service over the next six years by approximately \$226,169.

**THE TOWNSHIP OF UPPER DARBY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013**

**NOTE 4. LONG-TERM DEBT (continued)**

Following is an inclusive schedule of long term liabilities at December 31, 2013, statement of bonded indebtedness for the year ended December 31, 2013, and a schedule of bond maturities for the years 2014 to 2020.

	Principal Outstanding 12/31/2013
General obligation note series of 2006	\$ 4,882,000
General obligation note series of 2008	2,537,000
General obligation bond series 2009	3,475,000
General obligation note series of 2010	3,455,000
General obligation note series of 2012	<u>2,365,000</u>
	16,714,000
Other post employment benefits (inclusive of sick time)	102,076,196
Accrued vacation time	<u>1,072,221</u>
Total long term debt	<u><u>\$ 119,862,417</u></u>

THE TOWNSHIP OF UPPER DARBY

STATEMENT OF BONDED INDEBTEDNESS

YEAR ENDED DECEMBER 31, 2013

BOND/NOTE NUMBER	DATE OF ISSUE	FINAL MATURITY	INTEREST RATE	ORIGINAL AMOUNT ISSUED	OUTSTANDING JANUARY 1, 2013	(PAID)/ INCREASE DURING YEAR	OUTSTANDING DECEMBER 31, 2013
Bonded Debt Created by							
Council							
06	5/25/2006	5/25/2017	3.490-3.598%	\$ 7,500,000	\$ 5,988,000	\$ (1,106,000)	\$ 4,882,000
08	12/21/2008	5/25/2018	2.45%	3,495,000	3,024,000	(487,000)	2,537,000
09	10/25/2011	12/25/2020	2.29%	3,485,000	3,480,000	(5,000)	3,475,000
10	11/8/2010	10/1/2018	.52-2.50	5,235,000	4,100,000	(645,000)	3,455,000
12	5/15/2012	7/15/2018	.30-1.50%	3,035,000	2,830,000	(465,000)	2,365,000
				<u>\$22,750,000</u>	19,422,000	(2,708,000)	16,714,000
Total by Council							
					<u>\$ 19,422,000</u>	<u>\$ (2,708,000)</u>	<u>\$ 16,714,000</u>
TOTAL INDEBTEDNESS							

**THE TOWNSHIP OF UPPER DARBY  
SCHEDULE OF BOND AND LONG TERM NOTE MATURITIES  
FOR THE YEARS 2014 TO 2020**

2014		2015		2016	
SER #	AMOUNT	SER #	AMOUNT	SER #	AMOUNT
06	\$ 1,150,000	06	\$ 1,196,000	06	\$ 1,244,000
08	489,000	08	494,000	08	493,000
09	5,000	9	5,000	09	5,000
10	665,000	10	675,000	10	690,000
12	465,000	12	465,000	12	475,000
	<u>\$ 2,774,000</u>		<u>\$ 2,835,000</u>		<u>\$ 2,907,000</u>

2017		2018		2019	
SER #	AMOUNT	SER #	AMOUNT	SER #	AMOUNT
06	\$ 1,292,000	08	\$ 567,000	09	\$ 1,691,000
08	494,000	09	5,000		
09	5,000	10	720,000		
10	705,000	12	485,000		
12	475,000				
	<u>\$ 2,971,000</u>		<u>\$ 1,777,000</u>		<u>\$ 1,691,000</u>

2014		2015		2016	
SER #	INTEREST	SER #	INTEREST	SER #	INTEREST
06	\$ 125,952	06	\$ 92,058	06	\$ 55,668
08	55,168	08	43,116	08	31,027
09	80,969	9	80,852	09	80,736
10	74,462	10	61,162	10	47,662
12	27,976	12	23,324	12	18,676
	<u>\$ 364,527</u>		<u>\$ 300,512</u>		<u>\$ 233,769</u>

2017		2018		2019	
SER #	INTEREST	SER #	INTEREST	SER #	INTEREST
06	\$ 16,554	08	\$ 5,788	09	\$ 57,451
08	18,934	09	80,503		
09	80,619	10	18,000		
10	33,862	12	7,275		
12	13,212				
	<u>\$ 163,181</u>		<u>\$ 111,566</u>		

2020	
SER #	INTEREST
09	<u>\$ 17,092</u>

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 5. GENERAL OBLIGATION BOND FUND/CAPITAL PROJECT FUNDS**

Long-term debt funds had been designated for use in funding capital acquisitions. Funds from the bond issuances, related interest and other operating transfers designated for capital projects are still available in the amount of \$4,797,352.

**NOTE 6. ACCOUNTS RECEIVABLE - ASH AND RUBBISH**

Ash and rubbish fees receivable for the years 1971 to 2013 inclusive have been shown in the General Fund at 40 percent net value. The Township considers 60 percent of the receivables to be uncollectible and the account has been credited as such. The Township has been taking aggressive action, including legal remedies, in collection of these outstanding receivables. Deferred revenue in the governmental fund statements includes that amount of the ash and rubbish net receivable that is not expected to be collected during the subsequent period pursuant with the modified accrual basis of accounting for these funds. As noted above, the government-wide financial statements do not include such a deferral as consistent with the accrual basis of accounting utilized in those statements.

**NOTE 7. ACCOUNTS RECEIVABLE - SEWER RENTAL**

Receivables from sewer rental fees include \$1,362,184 outstanding from 2013 and \$2,811,476 outstanding from 2012 and prior years for a total of \$4,173,660.

An allowance for uncollectible accounts has been established at 30 percent of the balance of fees owed as of December 31, 2013, in the amount of \$1,252,097. The sewer rental fees are recorded as revenue when collected. The receivable on the balance sheet represents the amount assessed and not available or collected as of the balance sheet date. Within the governmental fund financial statements and as with property taxes, sewer rental fees are recognized when they become both measurable and available. A reserve has been established, shown on the governmental fund financial statements as deferred revenue, for that portion of the outstanding sewer rental fees that are not anticipated to be measurable and available during the current period pursuant with the modified accrual basis of accounting. The government-wide financial statements do not include such a deferral as consistent with the accrual basis of accounting utilized in those statements.

In addition, at balance sheet date, Upper Darby Township had receivables in the amount of \$350,167 due from other municipalities for sewer rental charges up to December 31, 2013.

**NOTE 8. SEWER RENTAL CAPITAL FUND**

The Special Sewer Rental Fund acts as a reserve for future sewer maintenance, construction and special needs. The Township administrators periodically transfer money from the Sewer Rental Fund and/or General Fund to provide for these needs and/or contingencies. Upper Darby Township had receivable in this fund from another municipality for \$26,667.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 9. FIXED ASSETS**

Capital asset activity for the year ended December 31, 2013 was as follows:

	Balance 01/01/13	Additions	Deletions	Balance 12/31/13
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Construction-in-progress	\$ -	\$ 97,096	\$ -	\$ 97,096
Land	4,637,840	-	-	4,637,840
Total capital assets not being depreciated	4,637,840	97,096	-	4,734,936
Capital assets being depreciated:				
Land improvements	14,950	10,585	-	25,535
Building and building improvements	15,878,219	522,678	-	16,400,897
Infrastructure	23,042,696	51,804	-	23,094,500
Machinery and equipment	4,558,342	180,288	-	4,738,630
Vehicles	13,039,251	358,729	(380,781)	13,017,199
Total capital assets being depreciated	56,533,458	1,124,084	(380,781)	57,276,761
Total capital assets	61,171,298	1,221,180	(380,781)	62,011,697
Accumulated depreciation				
Land improvements	748	2,024	-	2,772
Building and building improvements	13,748,130	91,834	-	13,839,964
Infrastructure	10,926,930	538,839	-	11,465,769
Machinery and equipment	2,137,320	164,302	-	2,301,622
Vehicles	9,018,892	642,550	(365,463)	9,295,979
Total accumulated depreciation	35,832,020	1,439,549	(365,463)	36,906,106
Capital assets, net of depreciation	\$ 25,339,278	\$ (218,369)	\$ (15,318)	\$25,105,591

Depreciation allocations for the year ended are as follows:

Council	\$ 6,637
Administration	69,466
Police	231,659
Fire	289,589
L&I	550
Sanitation	73,780
Sewer	84,723
Public works	424,147
Electric	81,744
Parking meter	2,375
Leisure services	66,691
Parks	37,548
COSA	3,449
General depreciation	67,191
	<u>\$ 1,439,549</u>

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 9. FIXED ASSETS (continued)**

Construction in progress, when shown in the governmental funds, represents costs accumulated for projects not completed at year end. There were \$251,668 construction contract commitments outstanding related to construction in progress at year end.

A summary of changes in capital assets of Upper Darby Township and Sellers Memorial Library, a discretely presented component unit is as follows:

	Balance 01/01/13	Additions	Deletions	Balance 12/31/13
Capital assets not being depreciated:				
Land and non-depreciable historical site	\$ 464,385	\$ -	\$ -	\$ 464,385
Capital assets being depreciated:				
Buildings and improvements	407,549	6,786	-	414,335
Leasehold improvements	174,211	-	-	174,211
Furniture and equipment	464,559	83,983	-	548,542
Library books and material	7,306,352	86,643	(2,000,000)	5,392,995
Subtotal	8,817,056	177,412	(2,000,000)	6,994,468
Less: accumulated depreciation	(7,963,190)	(181,394)	2,000,000	(6,144,584)
Total	<u>\$ 853,866</u>	<u>\$ (3,982)</u>	<u>\$ -</u>	<u>\$ 849,884</u>

Depreciation expense for 2013 was \$181,394.

During 2013, the Township of Upper Darby provided \$51,954 of capital improvements to the Library. This amount is included above in the furniture and equipment line item.

**NOTE 10. INTERFUND RECEIVABLES AND PAYABLES/INTERFUND TRANSFERS**

Interfund receivables and payables arise from interfund transactions. Principally, these amounts result from operating subsidies or loan. Interfund receivables and payables are eliminated within the government-wide financial statements but are shown on the governmental fund statements. At the balance sheet date, the amount of interfund receivables is equal to the amount of interfund payables as follows:

	AMOUNT DUE FROM OTHER FUNDS	AMOUNT DUE TO OTHER FUNDS
General fund	\$ 516,337	\$ 469,224
Sewer rental fund	469,224	-
Highway Aid fund	-	-
Debt Service Fund	88,118	26,851
Weed and Seed	-	19
Community Development funds	-	489,467
Sewer rental sinking fund	-	88,118
	<u>\$ 1,073,679</u>	<u>\$ 1,073,679</u>

**THE TOWNSHIP OF UPPER DARBY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013**

**NOTE 10. INTERFUND RECEIVABLES AND PAYABLES/INTERFUND TRANSFERS**  
 (continued)

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and payments between the funds are made.

Interfund transfers for the year ended December 31, 2013 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Sewer Rental Fund	\$ -	\$ 496,463
General Fund	32,350	-
Weed and Seed Fund	-	32,350
Debt Service Fund	496,463	-
	<u>\$ 528,813</u>	<u>\$ 528,813</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts as debt service from the funds collecting the receipts as debt service payments become due, and (3) use unrestricted revenues collected to finance various programs accounted for in other funds pursuant to authorizations.



**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 11. FEDERAL GRANTS/SINGLE AUDIT ACT**

Upper Darby Township participated in several federally assisted programs:

**PROGRAM**

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**U.S. Department of Housing and Urban Development**

Community Development Block Grant

HESG

*Passed through Commonwealth of Pennsylvania*

HOME

**U.S. Department of Health and Human Services**

*Passed through County Office of Services for the Aging (COSA)*

Special Programs for Aging Title III F

Services for the Aging and Senior Centers

Special Programs for Aging Title III-Part C Nutrition

**Department of Justice**

Center for Family Safety—Justice Assistance Grant

Passed through County of Delaware

Bullet Proof Vests

Drug Forfeiture

Justice Assistance Grant—ARRA funded

Justice Assistance Grant

**Department of Energy**

Energy Efficiency Conservation Block Grant—ARRA funded

**Department of Transportation**

*Pass through the Commonwealth of Pennsylvania*

Safe Routes to School Program

**Department of Homeland Security**

*Passed through the Commonwealth of Pennsylvania*

Emergency Operations Center Grant Program

**U.S. Department of Agriculture**

*Passed through Senior Services Management Group*

The programs were audited as part of the General Township audit. The reports in compliance with the Single Audit Act are filed under separate cover and are not made part of these financial statements.

The Community Development Block Grant was audited separately for the period January 1, 2013 through December 31, 2013. A financial report on the program is presented in this report as supplemental information. HUD revenue and expenditures are treated for the purpose of the financial statements on a departmental basis. The HUD revenue reflects that amount received as part of the HUD entitlement for 2013 including the December 2013 drawdown shown as part of the General Fund accounts receivable. Township labor, other than those directly related to specific HUD employees, is reimbursed by HUD as part of the entitlement revenue. This amount charged and received as part of the HUD entitlement is actually a reduction in expenses of other departments within the funds from which labor expenses were originally charged. This presentation was selected to better reflect actual HUD related expenditures and to properly reduce other expenditures accordingly. The HUD report itself shows specific program costs and revenue to balance sheet date.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 12. COLLENBROOK**

The Township acquired in 1989 the Collenbrook Farm property under the Will of Eleanor Houston Smith. The Township paid \$200,000 for the property consisting of Legislative Initiative Grant of \$30,000, an Economic Development Appropriation from the Commonwealth for \$80,000, and \$90,000 plus settlement costs from HUD (which were shown as part of the HUD program expenditures). The property was valued by the family at \$400,000, with the Township purchasing one half and the family donating the balances.

**NOTE 13. LEASES**

The Township is obligated under a lease accounted for as an operating lease with the Philadelphia Electric Company for an access road used in conjunction with its Highway Yard. An operating lease does not give rise to property rights or lease obligations, and therefore the result of this agreement is not reflected in the Township's capital assets. This lease is payable \$4,300 annually on the first day of February. This lease is cancelable by either party upon thirty days notice.

A property at 319 Watkins Avenue is leased for a period of five years through 2014, with an option to renew at an annual rental of \$27,600. The Township further leases a property from the Upper Darby Fire Company No.3 for the use of the Police Athletic League boxing program for \$900 per month currently. Additionally, beginning in February 2013, the Township began leasing a property for use by its Leisure Services Department. The lease is a twenty year lease beginning at \$29,352 for the first five years (through 2017) with escalation amounts beginning thereafter.

Future rental payments for the next four years are as follows:

2014	\$	64,852
2015		33,652
2016		33,652
2017		33,652
	\$	<u>165,808</u>

In addition, the Township holds leases on historical property for which no rent is received. Under this lease which has been extended through 2014, the lessee is to maintain the properties in habitable condition and is responsible for costs. In addition, the lessee is required to permit access to the properties for nature study, environmental analysis and historical considerations. The Township further leases out the Collenbrook property referred to above for \$750 per month. The Township leases an additional property to the Marine Corp League for \$1 per year.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 14. INVESTMENT IN WASTEWATER TREATMENT PLANT**

The Township further has a long-term wastewater treatment contract with the Philadelphia Water Department for which it charges other neighboring municipalities with their pro-rata share accordingly. The Township and the neighboring communities are responsible for their proportional share of the cost of all capital costs incurred. The Township's proportional share of the net book value of the capital assets is shown on the government-wide statement.

**NOTE 15. WORKMEN'S COMPENSATION**

Upper Darby Township maintains self-insurance for Workmen's Compensation. The Township has filed a \$2,000,000 surety bond with the Commonwealth of Pennsylvania. Claims are reviewed and paid through an independent agency, which the Township reimburses monthly. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount can be reasonably estimated. The self-insured plan provides excess coverage or reimbursement to protect the Township from large losses. Management monitors the variances. In a fiduciary fund, the Township maintains cash and certificates of deposit for such purposes.

**NOTE 16. LIBRARY TRUST FUND**

The Library Trust Fund acts as a conduit between the Sarah P. Sellers Trust and the Sellers Library. Four (4) times per year the Trust Fund receives monies from the Sellers Estate (administered by Provident Bank) that are immediately disbursed to the Sellers Library. The Trust is for the benefit of a free, non-sectarian library to be maintained by Upper Darby Township.

**NOTE 17. RETIREMENT COMMITMENTS**

The Township sponsors the Police Pension Plan, the Municipal Employees Pension Plan, and the Fire Fighters Pension Plan. Each is a single employer defined benefit plan. Eligibility for coverage is as follows: In the Firefighters Plan, each employee who is a member of Local 2493 of the International Association of Firefighters and who agrees to contribute 6 percent of his effective compensation becomes a participant on the commencement date of his employment; the Police Pension Plan covers all members of the police force of the Township; and the Municipal Employees Pension Plan is open to all full time municipal employees of the Township.

Basic provisions of the Plans are as follows:

**Police:**

A member hired prior to January 1, 2001 may retire upon attaining a combination of age and service equal to 77, provided that the member is at least 50 years old with 20 years of service.

Members hired on or after January 1, 2001 may retire upon reaching the age of 50 and completion of 25 years of service. The pension shall be equal to 62 percent of the average total compensation during the highest 24 consecutive months during the final 60 months of service. Pension provisions include death and disability provisions.

**THE TOWNSHIP OF UPPER DARBY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013**

**NOTE 17. RETIREMENT COMMITMENTS (continued)**

**Fire:**

Normal retirement date is the first day of the month coincident with or next following the date the participant attains age 53 with ten years of service. The monthly pension should equal 1/12th of 2.5 percent of average annual compensation multiplied by total years of service. The plan provides for death and disability provisions.

**Municipal:**

Normal retirement for this plan is the participant's 60th birthday and completion of 5 years of service. Members who are also Township officials are eligible to commence receiving their retirement benefits at age 70 ½ years even if they have not retired. The annual pension upon normal retirement is 2.5 percent of the average of the member's compensation over the two years of service producing the largest average, multiplied by the number of years of service up to termination of employment. Pension is payable for the member's lifetime only. Pension benefits are available upon termination of employment as a result of total and presumably permanent disability.

The Township received on behalf of the plans \$2,190,778 in Commonwealth funds pursuant to Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, which were distributed as follows:

	State Aid	Minimum Municipal Obligation	Township Contribution
Police	\$1,017,702	\$4,949,013	\$3,931,311
Fire	419,511	1,025,025	605,514
Municipal	753,566	869,754	116,188
	<u>\$2,190,779</u>	<u>\$6,843,792</u>	<u>\$4,653,013</u>

Active plan membership, as of the latest actuarial valuation reports for each respective plan is as follows:

Police:	128
Fire	53
Municipal	197

Active membership of each of the plans contributed as follows for 2013:

	Contribution
Police	\$715,055
Municipal	\$630,146
Fire	\$334,975

Contributions for the police are based on 6.5 percent of salary if hired before January 1, 2001, 5 percent if hired subsequent to that date; fire fighters and municipal employees at 6 percent respectively. Contributions for Fire and Municipal employees are 6% of compensation. Total payroll, including overtime, for all Township employees amounted to \$ 31,066,106.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 17. RETIREMENT COMMITMENTS (continued)**

Projected funding requirements for 2014 based on actuarial computations of minimum municipal obligations are as follows:

Police	\$ 4,813,478
Fire	1,069,622
Municipal	<u>896,788</u>
	<u>\$ 6,809,888</u>

A significant portion of this amount is expected to be received from the General Municipal Pension System pursuant to Act 205.

The plans are each administered independently of the Township with their own Boards of Director and Administrators and are reported on separately. Such reports are available from the Board of each of the respective plans. Each of the plans maintains its books and records on the accrual basis of accounting. The plans all present their respective investments at market value.

Significant actuarial assumptions used to measure the pension benefit obligations pursuant to the actuarial reports were as follows:

	<b>Police</b>	<b>Fire</b>	<b>Municipal</b>
Investment rate	8.00%	7.25%	8.00%
Projected salary increase	5.00%	4.75%	5.00%
Actuarial cost method	Entry age normal for all three plans		
Amortization	Level dollar	Level dollar	Level dollar

Methods used to determine the value of assets were as follows:

Police - Assets are valued at adjusted market value which consists of market value of the assets, plus 20 percent of the excess of the market value over the expected market value and not less than 70 percent nor more than 130 percent of the market value.

Fire - Assets are valued using a five year smoothing of assets with an adjustment of not greater 120 percent of the market value.

Municipal - Assets are valued at 80 percent of the expected value of the assets plus 20 percent of market value, but not less than 80 percent nor more than 120 percent of market value.

Historical trend information is available in the financial statements of the individual plans and is presented in these financial statements as required supplementary information

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 18. OTHER POST EMPLOYMENT BENEFITS**

The Township pays certain post employment benefits for both uniform and non-uniform municipal employees. This is a single-employer plan administered by the Township. Certain categories of members do contribute to the Plan. Uniform employees, both police and fire, receive both medical and vision benefits for the employee and spouse. Should these employees be on permanent disability, the Township will continue to pay both medical and dental coverage. Non-uniform employees who retire at 60 years of age will receive a portion of their respective medical coverage costs based on their respective years of service. The Plan is unfunded and no financial report is prepared. The Plan is authorized and under the control, maintenance and operation of Township Council. The required contribution of the Township is based on a pay-as-you-go financing requirement. The Township Council has the authority within contractual limitations to amend the plan including changing the obligation of plan members and the Township to contribute to the Plan.

The Township's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Government Accounting Standards Board (GASB) Statement 45. GASB No. 45 establishes standards of financial accounting and reporting for governmental employers providing postretirement benefits to their employees. Benefits defined as OPEB include medical, prescription drug, dental, vision, sick leave and life insurance (as applicable). Long-term compensated absences for sick leave had previously been accrued on the Township's financial statements and the expense previously recorded. Consequently, the expense for this period is presented net of that previously recorded in the Statement of Activities. The ARC is equal to the normal cost and the amortization of the Unfunded Actuarial Accrued Liability plus interest. The following show the components of the annual OPEB cost for the year, the amount actually contributed to the Plan, and the changes in the Township's OPEB obligation:

Annual required contribution	\$ 23,933,432
Interest on net OPEB obligation	3,393,851
Adjustment to annual required contribution	<u>(5,094,938)</u>
Annual OPEB cost (expense)	22,232,345
Contributions made (pay as you go)	<u>(3,093,377)</u>
Increase in net OPEB obligation	19,138,968
Actuarial adjustment	<u>(3,249,572)</u>
Net OPEB obligation at January 1, 2012	86,186,800
Net OPEB obligation at December 31, 2013	<u>\$ 102,076,196</u>

<u>Fiscal year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2009	\$21,016,627	24.00%	\$ 34,344,989
December 31, 2010	\$19,852,104	15.50%	\$ 51,119,293
December 31, 2011	\$20,707,976	15.38%	\$ 68,642,273
December 31, 2012	\$20,787,230	14.63%	\$ 86,186,800
December 31, 2013	\$22,232,345	13.91%	\$ 102,076,196

**THE TOWNSHIP OF UPPER DARBY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013**

**NOTE 18. OTHER POST EMPLOYMENT BENEFITS (continued)**

The following is based upon the initial biennial plan actuarial valuation and is unaudited:

Actuarial accrued liability (AAL)	\$ 217,010,471
Actuarial value of plan assets	-
	<hr/>
	\$ 217,010,471
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 31,025,426
UAAL as a percentage of covered payroll	699.46%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets as applicable.

Valuation date	January 1, 2014
Actuarial cost method	Projected unit credit cost
Healthcare Cost Trend	Changed from 6.0% for all years to 8.5% for 2014, decreasing .5% per year until it reaches 5.5% in 2020
Salary increase assumptions	
Uniformed	5% to 3.25%
Firefighters	4.75% to 3.5%
Non-Uniformed	5% to 3.0%

**NOTE 19. COSA**

The COSA program of Upper Darby Township was included in the audit of the Township of Upper Darby as a single entity. Revenue and expenditures for the COSA program for the calendar year are presented with the financial statements of the General Fund. As mentioned in Note 11 of these financial statements, the COSA program consisted of federal financial assistance passed through from the County of Delaware and was a part of the Township Single Audit. An audited schedule of the COSA program for the fiscal year ended June 30, 2013 is included herein as supplemental information.

**NOTE 20. FUND BALANCE DEFICIT**

The Sewer Rental Sinking Fund had a deficit fund balance of \$(70,581). This was the result of debt payments paid from transferred funds on behalf on another fund.

**NOTE 21. LITIGATION**

There are various claims or lawsuits currently pending against or on behalf of the Township. Counsel has not indicated that the eventual outcome or effect of those claims would have a material effect, if any, on the Township's financial statements.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 22. TAX ANTICIPATION NOTE**

The Township had taken a Tax Anticipation Note for 2013 in the amount of \$4,400,000, at an interest rate of 2.48% per annum repaid during 2013. In 2014, the Township has taken as well a Tax Anticipation Note in the amount of \$4,000,000, at a varying interest rate approximating 2.44% per annum.

**NOTE 23. SUBSEQUENT EVENTS**

Management of the Township has evaluated subsequent events through June 30, 2014, the date on which the financial statements were available to be issued.



**REQUIRED SUPPLEMENTAL INFORMATION**

**REQUIRED SUPPLEMENTAL INFORMATION  
THE TOWNSHIP OF UPPER DARBY**

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

**FOR THE YEAR ENDED DECEMBER 31, 2013**

	General Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>REVENUES</b>				
Real estate taxes	\$ 44,858,250	\$ 44,858,250	\$ 45,032,306	\$ 174,056
Local enabling act taxes	3,075,000	3,075,000	2,670,010	(404,990)
Licenses and permits	2,809,700	2,809,700	2,663,057	(146,643)
Fines and forfeits	790,000	790,000	747,869	(42,131)
Rent	205,000	205,000	187,337	(17,663)
Investment earnings	25,000	25,000	-	(25,000)
Public utility realty tax	30,000	30,000	59,493	29,493
Grants and entitlements	2,671,148	2,671,148	1,711,582	(959,566)
Delaware County Office of Services for the Aging (COSA)	303,437	303,437	303,427	(10)
Departmental earnings	5,748,000	5,748,000	6,082,960	334,960
Pennsylvania contribution for pension	1,801,807	1,801,807	2,190,779	388,972
Volunteer firemen allocation	300,000	300,000	326,428	26,428
Miscellaneous/refunds and reimbursements	585,000	585,000	581,864	(3,136)
Sale of fixed assets	25,000	25,000	39,120	14,120
Sewer fund reimbursement	850,000	850,000	977,831	127,831
Total revenues	<u>64,077,342</u>	<u>64,077,342</u>	<u>63,574,063</u>	<u>(503,279)</u>
<b>EXPENDITURES</b>				
General governmental	14,108,410	13,728,410	12,889,512	838,898
Public Safety	35,803,700	36,328,700	35,867,780	460,920
Health and sanitation	4,590,760	4,435,760	4,384,052	51,708
Community development	2,411,233	2,063,648	1,877,620	186,028
Electric, parking and public works	3,506,862	3,536,862	3,441,557	95,305
Leisure services, COSA and parks	2,695,329	2,992,914	2,592,304	400,610
Volunteer fire allocation	300,000	330,000	326,428	3,572
Library contribution	1,198,654	1,198,654	1,198,654	-
Total expenditures	<u>64,614,948</u>	<u>64,614,948</u>	<u>62,577,907</u>	<u>2,037,041</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(537,606)</u>	<u>(537,606)</u>	<u>996,156</u>	<u>1,533,762</u>
<b>OTHER FINANCING SOURCES (USES) OF FUNDS:</b>				
Tax revenue anticipation note	4,400,000	4,400,000	4,400,000	-
Repayment of tax revenue anticipation note	(4,400,000)	(4,400,000)	(4,400,000)	-
Operating transfers in	-	-	32,350	(32,350)
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	<u>-</u>	<u>-</u>	<u>32,350</u>	<u>(32,350)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	<u>\$ (537,606)</u>	<u>\$ (537,606)</u>	<u>1,028,506</u>	<u>\$ 1,501,412</u>
<b>FUND BALANCE - BEGINNING</b>			<u>4,118,249</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 5,146,755</u>	

REQUIRED SUPPLEMENTAL INFORMATION  
THE TOWNSHIP OF UPPER DARBY

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Sewer Rental Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>REVENUES</b>				
Sewer rentals, penalties and interest	\$ 7,200,000	\$ 7,200,000	\$ 7,706,169	\$ 506,169
Investment earnings	500	500	-	(500)
Grants and entitlements	25,000	25,000	-	(25,000)
Joint projects other municipalities	1,711,089	1,711,089	1,425,258	(285,831)
Total revenues	<u>8,936,589</u>	<u>8,936,589</u>	<u>9,131,427</u>	<u>194,838</u>
<b>EXPENDITURES</b>				
Sewer	8,695,372	8,695,372	7,731,386	963,986
Total expenditures	<u>8,695,372</u>	<u>8,695,372</u>	<u>7,731,386</u>	<u>963,986</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>241,217</u>	<u>241,217</u>	<u>1,400,041</u>	<u>1,158,824</u>
<b>OTHER FINANCING SOURCES (USES) OF FUNDS:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	(496,463)	(496,463)	(496,463)	-
Total other financing sources (uses) of funds, net	<u>(496,463)</u>	<u>(496,463)</u>	<u>(496,463)</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	<u>\$ (255,246)</u>	<u>\$ (255,246)</u>	903,578	<u>\$ 1,158,824</u>
<b>FUND BALANCE - BEGINNING</b>			447,399	
<b>FUND BALANCE - ENDING</b>			<u>\$ 1,350,977</u>	

**REQUIRED SUPPLEMENTAL INFORMATION  
THE TOWNSHIP OF UPPER DARBY**

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

**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Highway Aid Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>REVENUES</b>				
Investment earnings	\$ 500	\$ 500	\$ 404	\$ (96)
Other income	-	-	-	-
Grants and entitlements	1,445,260	1,435,260	1,510,259	74,999
Total revenues	<u>1,445,760</u>	<u>1,435,760</u>	<u>1,510,663</u>	<u>74,903</u>
<b>EXPENDITURES</b>				
Highways and streets	1,585,561	1,585,561	1,490,255	95,306
Total expenditures	<u>1,585,561</u>	<u>1,585,561</u>	<u>1,490,255</u>	<u>95,306</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(139,801)</u>	<u>(139,801)</u>	<u>20,408</u>	<u>170,209</u>
<b>OTHER FINANCING SOURCES (USES) OF FUNDS:</b>				
Operating transfers in - repayment from general fund	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	<u>\$ (139,801)</u>	<u>\$ (139,801)</u>	<u>20,408</u>	<u>\$ 170,209</u>
<b>FUND BALANCE - BEGINNING</b>			40,195	
<b>FUND BALANCE - ENDING</b>			<u>\$ 60,603</u>	

REQUIRED SUPPLEMENTAL INFORMATION  
THE TOWNSHIP OF UPPER DARBY

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Debt Service Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>REVENUES</b>				
Real estate taxes	\$ 2,538,216	\$ 2,538,216	\$ 2,551,260	\$ 13,044
Other revenue	-	-	-	-
Investment earnings	-	-	-	-
Total revenues	<u>2,538,216</u>	<u>2,538,216</u>	<u>2,551,260</u>	<u>13,044</u>
<b>EXPENDITURES</b>				
Principal	2,708,000	2,708,000	2,708,000	-
Interest	556,503	556,503	450,276	106,227
Total expenditures	<u>3,264,503</u>	<u>3,264,503</u>	<u>3,158,276</u>	<u>106,227</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(726,287)</u>	<u>(726,287)</u>	<u>(607,016)</u>	<u>119,271</u>
<b>OTHER FINANCING SOURCES (USES) OF FUNDS:</b>				
Operating transfers in	496,463	496,463	496,463	-
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	<u>496,463</u>	<u>496,463</u>	<u>496,463</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	<u>\$ (229,824)</u>	<u>\$ (229,824)</u>	<u>(110,553)</u>	<u>\$ 119,271</u>
<b>FUND BALANCE - BEGINNING</b>			<u>703,472</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 592,919</u>	

**REQUIRED SUPPLEMENTAL INFORMATION**

**THE TOWNSHIP OF UPPER DARBY  
PENSION PLAN TREND  
DECEMBER 31, 2013**

This historical information provides a basis for determining the progress made in the individual plans in accumulating sufficient assets to pay pension benefits as they become due. This information has been provided by the actuaries and is unaudited but presented herein as required supplementary information.

		<u>2013</u>	<u>2012</u>	<u>2011</u>
Police:	January 1,			
	Actuarial Value of Assets	\$ 52,869,749	\$ 48,699,330	\$ 44,364,642
	Actuarial Accrued Liability	\$ 72,634,640	\$ 70,567,340	\$ 66,616,427
	Unfunded Actuarial Liability (UAAL)	\$ 19,764,891	\$ 21,868,010	\$ 22,251,785
	Funded Ratio	72.79%	69.01%	66.60%
	Covered Payroll	\$ 12,171,676	\$ 11,783,712	\$ 11,847,920
	UAAL as % of Payroll	162.38%	185.58%	187.81%
	Employer Contributions (Including State Aid)	\$ 4,949,013	\$ 4,414,043	\$ 4,731,466
Municipal:	January 1,			
	Actuarial Value of Assets	\$ 62,702,169	\$ 58,358,220	\$ 57,930,826
	Actuarial Accrued Liability	\$ 61,867,998	\$ 58,683,471	\$ 57,193,467
	Unfunded Actuarial Liability	\$ (834,171)	\$ 325,251	\$ (737,359)
	Funded Ratio	101.35%	99.45%	101.29%
	Covered Payroll	\$ 10,052,549	\$ 10,278,604	\$ 10,654,302
	UAAL as % of Payroll	-8.30%	3.16%	-6.92%
	Employer Contributions (including state aid)	\$ 869,754	\$ 728,889	\$ 822,055

**REQUIRED SUPPLEMENTAL INFORMATION**

**THE TOWNSHIP OF UPPER DARBY  
PENSION PLAN TREND  
DECEMBER 31, 2013**

Fire:	January 1,	<u>2013</u>	<u>2011</u>	<u>2009</u>
	Actuarial Value of Assets	\$ 18,664,623	\$ 15,755,476	\$ 12,351,217
	Actuarial Accrued Liability	\$ 24,533,311	\$ 20,528,281	\$ 17,418,869
	Unfunded Actuarial Liability	\$ 5,868,688	\$ 4,772,805	\$ 5,067,652
	Funded Ratio	76.08%	76.75%	70.91%
	Covered Payroll	\$ 5,119,335	\$ 4,458,017	\$ 4,082,200
	UAAL as % of Payroll	114.64%	107.06%	124.14%
	Employer Contributions (including state aid)	\$ 1,025,025	\$ 779,085	\$ 712,761

**REQUIRED SUPPLEMENTARY INFORMATION**

**THE TOWNSHIP OF UPPER DARBY**

**SCHEDULE OF EMPLOYER AND COMMONWEALTH OF PENNSYLVANIA  
CONTRIBUTIONS**

**DECEMBER 31, 2013**

**POLICE:**

<b>YEAR ENDED DECEMBER 31,</b>	<b>ANNUAL REQUIRED CONTRIBUTION</b>	<b>PERCENTAGE OF REQUIRED CONTRIBUTION</b>
2004	\$ 1,995,150	100%
2005	\$ 2,042,829	100%
2006	\$ 2,665,273	100%
2007	\$ 2,781,834	100%
2008	\$ 3,451,236	100%
2009	\$ 3,720,809	100%
2010	\$ 3,746,842	100%
2011	\$ 4,731,466	100%
2012	\$ 4,414,043	100%
2013	\$ 4,949,013	100%

**FIRE:**

<b>YEAR ENDED DECEMBER 31,</b>	<b>ANNUAL REQUIRED CONTRIBUTION</b>	<b>PERCENTAGE OF REQUIRED CONTRIBUTION</b>
2004	\$ 498,664	100%
2005	\$ 506,159	100%
2006	\$ 636,388	100%
2007	\$ 614,228	100%
2008	\$ 712,761	100%
2009	\$ 760,335	100%
2010	\$ 779,085	100%
2011	\$ 898,564	100%
2012	\$ 817,982	100%
2013	\$ 1,025,025	100%



REQUIRED SUPPLEMENTARY INFORMATION

THE TOWNSHIP OF UPPER DARBY

SCHEDULE OF EMPLOYER AND COMMONWEALTH OF PENNSYLVANIA  
CONTRIBUTIONS

DECEMBER 31, 2013

MUNICIPAL:

YEAR ENDED DECEMBER 31,	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE OF REQUIRED CONTRIBUTION
2004	\$ -	100%
2005	\$ -	100%
2006	\$ 107,536	100%
2007	\$ 117,534	100%
2008	\$ 273,359	100%
2009	\$ 327,956	100%
2010	\$ 374,296	100%
2011	\$ 822,055	100%
2012	\$ 728,889	100%
2013	\$ 869,754	100%

**SUPPLEMENTAL INFORMATION**

**THE TOWNSHIP OF UPPER DARBY**  
**SUPPLEMENTAL INFORMATION**  
**BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**

DECEMBER 31, 2013

	SEWER RENTAL SINKING FUND	WEED AND SEED	MUNICIPAL BUILDING IMPROVEMENTS I	COMMUNITY DEVELOPMENT GRANTS	PAGE SUBTOTAL	TOTAL
<b>ASSETS</b>						
Cash	\$ 17,537	\$ 19	\$ 208,132	\$ -	\$ 225,688	263,358
Assessments receivable	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Grant receivable	-	-	-	495,649	495,649	495,649
Due from Commonwealth	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 17,537</b>	<b>\$ 19</b>	<b>\$ 208,132</b>	<b>\$ 495,649</b>	<b>\$ 721,337</b>	<b>\$ 759,007</b>
<b>Liabilities</b>						
Due to Sewer fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Highway fund	-	-	-	-	-	-
Due to Local Weed and Seed	-	-	-	-	-	-
Due to Debt Service fund	88,118	-	-	-	88,118	88,118
Accounts payable	-	-	31,400	1,642	33,042	33,042
Due to other entities	-	-	-	-	-	-
Due to general fund	-	19	-	489,467	489,486	489,486
Due to Commonwealth	-	-	-	-	-	-
Unearned revenue	-	-	176,732	4,540	181,272	214,730
<b>Total liabilities</b>	<b>88,118</b>	<b>19</b>	<b>208,132</b>	<b>495,649</b>	<b>791,918</b>	<b>825,376</b>
<b>Fund Balance</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed for:						
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	(70,581)	-	-	-	(70,581)	(66,369)
<b>Total fund balance</b>	<b>(70,581)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(70,581)</b>	<b>(66,369)</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 17,537</b>	<b>\$ 19</b>	<b>\$ 208,132</b>	<b>\$ 495,649</b>	<b>\$ 721,337</b>	<b>\$ 759,007</b>

**THE TOWNSHIP OF UPPER DARBY**  
**SUPPLEMENTAL INFORMATION**  
**BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**

**DECEMBER 31, 2013**

	HISTORIC PRESERVATION FUND	COMMUNITY FORESTRY GRANT	UPPER DARBY FOOTBALL BOWL	STORMWATER AND CURB REPLACEMENT	PAGE SUBTOTAL
<b>ASSETS</b>					
Cash	\$ 64	\$ 1,250	\$ 4,148	\$ 32,208	\$ 37,670
Assessments receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
Grant receivable	-	-	-	-	-
Due from Commonwealth	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 64</u>	<u>\$ 1,250</u>	<u>\$ 4,148</u>	<u>\$ 32,208</u>	<u>\$ 37,670</u>
<b>Liabilities</b>					
Due to Sewer fund	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Highway fund	-	-	-	-	-
Due to Local Weed and Seed	-	-	-	-	-
Due to Debt Service fund	-	-	-	-	-
Accounts payable	-	-	-	-	-
Accrued expenses	-	-	-	-	-
Due to general fund	-	-	-	-	-
Due to Commonwealth	-	-	-	32,208	33,458
Unearned revenue	-	1,250	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>1,250</u>	<u>-</u>	<u>32,208</u>	<u>33,458</u>
<b>Fund Balance</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Assigned	-	-	4,148	-	4,212
Unassigned	64	-	4,148	-	4,212
<b>Total fund balance</b>	<u>64</u>	<u>-</u>	<u>4,148</u>	<u>-</u>	<u>4,212</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 64</u>	<u>\$ 1,250</u>	<u>\$ 4,148</u>	<u>\$ 32,208</u>	<u>\$ 37,670</u>

THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	HISTORIC PRESERVATION FUND	COMMUNITY FORESTRY GRANT	UPPER DARBY FOOTBALL BOWL	STORMWATER AND CURB REPLACEMENT	PAGE SUBTOTAL
<b>REVENUES</b>					
Other grants and donations	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grant	-	-	-	2,792	2,792
Investment earnings	-	-	-	-	-
State grant	-	-	-	-	-
Total revenues	-	-	-	2,792	2,792
<b>EXPENDITURES</b>					
Governmental expenditures	-	-	161	-	161
Public safety	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay					
Highways and streets and sewers	-	-	-	-	-
Community development	-	-	-	2,792	2,792
Public safety	-	-	-	-	-
Recreation	-	-	-	-	-
Departmental	-	-	-	-	-
Total expenditures	-	-	161	2,792	2,953
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(161)	-	(161)
<b>OTHER FINANCING SOURCES AND (USES) OF FUNDS</b>					
Operating transfer	-	-	-	-	-
Total other financing sources (uses) of funds	-	-	-	-	-
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	(161)	-	(161)
<b>FUND BALANCE - BEGINNING</b>	64	-	4,309	-	4,373
<b>FUND BALANCE - ENDING</b>	\$ 64	\$ -	\$ 4,148	\$ -	\$ 4,212

THE TOWNSHIP OF UPPER DARBY  
 SUPPLEMENTAL INFORMATION  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	SEWER RENTAL SINKING FUND	WEED AND SEED	MUNICIPAL BUILDING IMPROVEMENTS I	COMMUNITY DEVELOPMENT GRANTS	PAGE SUBTOTAL	TOTAL
<b>REVENUES</b>						
Other grants and donations	\$ -	\$ -	\$ -	\$ 18,233	\$ 18,233	18,233
Federal grant	-	-	133,268	649,905	783,173	785,965
Investment earnings	-	-	-	-	-	-
State grant	-	-	-	-	-	-
Total revenues	-	-	133,268	668,138	801,406	804,198
<b>EXPENDITURES</b>						
Governmental expenditures	-	-	-	-	-	161
Public safety	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Highways and streets and sewers	-	-	-	-	-	-
Community development	-	-	133,268	561,728	694,996	697,788
Public safety	-	-	-	106,410	106,410	106,410
Departmental	-	-	-	-	-	-
Total expenditures	-	-	133,268	668,138	801,406	804,359
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-	-	(161)
<b>OTHER FINANCING SOURCES AND (USES) OF FUNDS</b>						
Operating transfer	-	(32,350)	-	-	(32,350)	(32,350)
Total other financing sources (uses) of funds	-	(32,350)	-	-	(32,350)	(32,350)
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	(32,350)	-	-	(32,350)	(32,511)
<b>FUND BALANCE - BEGINNING</b>	(70,581)	32,350	-	-	(38,231)	(33,858)
<b>FUND BALANCE - ENDING</b>	\$ (70,581)	\$ -	\$ -	\$ -	\$ (70,581)	\$ (66,369)

THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

BALANCE SHEET  
GENERAL FUND

DECEMBER 31, 2013

ASSETS

Cash and cash equivalents		\$ 4,472,432
Real estate taxes receivable		
Real estate taxes - current	\$ 2,199,381	
Less: Allowance for uncollectible accounts	<u>(659,814)</u>	
	1,539,567	
Real estate taxes - prior	1,496,926	
Less: Allowance for uncollectible accounts	<u>(449,078)</u>	
	1,047,848	
Total real estate taxes receivable		2,587,415
Other accounts receivable		2,396,953
Prepaid insurance		24,261
Due from other entities		432,494
Due from other funds		<u>516,337</u>
Total assets		<u>10,429,892</u>
Deferred outflows of resources		-
Total assets and deferred outflows of resources		<u>\$ 10,429,892</u>

LIABILITIES AND FUND BALANCE

Liabilities		\$ 580,254
Accounts payable		469,224
Due to other funds		13,638
Due to other governments		603,048
Accrued payroll and related liabilities		105,419
Escrow liability		<u>35,053</u>
Unearned revenue		1,806,636
Total liabilities		<u>1,806,636</u>
Deferred inflows of resources		3,476,501
Unavailable taxes and trash fees		<u>5,283,137</u>
Total liabilities and deferred inflows of resources		<u>5,283,137</u>
Fund Balance		24,261
Nonspendable		-
Restricted		-
Committed for:		-
Debt service		-
Capital projects		540,244
Assigned to 2013 appropriation		<u>4,582,250</u>
Unassigned		<u>5,146,755</u>
Total fund balance		<u>5,146,755</u>
Total liabilities and fund balance		<u>\$ 10,429,892</u>

**THE TOWNSHIP OF UPPER DARBY**  
**SUPPLEMENTAL INFORMATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GENERAL FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

<b>REVENUES</b>	<b>\$ 45,032,306</b>
<b>Taxes - Real Estate (net)</b>	
<b>Local Enabling Act Taxes</b>	
Mercantile tax	1,419,020
Business privilege tax	545,915
Local service tax	669,025
Mechanical devices and amusement admission taxes	36,050
	<u>2,670,010</u>
<b>Licenses and Permits</b>	
Beverage (liquor license)	30,550
Health, plumbing, and housing	1,012,952
Streets	58,684
Licenses and inspection	173,968
Cable television	1,386,903
	<u>2,663,057</u>
<b>Fines - Forfeits Costs</b>	
Upper Darby central courts	242,056
Police fines, violation, parking meter fines and drug forfeiture	505,813
	<u>747,869</u>
<b>Rents</b>	
Rent of building and parking lots	187,337
	<u>187,337</u>



THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

**Grants and Gifts**

Delaware County Office of Services for the Aging (COSA)	303,427
Federal grants and state grants	1,588,116
Public utility realty tax act	59,493
County Highway Aid	89,010
	<u>2,040,046</u>

**Departmental Earnings**

Garbage, refuse charges and recycling	4,380,487
Parking meters	667,410
Miscellaneous police	73,014
Other departmental revenue and miscellaneous revenue	837,126
HUD program income / loan recapture	124,923
	<u>6,082,960</u>

Total revenues

59,423,585

**NON-REVENUES**

Miscellaneous refunds and reimbursements	620,984
Municipal pension plans	2,225,235
Volunteer fire allocation	326,428
Sewer fund transfer	977,831
Total non-revenues	<u>4,150,478</u>

**TOTAL REVENUES**

63,574,063

**THE TOWNSHIP OF UPPER DARBY**  
**SUPPLEMENTAL INFORMATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GENERAL FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**GOVERNMENTAL EXPENDITURES**

**GENERAL GOVERNMENT**

**Administration**

Salaries	1,006,331
Materials and supplies	21,598
General expenses	153,467
Emergency management	5,296
Maintenance and repairs	9,261
Court fees solicitor	275,715
HUD transfer	(3,595)
	<u>1,468,073</u>

**Treasurer**

Salaries	7,528
	<u>7,528</u>

**Municipal Buildings**

Salaries	925,508
Materials and supplies - general	49,538
Utility cost	262,558
Postage expense	95,777
Maintenance and repairs, computer administration	111,983
Drug alcohol testing	10,413
General expenses	35,940
HUD transfer	(114,680)
	<u>1,377,037</u>

Total general government	<u>2,852,638</u>
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THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

**PROTECTION TO PERSONS AND PROPERTY**

**Police Protection**

Salaries	13,828,784
Materials, supplies and general expenses	214,467
Utilities	58,116
Vehicle operation and new vehicles	151,585
Insurance, social security tax	5,961,512
Communication expense	67,858
Maintenance and repairs and equipment	140,065
Police training and civil service	92,190
Drug forfeiture expense	7,000
Computer maintenance and consulting	58,627
Pension plan contribution	4,949,013
HUD transfer	(196,885)
	<u>25,332,332</u>

**Fire**

Salaries	5,871,109
Materials, supplies, and general expenses	154,048
Utilities and hydrants	194,817
Communication expense	16,468
Insurance, social security tax and workers' compensation	1,938,381
Contribution volunteer fire companies	612,480
Pension contribution	1,025,025
	<u>9,812,328</u>

**Building Regulation Planning and Zoning**

Salaries	690,916
Materials and supplies	15,785
General expenses	22,553
HUD transfer	(6,134)
	<u>723,120</u>

Total protection to persons and property 35,867,780

**THE TOWNSHIP OF UPPER DARBY**

**SUPPLEMENTAL INFORMATION**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GENERAL FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**HEALTH AND SANITATION**

**General Health Services**

Salaries	344,702
Materials and supplies	12,292
Communication expense	3,610
General expenses	55,722
	<u>416,326</u>

**Sanitation Collection and Disposal**

Salaries	2,455,690
Materials and supplies	11,862
General expenses, recycling and land fill fees	1,091,932
Lien fees	378,125
Communication expense	30,117
	<u>3,967,726</u>

Total health and sanitation 4,384,052

THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

**GENERAL SERVICES, STREET LIGHTS AND HIGHWAY**

**Electrical Department**

Salaries	352,140
Materials and supplies	10,501
General expenses	10,914
Maintenance and repairs, traffic lights and lighting	771,300
HUD transfer	(11,514.00)
	<u>1,133,341</u>

**Department of Public Works**

Salaries	397,412
Materials and supplies	73,564
General expenses	23,833
Vehicle operating expense, repairs and parts	1,132,958
Maintenance and equipment and construction repairs	231,016
	<u>1,858,783</u>

**Parking Meter**

Salaries	419,597
Materials and supplies	29,836
	<u>449,433</u>

Total general services, street lights and highway 3,441,557

**THE TOWNSHIP OF UPPER DARBY**

**SUPPLEMENTAL INFORMATION**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GENERAL FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**DEPARTMENT OF LEISURE SERVICES**

**General Recreation Services**

Salaries	747,557
Materials and supplies	75,965
General expenses	298,905
	<u>1,122,427</u>

**Parks and Playgrounds**

Salaries	1,064,942
Materials and supplies	122,266
Maintenance and repairs	120,201
Utilities	107,866
Major equipment replacement and construction	3,155
General expenses	51,447
	<u>1,469,877</u>

Total department of leisure services

2,592,304

THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

<b>Miscellaneous Expenditures</b>	
Social security taxes	620,556
Volunteer fire allocation	326,428
Insurance premiums and workers' compensation claims	8,363,885
Grants and program activity, HUD, COSA, Senior centers, Home program, Affordable Housing	1,877,620
Municipal pension contribution	869,754
Refunds, contingencies and miscellaneous	182,679
Library contribution	<u>1,198,654</u>
Total miscellaneous expenditures	<u>13,439,576</u>
<b>TOTAL EXPENDITURES</b>	<u>62,577,907</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	996,156
<b>OTHER FINANCING SOURCES (USES) OF FUNDS</b>	
Tax revenue anticipation note	4,400,000
Repayment of tax revenue anticipation note	(4,400,000)
Operating transfer in	<u>32,350</u>
	<u>32,350</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	1,028,506
<b>FUND BALANCE - BEGINNING</b>	<u>4,118,249</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 5,146,755</u>

THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

STATEMENT OF SEWER ASSESSMENTS  
SEWER RENTAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

<b>Current Assessments</b>	
Original bills	\$ 7,555,070
Less: Collections face	<u>6,192,886</u>
<b>BALANCE 2013 SEWER FUND ASSESSMENTS RECEIVABLE AT DECEMBER 31, 2013</b>	<u><u>\$ 1,362,184</u></u>
<b>Delinquent and Liened Assessments</b>	
Beginning balance	\$ 2,509,381
Add: 2012 assessments unpaid at January 1, 2013	<u>1,391,942</u>
Less: Collections face - net adjustment	<u>1,089,847</u>
<b>BALANCE PRIOR YEARS AT DECEMBER 31, 2013</b>	<u><u>\$ 2,811,476</u></u>
<b>TOTAL SEWER ASSESSMENTS RECEIVABLE</b>	
Current assessment receivable	\$ 1,362,184
Prior years assessment receivable	<u>2,811,476</u>
	4,173,660
Less: Allowance for uncollectible accounts	<u>(1,252,097)</u>
	<u><u>\$ 2,921,563</u></u>



THE TOWNSHIP OF UPPER DARBY

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND BUDGET COMPARISON  
DEPARTMENT OF LEISURE SERVICES  
COSA FUND

FOR THE YEAR ENDED JUNE 30, 2013

	SENIOR CENTER		USDA	TOTAL	
	BUDGET	ACTUAL	PROGRAM ACTUAL	BUDGET	ACTUAL
<b>REVENUES</b>					
Delaware County Office Services for the Aging (COSA)	\$ 303,437	\$ 303,437	\$ -	\$ 303,437	\$ 303,437
Nutrition Services Incentive	-	-	2,167	-	2,167
Township of Upper Darby and program income	251,472	97,611	-	251,472	97,611
Total revenues	<u>554,909</u>	<u>401,048</u>	<u>2,167</u>	<u>554,909</u>	<u>403,215</u>
<b>EXPENDITURES</b>					
Personnel	334,244	229,322	-	334,244	229,322
Fringe	38,765	35,740	-	38,765	35,740
Occupancy**	121,000	110,915	-	121,000	110,915
Communications	20,400	-	-	20,400	-
Transportation	19,000	25,071	-	19,000	25,071
Contract services	20,000	-	-	20,000	-
Other expenses	1,500	-	-	1,500	-
Deli meals	-	-	2,167	-	2,167
Total expenditures	<u>554,909</u>	<u>401,048</u>	<u>2,167</u>	<u>554,909</u>	<u>403,215</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\*Note: Senior Center Activities generate program income reducing overall cost to Township of Upper Darby; however, certain General Fund costs relative to the operations of the respective Senior Center are similarly not able to be specifically computed or directly allocated to the COSA supported program.

\*\* Occupancy includes imputed rent and utilities from Township estimates.

**THE TOWNSHIP OF UPPER DARBY**  
**COMMUNITY DEVELOPMENT GRANT FUNDS-CDBG NO. B-09-MC-42-0015**  
**PROGRAM YEAR 2009 - PROGRAM YEAR PERIOD OCTOBER 1, 2009 TO SEPTEMBER 30, 2010**  
**STATEMENT OF PROGRAM COSTS**  
**FOR THE PERIOD: OCTOBER 1, 2009 THROUGH DECEMBER 31, 2013**

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/13	EXPENDITURES CUMULATIVE 12/31/13	QUESTIONED COSTS 12/31/13
1. Fair housing assistance	\$ 2,944	\$ -	\$ 2,944	\$ -
2. Progressive team patrol	293,833	-	293,833	-
3. Street resurfacing	150,000	-	150,000	-
4. Code enforcement low/mod	125,663	-	125,663	-
5. OOHR emergency	100,601	-	100,601	-
6. Renovation firehouse #1*	47,504	-	47,504	-
7. Cardington Stonehurst firehouse*	65,775	-	65,775	-
8. Cobbs Creek Interceptor sewer*	-	-	-	-
9. Domestic abuse ESG	50,000	-	50,000	-
10. First time homebuyers	125,000	-	125,000	-
11. Welcome Center renovations*	3,292	3,292	3,292	-
12. Cobbs Creek Housing ESG	35,529	-	35,529	-
13. Market Street project	303,539	-	303,539	-
14. Glencoe and Chestnut sanitary sewer rehab*	-	-	-	-
15. Capital Improvements Homeless shelter	25,000	-	25,000	-
16. Interim assistance Weed and Seed	15,000	-	15,000	-
17. Watkins Avenue Community Center fitness	10,113	-	10,113	-
18. Sewer flow metering	132,000	-	132,000	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP	428,286	-	428,286	-
Administrative	170,607	-	170,607	-
Subtotal	2,084,686	3,292	2,084,686	-
Contingencies and/or local option activities*	478,528	-	-	-
<b>TOTAL</b>	<b>\$ 2,563,214</b>	<b>\$ 3,292</b>	<b>\$ 2,084,686</b>	<b>\$ -</b>

\* Rebudget during fiscal year

**THE TOWNSHIP OF UPPER DARBY**  
**COMMUNITY DEVELOPMENT GRANT FUNDS-CDBG NO. B-10-MC-42-0015**  
**PROGRAM YEAR 2010 - PROGRAM YEAR PERIOD OCTOBER 1, 2010 TO SEPTEMBER 30, 2011**  
**STATEMENT OF PROGRAM COSTS**  
**FOR THE PERIOD: OCTOBER 1, 2010 THROUGH DECEMBER 31, 2013**

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/13	EXPENDITURES CUMULATIVE 12/31/13	QUESTIONED COSTS 12/31/13
1. Fair housing outreach	\$ 7,056	\$ -	\$ 7,056	\$ -
2. Progressive team patrol	319,282	-	319,282	-
3. Street resurfacing	175,000	-	175,000	-
4. Code enforcement low/mod	125,006	-	125,006	-
5. OHR emergency	132,340	-	132,340	-
6. Market Street Gateway	494,568	-	494,568	-
7. Construction of Library and Community Center	76,051	-	76,051	-
8. Cobbs Creek Interceptor sewer*	-	-	-	-
9. Domestic abuse ESG	50,000	-	50,000	-
10. First time homebuyers	75,000	-	75,000	-
11. Chestnut St. and Powell Sewer Replacement	401	401	401	-
12. Cobbs Creek Housing ESG	35,836	-	35,836	-
13. Sewer Flow Metering Cobbs and Naylor	140,000	-	140,000	-
14. Code enforcement slum/blight	8,632	-	8,632	-
15. Sellers Library, Installation handicap	7,150	-	7,150	-
17. Interim assistance Weed and Seed	15,000	-	15,000	-
18. Capital improvement Cobbs Creek Housing	25,000	-	25,000	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP	550,896	-	550,896	-
Administrative*	202,293	-	202,293	-
Subtotal	<u>2,439,511</u>	<u>401</u>	<u>2,439,511</u>	<u>-</u>
Contingencies and/or local option activities	-	-	-	-
<b>TOTAL</b>	<u><b>\$ 2,439,511</b></u>	<u><b>\$ 401</b></u>	<u><b>\$ 2,439,511</b></u>	<u><b>\$ -</b></u>

\* Rebudget during fiscal year

**THE TOWNSHIP OF UPPER DARBY**

**COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

**PROGRAM YEAR 2011 - CDBG NO. B-11-MC-42-0015**

**STATEMENT OF SOURCE AND STATUS OF FUNDS  
FOR THE PERIOD OCTOBER 1, 2011 THROUGH DECEMBER 31, 2013**

		<u>GRANT AMOUNT</u>
Total program year 2011 funds		\$1,776,037
Emergency shelter funds		<u>86,237</u>
		1,862,274
Less: Total program year 2011 funds drawdown by recipient		<u>1,850,220</u>
Program funds still available to program year 2011		12,054
Program income applicable to program year 2011		<u>265,085</u>
Program year 2011 funds received		2,115,305
Total funds applied to prior year:		
	\$ 871,305	
	2009 3,292	
	2010 401	
	2011 252,438	
	2012 904,902	
	2013 <u>82,967</u>	<u>2,115,305</u>
Total program year 2011 funds held by recipient		<u>\$ -</u>
Total program year 2011 funds available for disposition		<u>\$ -</u>

**THE TOWNSHIP OF UPPER DARBY**  
**COMMUNITY DEVELOPMENT GRANT FUNDS-CDBG NO. B-11-MC-42-0015**  
**PROGRAM YEAR 2011 - PROGRAM YEAR PERIOD OCTOBER 1, 2011 TO SEPTEMBER 30, 2012**  
**STATEMENT OF PROGRAM COSTS**  
**FOR THE PERIOD: OCTOBER 1, 2011 THROUGH DECEMBER 31, 2013**

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/13	EXPENDITURES CUMULATIVE 12/31/13	QUESTIONED COSTS 12/31/13
1. Fair housing outreach*	\$ 4,995	\$ 1,845	\$ 4,995	\$ -
2. Progressive team patrol	293,797	-	293,797	-
3. Street resurfacing	200,000	45	200,000	-
4. Code enforcement low/mod	125,000	-	125,000	-
5. OOHR emergency	125,000	-	125,000	-
6. Market Street Gateway	50,000	3,852	3,852	-
7. LED Hand and Man Pedestrian Signals	-	-	-	-
8. Cobbs Creek Interceptor sewer*	-	-	-	-
9. Domestic abuse ESG	40,237	-	40,237	-
10. First time homebuyers	75,000	41	75,000	-
11. 69th Street Blvd and Marshall Road Pavement*	-	-	-	-
12. Cobbs Creek Housing ESG	46,000	-	46,000	-
13. Replacement of various street signs	49,632	11,760	49,632	-
14. Code enforcement slum/blight	20,000	16,338	18,415	-
15. Emergency rehab vacant properties*	-	-	-	-
16. Chestnut Street & Powell Lane Sewer replacement*	174,599	46,735	46,735	-
17. Interim assistance Weed and Seed	15,000	-	14,971	-
18. Capital improvement Cobbs Creek Housing*	33,723	25,289	33,723	-
19. Rehab/rennovation Detective Unit	6,118	-	6,118	-
20. HESG	15,018	8,500	8,500	-
21. Sidewalk Replacement Lansdowne Avenue	20,000	20,000	20,000	-
22. Homeless Prevention	33,490	33,490	33,490	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP*	519,975	29,536	519,975	-
Administrative	200,000	55,007	200,000	-
Subtotal	2,047,584	252,438	1,865,440	-
Contingencies and/or local option activities	-	-	-	-
<b>TOTAL</b>	<b>\$ 2,047,584</b>	<b>\$ 252,438</b>	<b>\$ 1,865,440</b>	<b>\$ -</b>

\* Rebudget during fiscal year

**THE TOWNSHIP OF UPPER DARBY**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**  
**PROGRAM YEAR 2012 - CDBG NO. B-12-MC-42-0015**  
**STATEMENT OF SOURCE AND STATUS OF FUNDS**  
**FOR THE PERIOD OCTOBER 1, 2012 THROUGH DECEMBER 31, 2013**

	<b>GRANT AMOUNT</b>
Total program year 2012 funds	\$1,362,348
Emergency shelter funds	153,808
	1,516,156
Less: Total program year 2012 funds drawdown by recipient	248,900
Program funds still available to program year 2012	-
Program funds still available to program year 2012	1,267,256
Program income applicable to program year 2012	-
Program year 2012 funds received	248,900
Total funds applied to prior year:	
2012	\$ 9,954
2013	124,693
	114,253
Total program year 2012 funds held by recipient	\$ -
Total program year 2012 funds available for disposition	\$ -

**THE TOWNSHIP OF UPPER DARBY**  
**COMMUNITY DEVELOPMENT GRANT FUNDS-CDBG NO. B-12-MC-42-0015**  
**PROGRAM YEAR 2012 - PROGRAM YEAR PERIOD OCTOBER 1, 2012 TO SEPTEMBER 30, 2013**  
**STATEMENT OF PROGRAM COSTS**  
**FOR THE PERIOD: OCTOBER 1, 2012 THROUGH DECEMBER 31, 2013**

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/13	EXPENDITURES CUMULATIVE 12/31/13	QUESTIONED COSTS 12/31/13
1. Fair housing outreach	\$ 5,000	\$ 1,362	\$ 1,362	\$ -
2. Progressive team patrol	204,352	33,380	204,351	-
3. Street resurfacing*	200,000	191,490	191,490	-
4. Code enforcement low/mod*	185,000	133,962	238,570	-
5. OOHR emergency	75,000	58,415	75,000	-
6. Domestic abuse ESG	40,237	36,865	40,237	-
7. First time homebuyers*	150,000	129,834	141,222	-
8. Bond Avenue Stormwater Pump Station	30,000	-	-	-
9. Cobbs Creek Housing ESG	46,000	39,418	46,000	-
10. Replacement of various street signs	25,000	-	-	-
11. Code enforcement slum/blight	20,000	-	-	-
12. Homeless assistance program*	-	-	-	-
13. Abbey Terrace Storm Sewer installation	15,000	-	-	-
14. Backflow protection program	25,000	-	-	-
15. Capital improvement Cobbs Creek Housing	5,000	5,000	5,000	-
16. Firehouse 7241 WestChester Pike*	46,099	-	-	-
17. Cardington Stonehurst Firehouse	30,743	-	-	-
18. Homeless Prevention*	55,863	46,913	46,913	-
19. Rapid Rehousing*	11,000	-	-	-
20. Data Collection*	700	-	-	-
21. Long Lane Beautification*	100,000	-	-	-
22. Reconstruction Cardington Soccer Field*	100,000	-	-	-
23. Cobbs Creedk Interceptor sewer*	325,000	829	829	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP*	735,000	244,984	279,107	-
Administrative	177,996	107,143	107,143	-
Subtotal	<u>2,607,990</u>	<u>1,029,595</u>	<u>1,377,224</u>	<u>-</u>
Contingencies and/or local option activities	-	-	-	-
TOTAL	<u>\$ 2,607,990</u>	<u>\$ 1,029,595</u>	<u>\$ 1,377,224</u>	<u>\$ -</u>

\* Rebudget during fiscal year

**THE TOWNSHIP OF UPPER DARBY**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**  
**PROGRAM YEAR 2013 - CDBG NO. B-13-MC-42-0015**  
**STATEMENT OF SOURCE AND STATUS OF FUNDS**  
**FOR THE PERIOD OCTOBER 1, 2013 THROUGH DECEMBER 31, 2013**

	<b>GRANT AMOUNT</b>
Total program year 2013 funds	\$1,421,327
Emergency shelter funds	25,000
	1,446,327
Less: Total program year 2013 funds drawdown by recipient	-
	-
Program funds still available to program year 2013	1,446,327
Program income applicable to program year 2013	-
	-
Program year 2013 funds received	-
Total funds applied to prior year:	-
	-
Total program year 2013 funds held by recipient	\$ -
Total program year 2013 funds available for disposition	\$ -



COMMUNITY DEVELOPMENT GRANT FUNDS-CDBG NO. B-13-MC-42-0015  
PROGRAM YEAR 2013 - PROGRAM YEAR PERIOD OCTOBER 1, 2013 TO SEPTEMBER 30, 2014  
STATEMENT OF PROGRAM COSTS  
FOR THE PERIOD: OCTOBER 1, 2013 THROUGH DECEMBER 31, 2013

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/13	EXPENDITURES CUMULATIVE 12/31/13	QUESTIONED COSTS 12/31/13
1. Fair housing outreach	\$ 5,000	\$ -	\$ -	\$ -
2. Progressive team patrol	216,949	163,227	163,227	-
3. Street resurfacing	200,000	-	-	-
4. Code enforcement low/mod	100,000	20,584	20,584	-
5. OHR emergency	50,000	13,410	13,410	-
6.. First time homebuyers	50,000	-	-	-
7. Renovations to Firehouse Westchester Pike	25,000	-	-	-
8. Renovations to Cardington Stonehurst Firehouse	25,000	-	-	-
9. Replacement of various street signs	25,000	-	-	-
10. Code enforcement slum/blight	20,000	-	-	-
11. Pavement reconstruction 69th St., Marshall, Walnut	150,000	-	-	-
12. 69th Street Pedestrian Crosswalk and Bus Lane Reconstruction	125,000	-	-	-
13. Police Station Lighting Upgrades	25,000	-	-	-
14. Capital Improvements CAA Shelter	25,000	-	-	-
15. Sellers Halls Renovations	25,000	-	-	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP	200,000	-	-	-
Administrative	100,000	-	-	-
Subtotal	<u>1,366,949</u>	<u>197,221</u>	<u>197,221</u>	<u>-</u>
Contingencies and/or local option activities	79,378	-	-	-
TOTAL	<u>\$ 1,446,327</u>	<u>\$ 197,221</u>	<u>\$ 197,221</u>	<u>\$ -</u>