

THE TOWNSHIP OF UPPER DARBY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014



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CERTIFIED PUBLIC ACCOUNTANTS

THE TOWNSHIP OF UPPER DARBY

YEAR ENDED DECEMBER 31, 2014

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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, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

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, 2014, 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.



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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 64 through 72 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 75 through 78), selected individual fund information (pages 79 through 87), schedule of COSA fund (page 89), the Statement of Sources and Status of Funds and Statement of Program Costs (pages 90 through 99) 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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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2015, 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
Certified Public Accountants

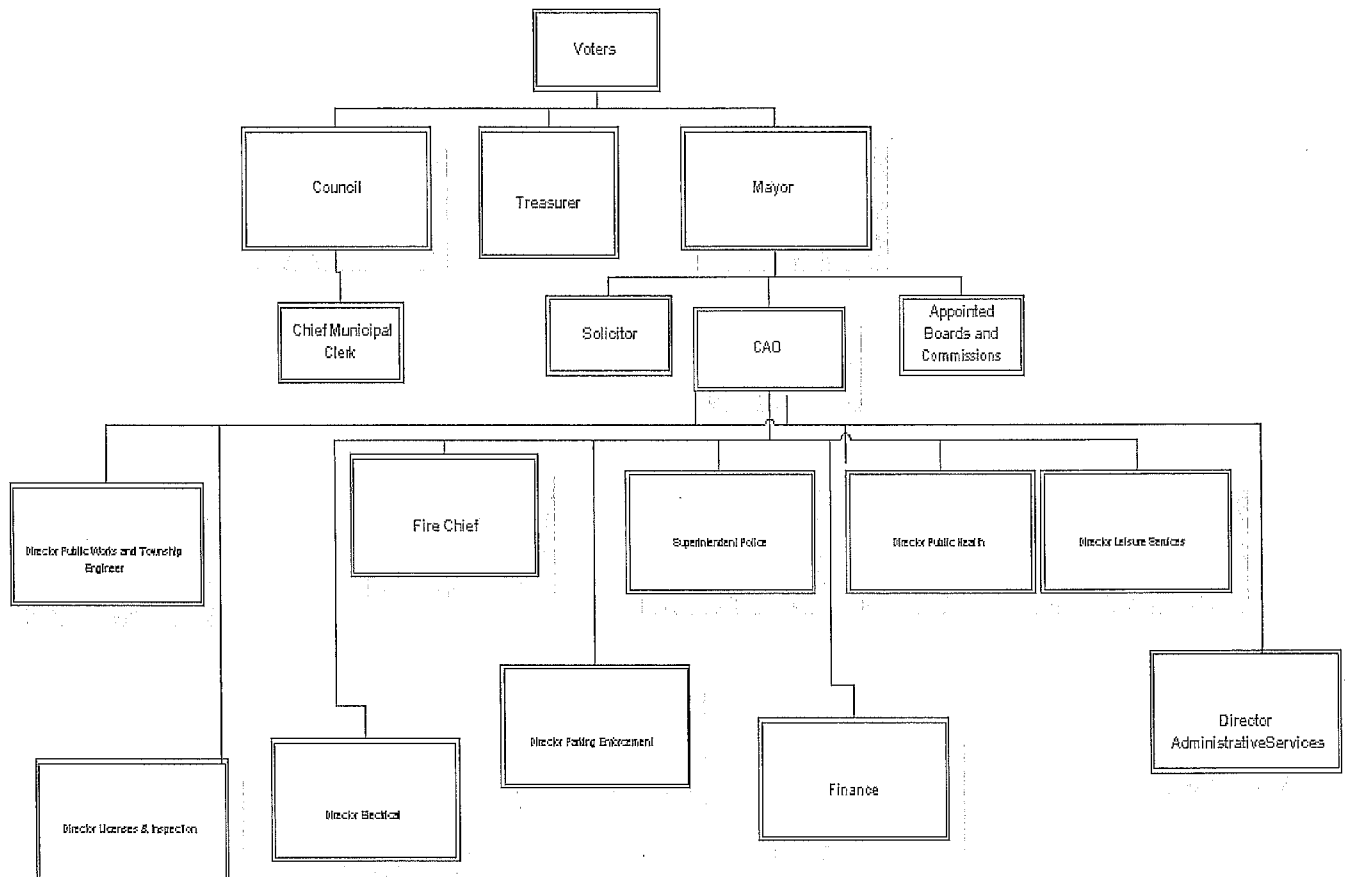
June 15, 2015

**THE TOWNSHIP OF UPPER DARBY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(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, 2014. 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 (\$83,407,587) This was a decrease in net position from 2013 to 2014 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 \$17,616,597 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 \$384,974 including \$1,473,439 in capital related expenditures relative to recreational needs, community development, highways, streets and sewers and other departmental capital costs. Those capital related expenditures were 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 \$489,312. 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 \$79,419,894, an approximate 3.2% increase. Charges for services and grant awards did decrease somewhat but remained stable and relatively consistent from 2013 to 2014. There was a decrease in grant activity primarily in community development. Increased revenue areas were reflected in increased real estate tax as well as departmental charges related to public safety. Operating expenses without regard to the OPEB charges and not including allocated and non-allocated depreciation and amortization in the government-wide statements (\$1,519,402 net) increased approximately 3.8% primarily in the general governmental expenses (including benefits and insurance), public safety (inclusive of pension obligations for police and fire personnel), and sewer costs.
- Revenues for the Township's governmental fund activities increased \$2,317,600 in total (approximately 3%), while total governmental fund expenditures increased correspondingly by \$2,757,890 over the previous year, approximately three and a half percent. Revenues showed marked increases in tax collection (which is reflective of increased millage and collection efforts) as well as licenses and inspections. Operating and entitlement grants were slightly decreased this period. Commonwealth contributions for pension funding were slightly elevated. 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 \$5,839,127, or 9% of total General Fund expenditures or 9% of total General Fund revenues.
- The General Fund activities resulted in a surplus of \$1,189,371 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 and local enabling taxes. Management maintained expenditures significantly below budgeted levels. The Township was able to utilize less of its fund balance for operations than that budgeted.
- Other municipality reimbursements for joint sewer treatment costs were increased somewhat this period as a result of increased treatment costs from third parties. Expenditures increased over the prior year correspondingly in the areas of treatment costs
- 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 rental 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 *Summary of Changes in Net Position*. Table 3 provides a comparative of the components of the capital assets from 2013 to 2014. Table 4 shows changes in outstanding bonded debt from 2013 to 2014.

TABLE 1
SUMMARY OF NET POSITION
DECEMBER 31,

	2014	2013
Current assets	\$ 21,497,044	\$ 20,871,815
Capital assets, net	25,049,527	25,105,591
Restricted assets	175,378	151,696
Other assets	6,860,518	7,463,626
Total assets	<u>53,582,467</u>	<u>53,592,728</u>
Deferred outflows of resources	<u>9,481</u>	<u>-</u>
 Current liabilities	 4,816,389	 2,173,200
Noncurrent liabilities	132,171,658	119,862,417
Total liabilities	<u>136,988,047</u>	<u>122,035,617</u>
Deferred inflows of resources	<u>11,488</u>	<u>13,785</u>
 Net position invested in capital assets	 17,949,836	 15,741,421
Restricted	4,367,590	5,390,271
Unrestricted	<u>(105,725,013)</u>	<u>(89,690,786)</u>
Total net position	<u><u>\$(83,407,587)</u></u>	<u><u>\$ (68,559,094)</u></u>

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

	2014	2013
Revenues		
Property taxes	\$50,453,743	\$47,691,570
Local enabling taxes	2,676,651	2,670,010
Charges for services	19,020,586	18,784,684
Operating grants	6,436,427	6,918,483
Rent	179,174	187,337
Interest	1,116	1,608
Gain on disposal of assets	-	23,802
Miscellaneous	652,197	668,789
Total revenues	<u>79,419,894</u>	<u>76,946,283</u>
Operating expenses		
General government	13,624,498	13,140,847
Public safety	38,774,346	36,705,997
Sewers	7,738,726	6,946,324
Highway and streets	1,625,588	1,702,646
Sanitation	4,582,654	4,457,832
Community development	1,115,699	1,980,446
Public works	3,971,373	3,932,151
Leisure services	3,065,885	2,728,532
Library contribution	1,222,627	1,227,080
Interest	369,215	450,276
Loss on disposal of assets	5,076	-
Post employment benefits	17,616,597	15,889,396
Unallocated depreciation/amortization	66,791	66,789
Total program/function	<u>93,779,075</u>	<u>89,228,316</u>
Excess of total revenues over (under) expenses	(14,359,181)	(12,282,033)
Contributed capital	-	9,500
Increase (decrease) in investment net of contribution	(489,312)	(413,848)
Change in net position	<u>\$ (14,848,493)</u>	<u>\$ (12,695,881)</u>

The Township's capital assets increased by \$987,300 net of deletions from 2013 to 2014 including construction in progress. Total fixed assets at December 31, 2014 were valued at \$62,998,997 before depreciation.

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

CAPITAL INVESTMENT	2014	2013	%Inc/Decr
Land	\$4,663,375	\$4,663,375	0.00%
Buildings	16,961,532	16,400,897	3.42%
Equipment	17,885,927	17,755,829	0.73%
Infrastructure	23,488,163	23,094,500	1.70%
Construction in progress	-	97,096	-100.00%
Totals	<u>\$62,998,997</u>	<u>\$62,011,697</u>	<u>-94.14%</u>

The Township, at December 31, 2014, had \$13,940,000 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,

SERIES	2014	2013	Inc. / Dec.
Note of 2006	\$ 3,732,000	\$ 4,882,000	\$ 1,150,000
Note of 2008	2,048,000	2,537,000	489,000
Series of 2010 Bonds	2,790,000	3,455,000	665,000
Note of 2009	3,470,000	3,475,000	5,000
Series 2012 Bonds	1,900,000	2,365,000	465,000
Total outstanding debt	<u>\$ 13,940,000</u>	<u>\$ 16,714,000</u>	<u>\$ 2,774,000</u>

ECONOMIC DEVELOPMENT

Upper Darby Township continues to make Economic Development a priority. While the Administration and Township Council focus on the goals presented in the Township's 2004 Comprehensive Plan, the Mayor has commissioned a committee to work on updating the Township's Comprehensive Plan. The Committee consists of a wide section of Community and Civic Leaders as well as representatives from the School Board.

The Market Street and 69th 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 69th 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 facelift of the street. Complementing their efforts on the 69th street Shopping corridor the Ashkenazy Corporation recently opened an IHOP restaurant and started major renovations for the opening of a Studio Movie and a Grill. Ashkenazy Corporation continues its efforts to revitalize the 69th Street shopping district and continues to talk with major retail outlets concerning the redevelopment of a new shopping area at the corner of 69th Street and Walnut Street. 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. In cooperation with the Township, the Long Lane Business Association is working on a Beautification project focused on trees and planters. Right at the corner of Garrett Road and Long Lane the Five Points Coffee House offers a blend of refreshments, light fare and student housing for the schools in Philadelphia University city. Ross Dress for Less retail outlet opened their second Upper Darby store in the Pilgrim Gardens area in October 2014.

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 (SEPTA) on the development of a parking garage in the area of 69th 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 69th 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 and Secane train station on the Media Elwyn rail line. The Primos station improvements included enhanced expanded parking and a raised platform. The refurbishing of the Secane train station continues to move forward with a reopening of the parking lot scheduled for the spring of 2015 and station improvement later in the year. SEPTA is also looking to perform some capital work on their West Terminal and the route 101 and 102 trolley lines.

Township officials continue to encourage and work with the business communities within our township like the Aronimink Business Association, Long Lane Business Association and the West Chester Pike Business Association. The corner of Baltimore Pike and Union Avenue continues to show successful redevelopment with the Goodwill store and the 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 continue 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, through the Center for Family Safety, continues to support the Department of Justice Weed and Seed program's goal to weed out drugs and crime, through faith based organizations seed the area with programs to prevent the return of

drugs and crime. The Center for Family Safety staff has initiated an aggressive project to reach out into the community with programs. In 2014, 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, the Anthony Becht football camp held at the Monsignor Bonner athletic complex, and the Upper Darby Police Department's 5th grade anti-bullying program.

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 2014, 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. 2015 will represent the 40th Anniversary year of this program bringing fun and joy to the community

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, 2014

	Primary Government	Component Units	
	Governmental Activities	UD Township and Sellers Memorial Library	Weed and Seed Center for Family Safety
ASSETS			
Cash and cash equivalents	\$ 12,567,669	\$ 282,735	\$ 11,551
Investment	-	31,198	-
Receivables (net of allowance for uncollectibles)	8,624,803	111,833	-
Due from other governments	290,013	-	8,310
Prepaid assets	14,559	32,914	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	175,378	-	-
Capital assets (net of accumulated depreciation):			
Land and non-depreciable historical site	4,637,840	464,384	-
Land improvements	20,209	-	-
Buildings and improvements	3,009,769	273,975	-
Leasehold improvements	-	2,692	-
Machinery and equipment	5,904,653	76,345	-
Infrastructure	11,477,056	-	-
Library books and materials	-	425,007	-
Investment in Wastewater Treatment Plant	6,860,518	-	-
Total assets	53,582,467	1,701,082	19,861
DEFERRED OUTFLOWS OF RESOURCES	9,481	-	-
LIABILITIES			
Accounts payable and accrued expenses	1,642,746	114,765	-
Due to other entities	21,948	-	-
Escrow liability	95,744	-	-
Unearned grant revenue	220,951	9,721	-
Long-term liabilities:			
Due within one year	2,835,000	-	-
Due in more than one year	132,171,658	-	-
Total liabilities	136,988,047	124,486	-
DEFERRED INFLOWS OF RESOURCES			
Unamortized bond premiums	11,488	-	-
	11,488	-	-
NET POSITION			
Net investment in capital assets	17,949,836	-	-
Restricted for:			
Capital projects	3,856,047	-	-
Debt service	511,543	-	-
Unrestricted	(105,725,013)	1,576,596	19,861
Total net position	\$ (83,407,587)	\$ 1,576,596	\$ 19,861

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, 2014

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	Primary Government Activities	Component Units
Primary Government:						
General governmental	\$ 13,624,498	\$ 27,388	\$ 754,972	\$ -	\$ (12,842,138)	\$ -
Public safety	38,774,346	2,298,616	1,759,003	-	(34,716,727)	-
Sewers	7,738,726	7,543,777	-	-	(194,949)	-
Highways and streets	1,625,588	634,722	1,650,942	-	660,076	-
Sanitation	4,582,654	4,600,116	84,659	-	102,121	-
Community development	1,115,699	116,520	1,775,914	-	776,735	-
Street lights, electric, parking and public works	3,971,373	-	-	-	(3,971,373)	-
Leisure services, COSA and parks	3,065,885	629,203	320,815	-	(2,115,867)	-
Library contribution	1,222,627	-	-	-	(1,222,627)	-
Interest on long-term debt	369,215	-	-	-	(369,215)	-
Post employment benefits	17,616,597	-	-	-	(17,616,597)	-
Non-allocated depreciation/amortization	71,770	-	-	-	(71,770)	-
Total governmental activities	<u>\$ 93,778,978</u>	<u>\$ 15,850,342</u>	<u>\$ 6,346,305</u>	<u>\$ -</u>	<u>(71,582,331)</u>	<u>-</u>
Component Units:						
UD Township and Sellers Memorial Library	\$ 1,698,686	\$ 73,968	\$ 1,506,222	\$ -		(118,496)
Weed and Seed Center for Family Safety	11,160	8,345	-	-		(2,815)
Total component unit	<u>\$ 1,709,846</u>	<u>\$ 82,313</u>	<u>\$ 1,506,222</u>	<u>\$ -</u>		<u>(121,311)</u>
General Revenues:						
Property taxes					50,458,722	-
Local enabling taxes					2,676,651	-
Cable television					1,547,417	-
Joint project sewers					1,622,827	-
Grants and contributions not restricted to a specific program					90,122	-
Investment earnings					1,116	2,721
Refunds and reimbursements					652,197	-
Gain (Loss) on sale of fixed assets					(5,076)	-
Decrease in investment in wastewater treatment plant					(489,312)	-
Increase (decrease) in investment value					-	(1,615)
Rent					179,174	-
Total general revenues					<u>56,733,838</u>	<u>1,106</u>
Change in net position					(14,848,493)	(120,205)
Net position - beginning					(68,559,094)	1,716,662
Net position - ending					<u>\$ (83,407,587)</u>	<u>\$ 1,596,457</u>

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, 2014

	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
ASSETS								
Cash and cash equivalents	\$ 6,927,711	\$ -	\$ -	\$ 464,390	\$ 1,297,992	\$ 3,856,047	\$ 21,529	\$ 12,567,669
Property tax receivable (net of allowance for uncollectibles)	2,671,701	-	-	164,658	-	-	-	2,836,359
Sewer assessments (net of allowance for uncollectibles)	-	3,292,053	-	-	-	-	-	3,292,053
Other receivables	2,420,481	-	-	-	-	-	75,910	2,496,391
Prepaid insurance	14,559	-	-	-	-	-	-	14,559
Due from other funds	125,554	581,510	149,395	88,118	-	-	-	944,577
Due from other municipalities/entities	-	263,346	-	-	26,667	-	-	290,013
Restricted cash	-	14,759	160,619	-	-	-	-	175,378
Total assets	<u>12,160,006</u>	<u>4,151,668</u>	<u>310,014</u>	<u>717,166</u>	<u>1,324,659</u>	<u>3,856,047</u>	<u>97,439</u>	<u>22,616,999</u>
DEFERRED OUTFLOW OF RESOURCES	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$12,160,006</u>	<u>\$ 4,151,668</u>	<u>\$ 310,014</u>	<u>\$ 717,166</u>	<u>\$ 1,324,659</u>	<u>\$ 3,856,047</u>	<u>\$ 97,439</u>	<u>\$ 22,616,999</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 375,662	\$ 478,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 854,569
Accrued payroll and related costs	700,686	49,557	37,934	-	-	-	-	788,177
Due to other governments or entities	21,948	-	-	-	-	-	-	21,948
Due to other funds	730,905	-	-	54,684	-	-	158,988	944,577
Unearned revenue	215,911	-	-	-	-	-	5,040	220,951
Escrow	95,744	-	-	-	-	-	-	95,744
Total liabilities	<u>2,140,856</u>	<u>528,464</u>	<u>37,934</u>	<u>54,684</u>	<u>-</u>	<u>-</u>	<u>164,028</u>	<u>2,925,966</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable taxes, sewer fees and trash fees	3,683,024	2,136,879	-	150,939	-	-	-	5,970,842
Total liabilities and deferred inflows of resources	<u>5,823,880</u>	<u>2,665,343</u>	<u>37,934</u>	<u>205,623</u>	<u>-</u>	<u>-</u>	<u>164,028</u>	<u>8,896,808</u>
Fund balances:								
Nonspendable	14,559	-	-	-	-	-	-	14,559
Restricted	-	-	-	-	-	-	-	-
Committed for:								
Debt service	-	-	-	511,543	-	-	-	511,543
Capital projects	-	-	-	-	-	3,856,047	-	3,856,047
Assigned to 2015 appropriation	482,440	-	-	-	-	-	-	482,440
Unassigned	5,839,127	1,486,325	272,080	-	1,324,659	-	(66,589)	8,855,602
Total fund balance	<u>6,336,126</u>	<u>1,486,325</u>	<u>272,080</u>	<u>511,543</u>	<u>1,324,659</u>	<u>3,856,047</u>	<u>(66,589)</u>	<u>13,720,191</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$12,160,006</u>	<u>\$ 4,151,668</u>	<u>\$ 310,014</u>	<u>\$ 717,166</u>	<u>\$ 1,324,659</u>	<u>\$ 3,856,047</u>	<u>\$ 97,439</u>	<u>\$ 22,616,999</u>

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, 2014

Total fund balances - governmental funds

\$ 13,720,191

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	\$ 4,637,840	
Infrastructure assets	23,488,163	
Other capital assets	34,872,994	
Accumulated depreciation	<u>(37,949,470)</u>	
Total capital assets		25,049,527

Investment in Wastewater Treatment Plant	6,860,518
--	-----------

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.	5,970,842
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Bond discounts and premiums are capitalized and amortized in the government-wide statements (shown as net)	(2,007)
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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	<u>(135,006,658)</u>
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Net position of governmental activities	<u><u>\$ (83,407,587)</u></u>
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THE TOWNSHIP OF UPPER DARBY

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

	General Fund	Sewer Rental Fund	Highway Aid Fund	Debt Service Fund	Sewer Rental Capital Fund	Capital Project Fund	Non-Major Governmental Funds	Total Governments Funds
REVENUES								
Taxes and assessments								
Property	\$ 47,705,445	\$ -	\$ -	\$ 2,564,258	\$ -	\$ -	\$ -	\$ 50,269,703
Sewer rentals/penalties and interest	-	7,419,940	-	-	-	-	-	7,419,940
Local enabling act taxes	2,676,651	-	-	-	-	-	-	2,676,651
Licenses-permits	3,080,497	-	-	-	-	-	-	3,080,497
Fines and forfeits	676,818	-	-	-	-	-	-	676,818
Rent	179,174	-	-	-	-	-	-	179,174
Investment earnings	-	8	363	-	249	496	-	1,116
Public utility realty tax	63,572	-	-	-	-	-	-	63,572
Grants and entitlements	1,428,187	-	1,650,942	-	-	-	348,977	3,428,106
Delaware County Office of Services for the Aging (COSA)	320,815	-	-	-	-	-	-	320,815
Departmental earnings	6,063,733	-	-	-	-	-	-	6,063,733
Joint projects other municipalities	-	1,622,827	-	-	-	-	-	1,622,827
Pennsylvania contribution for pension and ad hoc	2,205,355	-	-	-	-	-	-	2,205,355
Volunteer firemen allocation	308,621	-	-	-	-	-	-	308,621
Other revenue	611,925	-	-	4,606	35,666	-	-	652,197
Sewer fund reimbursement	921,290	-	-	-	-	-	-	921,290
Total revenues	66,242,083	9,042,775	1,651,305	2,568,864	35,915	496	348,977	79,890,415
EXPENDITURES								
Current:								
General government	12,473,661	-	-	-	-	146,852	21,807	12,642,320
Public safety/including police and fire pension contribution	37,425,628	-	-	-	-	109,317	54,907	37,589,852
Sewer	-	8,398,107	-	-	164,236	7,875	-	8,570,218
Highways and streets	-	-	1,589,223	-	-	36,365	-	1,625,588
Health and sanitation	4,507,401	-	-	-	-	1,473	-	4,508,874
Community development	1,115,699	-	-	-	-	-	-	1,115,699
Street lights, electric, parking and public works	3,431,909	-	-	-	-	9,771	-	3,441,680
Leisure services, COSA and parks	2,945,615	-	-	-	-	20,905	-	2,966,520
Volunteer fire allocation	308,621	-	-	-	-	-	-	308,621
Municipal pension contribution	896,788	-	-	-	-	-	-	896,788
Library contribution	1,222,627	-	-	-	-	-	-	1,222,627
Debt service:								
Principal	-	-	-	2,309,000	-	-	465,000	2,774,000
Interest	-	-	-	341,240	-	-	27,975	369,215
Capital outlay:								
Community development	-	-	-	-	-	-	272,483	272,483
Highways and streets and sewers	329,789	16,345	-	-	-	72,826	-	418,960
Public safety	245,579	-	-	-	-	222,871	-	468,450
Departmental	-	-	-	-	-	313,546	-	313,546
Total expenditures	64,903,317	8,414,452	1,589,223	2,650,240	164,236	941,601	842,172	79,505,441
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,338,766	628,323	62,082	(81,376)	(128,321)	(941,305)	(493,195)	384,974
OTHER FINANCING SOURCES (USES) OF FUNDS								
Tax revenue anticipation loan	4,000,000	-	-	-	-	-	-	4,000,000
Repayment of tax revenue anticipation loan	(4,000,000)	-	-	-	-	-	-	(4,000,000)
Operating transfer in	-	-	149,395	-	-	-	-	149,395
Operating transfer out	(149,395)	(492,975)	-	-	-	-	492,975	(149,395)
	(149,395)	(492,975)	149,395	-	-	-	492,975	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	1,189,371	135,348	211,477	(81,376)	(128,321)	(941,305)	(220)	384,974
FUND BALANCE - BEGINNING	5,146,755	1,350,977	60,603	592,919	1,452,980	4,797,352	(66,369)	13,335,217
FUND BALANCE - ENDING	\$ 6,336,126	\$ 1,486,325	\$ 272,080	\$ 511,543	\$ 1,324,659	\$ 3,856,047	\$ (66,589)	\$ 13,720,191

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, 2014

Net change in fund balances - total governmental funds **\$ 384,974**

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	\$ 1,473,439	
Depreciation expense	(1,524,427)	
Amortization expense	<u>402</u>	(50,586)

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 (5,076)

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:

Principal repayment	2,774,000
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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 (17,918,241)

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. (489,312)

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 455,748

Changes in net position of governmental activities \$ (14,848,493)

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, 2014**

	POLICE PENSION PLAN	MUNICIPAL EMPLOYEES PENSION PLAN	FIREFIGHTER'S PENSION PLAN	LIBRARY TRUST FUND	SELF INSURANCE TRUST FUND	TOTAL
Assets						
Cash and cash equivalents	\$ 1,625,834	\$ 1,941,499	\$ 808,432	\$ 16	\$ 477,505	\$ 4,853,286
Investments (at market value)	59,494,613	59,046,866	21,997,082	-	950,950	141,489,511
Interest receivable	-	108,077	-	-	-	108,077
Prepaid expense	13,847	2,366	4,398	-	-	20,611
Contribution receivable	56,677	-	27,440	-	-	84,117
Total assets	<u>61,190,971</u>	<u>61,098,808</u>	<u>22,837,352</u>	<u>16</u>	<u>1,428,455</u>	<u>146,555,602</u>
Liabilities						
Accounts payable	58,205	2,496	9,309	-	-	70,010
Escrow	-	-	-	-	1,428,455	1,428,455
	<u>58,205</u>	<u>2,496</u>	<u>9,309</u>	<u>-</u>	<u>1,428,455</u>	<u>1,498,465</u>
Net position						
Restricted	<u>\$ 61,132,766</u>	<u>\$ 61,096,312</u>	<u>\$ 22,828,043</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 145,057,137</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, 2014**

	POLICE PENSION PLAN	MUNICIPAL EMPLOYEES PENSION PLAN	FIREFIGHTER'S PENSION PLAN	LIBRARY TRUST FUND	SELF INSURANCE TRUST FUND	TOTAL
Additions:						
Contributions:						
State subsidies	\$ 1,022,388	\$ 755,172	\$ 425,995	\$ -	\$ -	\$ 2,203,555
Employee contributions	743,247	653,919	357,305	-	-	1,754,471
Township contributions	3,821,090	141,616	643,627	-	-	4,606,333
Donations	-	-	-	13,856	-	13,856
Total contributions	5,586,725	1,550,707	1,426,927	13,856	-	8,578,215
Investment earnings:						
Net appreciation in fair value of investments	3,009,891	3,154,677	774,905	-	-	6,939,473
Investment earnings	1,326,927	1,653,132	464,863	-	-	3,444,922
Less: investment expense	(250,094)	(321,479)	(79,166)	-	-	(650,739)
Total investment earnings	4,086,724	4,486,330	1,160,602	-	-	9,733,656
Total additions	9,673,449	6,037,037	2,587,529	13,856	-	18,311,871
Deductions:						
Pension benefits	4,401,917	3,714,872	697,458	-	-	8,814,247
Donation to Library	-	-	-	13,856	-	13,856
Other services and charges	56,069	43,500	31,407	-	-	130,976
Total deductions	4,457,986	3,758,372	728,865	13,856	-	8,959,079
Change in net position	5,215,463	2,278,665	1,858,664	-	-	9,352,792
Net position - beginning of the year	55,917,303	58,817,647	20,969,379	16	-	135,704,345
Net position - end of the year	<u>\$61,132,766</u>	<u>\$61,096,312</u>	<u>\$ 22,828,043</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 145,057,137</u>

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, 2014

Assets

Cash and cash equivalents	\$ 282,735
Investments	31,198
Accounts receivable	111,833
Prepaid insurance	10,460
Prepaid expenses	22,454
Capital assets (net of accumulated depreciation)	
Land and non-depreciable historical site	464,384
Buildings and improvements	273,975
Leasehold improvements	2,692
Furniture and equipment	76,345
Library books and materials	425,007
Total capital assets	<u>1,242,402</u>
Total assets	<u>1,701,082</u>

Liabilities

Accounts payable and accrued liabilities	20,143
Accrued payroll and related expenses	32,769
Accrued compensated absences	61,853
Deferred grant revenue	9,721
Total liabilities	<u>124,486</u>

Net Assets

Unrestricted	
Undesignated	1,545,398
Designated	31,198
Total net assets	<u>\$ 1,576,596</u>

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 ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

UNRESTRICTED NET ASSETS

Revenues, gains and other support:

Upper Darby Township support:

Contribution	\$ 1,222,627
Sellers Trust Fund	13,856
Total Upper Darby Township support	<u>1,236,484</u>

Revenues from operations

Fines	25,119
Copier / computer / miscellaneous	43,695
Video rentals	5,153
Total revenues from operations	<u>73,968</u>

Other revenues

Investment income	2,701
Unrealized gain/(loss) in market value	(1,615)
Total other revenues	<u>1,086</u>

Grants and donations

Commonwealth of Pennsylvania	240,840
County of Delaware Aid	5,145
Grant	16,405
Fundraising / endowments / gifts	7,348
Total grants and donations	<u>269,738</u>

Total revenues, gains and other support	<u>1,581,275</u>
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Expenses

Program

Personnel	1,192,048
Library services	60,154

Support

Facilities and equipment	161,586
Other supporting services	71,237
Pension	34,427
Depreciation	179,234
Total operating expenses	<u>1,698,685</u>

Change in net assets	(117,410)
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Net assets - beginning of year (restated)	1,694,006
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Net assets - end of year	<u>\$ 1,576,596</u>
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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, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 71,925
Receipts from intergovernmental support	1,366,726
Donation received from intergovernmental support	13,856
Receipt of grant income	16,405
Miscellaneous cash income	7,348
Payments to suppliers	(289,043)
Payments to employees	(1,207,713)
Net cash used by operating activities	<u>(20,496)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	<u>(119,433)</u>
Net cash used by capital and related financing activities and related financing activities	<u>(119,433)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends income	<u>49</u>
Net cash provided by investing activities	<u>49</u>

Net decrease in cash and cash equivalents	(139,880)
Cash and cash equivalents January 1,	<u>422,615</u>
Cash and cash equivalents December 31,	<u><u>\$ 282,735</u></u>

Reconciliation of operating income (loss) to net cash provided by operating activities:

Operating loss - non-inclusive of investment income	\$ (120,111)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	179,234
Unrealized (gain) loss in market value	1,615
Donated capital	-
(Increase) decrease in accounts receivable	(103,958)
(Increase) decrease in prepaid items	(2,615)
Increase (decrease) in accounts payable and accrued expenses	5,818
Increase (decrease) in accrued payroll and related expenses	1,294
Increase (decrease) in accrued compensated absences	18,227
Total adjustments	<u>99,615</u>
Net cash provided by operating activities	<u><u>\$ (20,496)</u></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, 2014

Assets

Cash	\$ 11,551
Due from Upper Darby Township	<u>8,310</u>
Total assets	<u><u>\$ 19,861</u></u>

Liabilities

-

Net assets

Unrestricted	<u>19,861</u>
Total liabilities and net assets	<u><u>\$ 19,861</u></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, 2014

Unrestricted revenues, gains and other support

Revenues and other additions

Contributions	\$ 8,345
Interest income	20
Total unrestricted revenues, gains and other support	<u>8,365</u>

Expenses

Program expenses	<u>11,160</u>
Total expenses	<u>11,160</u>

Change in unrestricted net assets	<u>(2,795)</u>
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Temporarily restricted net assets

Change in temporarily restricted net assets	<u>-</u>
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Permanently restricted net assets

Change in permanently restricted net assets	<u>-</u>
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Change in net assets	(2,795)
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Net assets - beginning of the year	<u>22,656</u>
Net assets - end of the year	<u><u>\$ 19,861</u></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 CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (2,795)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
(Increase) decrease in:	
Accounts receivable	213,051
Increase (decrease) in:	
Accounts payable and accrued expense	(48,708)
Due to Upper Darby Township	<u>(440,805)</u>
Net cash used by operating activities	<u>(279,257)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

-

CASH FLOWS FROM INVESTING ACTIVITIES

-

Net decrease in cash and cash equivalents	(279,257)
Cash and cash equivalents January 1,	<u>290,808</u>
Cash and cash equivalents December 31,	<u><u>\$ 11,551</u></u>

Supplemental Disclosure

Income taxes paid	\$ -
Interest paid	\$ -

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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.

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. During this period the Township's three single employer pension plans adopted the Government Accounting Standards Board (GASB) Statement 67, *Financial Reporting for Pension Plans*. This standard amended Statement 25 relative to the financial reporting and footnote disclosure for pension plans of state and local governments. The standard enhances both note disclosures and Required Supplementary Information (RSI) for both defined benefit and defined contribution pension plans. It further requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. In 2015, the Township intends to adopt GASB Statement 68, *Accounting and Reporting for Pensions* in employer financial statements. Consequently, these financial statements include the reporting pursuant to the existing standards for reporting pensions within employer financial statements and certain disclosures under GASB 67 pursuant to the three pension plans presented herein as fiduciary funds of the Township.

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.

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, 2014

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, 2014**

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, 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, 2014**

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, \$37,724 is shown as a current liability in the General Fund, \$4,395 as a current liability in the Sewer Rental Fund, and \$782 as a current liability

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

in the Highway Aid Fund. As of December 31, 2014, the long-term liability for accrued vacation leave and accrued sick was \$7,365,199, of which \$5,991,334 is included in total of other post-employment benefits of \$119,692,793; 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.

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 within the Sewer Rental Fund.

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. The following presents those areas which incurred an excess of expenditures over appropriations for the year ended December 31, 2014 as follows:

	Excess Expenditures Legally Adopted Budget
General Fund	
Health and Sanitation	\$ 76,399
Highway Aid Fund	
Highways and streets	\$ 104,856
Debt Service fund	
Interest	\$ 4,688

In each case there was sufficient revenue, fund balance or operating transfers to allow for the expenditure.

Excess appropriations lapse at the end of the fiscal year. Encumbrance accounting is utilized for budgetary control purposes and accountability. The Township recognized no

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 was 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:

THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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.

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, 2014, 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 \$12,743,063 (\$175,378 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 \$11,743,063 collateralized as noted above pursuant to Act 72. The bank deposits for the component units totaled \$294,286 of which all 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 \$5,069,566 in the General Fund; \$31,074 in the Sewer Rental Fund; \$1,152,113 in the Special Sewer Rental Fund; and \$3,473,592 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 TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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

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, 2014, 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.

Investments

In accordance with Government Accounting Standards Board (GASB) No. 67, investments are reported at 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	\$ 3,975,543
Vanguard Small Cap Index Fund	3,956,291
Vanguard Total Bond Market Index Fund	7,973,416
Vanguard Intermediate Term Corp Bond	7,950,560
Vanguard International Equity Index Fund	10,285,114
Vanguard US Large Cap Growth Index Fund	12,680,358
Vanguard US Large Cap Value Index Fund	12,673,331
	<u>\$59,494,613</u>

Investments in each of the funds are greater than 5% or more of the plan net position at December 31, 2014.

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, 2014. 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,

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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

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 Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Plan's Board by a majority vote of its members. The policy of the Board is to pursue an investment strategy that reduces risk through prudent diversification among its asset classes given the Plan's liability structure. Following is the Board's adopted asset allocation policy as of December 31, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	52.50%
International Equity	17.50%
Fixed Income	27%
Cash	3%

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.52%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Municipal Employee Pension Plan

In accordance with Government Accounting Standards Board (GASB) No. 67, 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.

Investments

At December 31, 2014, the Plan held the following investments which were 5% or more of the Plan's net position:

Dodge and Cox Income Fund	\$	3,645,263
Fidelity Advisor Floating High Income Fund	\$	3,182,836
PIMCO FDS Total Return Bond Fund	\$	3,615,346

THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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

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.

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.33%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Plan's Board by a majority vote of its members. The policy of the Board is to pursue an investment strategy that reduces risk through prudent diversification among its asset classes given the Plan's liability structure. Following is the Board's adopted asset allocation policy as of December 31, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	40-60%
International Equity	Within equity
Fixed Income	40-60%
Cash	0-20%

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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

Following is the fair value of investments at December 31, 2014:

	MOODY'S RATING	FAIR VALUE	DURATION
Cash and Cash Equivalents	n/a	\$ 1,941,499	n/a
Investments			
Mutual Funds	n/a	13,923,364	n/a
Equities	n/a	37,008,436	n/a
Fixed Income			
	A1	292,424	2-9
	A2	334,532	2-10
	A3	387,626	1-10
	AA1	59,019	5
	AA2	89,236	3-7
	AA3	187,538	1-7
	AAA	4,757,277	3-22
	BAA1	511,217	1-10
	BAA2	822,014	1-11
	BAA3	469,993	1-12
	Unrated	204,191	3-6
		<u>\$ 60,988,365</u>	

Firefighters' Pension Plan

Investments

In accordance with Government Accounting Standards Board (GASB) No.67, investments are reported at 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. Investment fees charged by Wealth Management and INR are discretely presented herein.

Ameritrade, at December 31, 2014, held plan assets in investments as follows:

Investments at fair value:	
Vanguard Mid Cap Index Fund	\$ 941,651
Vanguard Small Cap Index Fund	937,013
Vanguard Total Bond Market Index Fund*	1,435,380
Vanguard US Large Cap Growth Fund *	3,001,943
Vanguard International Equity Index Fund*	2,434,752
Vanguard US Large Cap Value Fund*	2,998,888
Vanguard Intermediate Term Corp Bond Fund*	1,431,326
	<u>\$ 13,180,953</u>

*Indicates an investment of 5% or more of the plan net position at December 31, 2014.

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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

Wealth Management Services held plan assets in investments at December 31, 2014 as follows:

Equities and equity funds	6,102,244
Mortgage pools and asset backed maturities	101,996
Bond funds	1,626,873
Structured settlement-WMS Chestnut Fund Trust	985,016
	<u>\$ 8,816,129</u>

Wealth Management did not hold any individual investment or fund on behalf of the plan in excess of 5% of the Plan's net position at December 31, 2014

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, 2014. 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 Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Plan's Board by a majority vote of its members. The policy of the Board is to pursue an investment strategy that reduces risk through prudent diversification among its asset classes given the Plan's liability structure. Following is the Board's adopted asset allocation policy as of December 31, 2014:

Asset Class	Target Allocation
Domestic Equity	65.00%
Fixed Income	32.50%
Cash Equivalents	2.50%

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.57%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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, 2014. A 2% discount was generally allowed if payment was made by March 31, 2014. 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 \$18.93 per \$1,000 of assessed valuation. The penalty period begins June 1st 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 \$1,215,583 as of December 31, 2014. A reserve has been established, shown on the fund financial statements as deferred inflow, representing that portion of 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 - 2014 duplicate)	\$ 2,380,269
Prior year tax receivable (see following statement of real estate taxes - prior years)	1,671,673
	<hr/> 4,051,942
Less: Allowance for uncollectible accounts	(1,215,583)
	<hr/> <u>\$ 2,836,359</u>

Following are schedules detailing property taxes and their appropriation to the various funds for the year ended December 31, 2014, 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 - 2014 DUPLICATE

YEAR ENDED DECEMBER 31, 2014

	ASSESSED VALUATION	TOTAL TAX LEVY	GENERAL FUND	SINKING FUND
Tax rate in mills		18.93	17.98	0.95
Tax duplicate	\$ 2,948,390,569	\$ 50,734,421	\$ 48,188,320	\$ 2,546,101
Add: interim taxes prorated	<u>914,560</u>	<u>10,472</u>	<u>9,946</u>	<u>526</u>
Net tax duplicate	<u>\$ 2,949,305,129</u>	<u>50,744,893</u>	<u>48,198,266</u>	<u>2,546,627</u>
Deduct: taxes collected face		47,529,997	45,144,709	2,385,288
Discounts allowed		<u>834,627</u>	<u>792,741</u>	<u>41,886</u>
Total deductions		<u>48,364,624</u>	<u>45,937,451</u>	<u>2,427,173</u>
Taxes receivable for year ended December 31, 2014		<u>\$ 2,380,269</u>	<u>\$ 2,260,815</u>	<u>\$ 119,454</u>
Penalty assessed at 10%		<u>\$ 238,027</u>	<u>\$ 202,674</u>	<u>\$ 35,353</u>

THE TOWNSHIP OF UPPER DARBY
STATEMENT OF REAL ESTATE TAXES - PRIOR YEARS

YEAR ENDED DECEMBER 31, 2014

	TOTAL	GENERAL FUND	SINKING FUND
Prior year 2013 duplicate taxes	\$ 2,322,359	\$ 2,199,380	\$ 122,979
Add: Penalties lienied and collected to February 28, 2013 (net)	232,236	219,938	12,298
Deduct: Collections including penalties	<u>(393,261)</u>	<u>(372,436)</u>	<u>(20,825)</u>
Taxes returned to County Treasurer (\$1,964,849 plus 10% penalty of \$196,485)	<u>2,161,334</u>	<u>2,046,882</u>	<u>114,452</u>
Prior years returned and lienied balance January 1, 2014	1,609,400	1,496,925	112,475
Add: 2013 taxes returned to County Treasurer	<u>2,161,334</u>	<u>2,046,882</u>	<u>114,452</u>
Sub-total	3,770,734	3,543,807	226,927
Deduct: Collections	<u>(2,099,061)</u>	<u>(1,987,907)</u>	<u>(111,154)</u>
Prior years taxes receivable - December 31, 2014	<u><u>\$ 1,671,673</u></u>	<u><u>\$ 1,555,900</u></u>	<u><u>\$ 115,773</u></u>

THE TOWNSHIP OF UPPER DARBY
TEN YEAR SUMMARY OF REAL ESTATE TAXES
YEARS 2004 TO 2013 INCLUSIVE

<u>YEAR</u>	<u>TAX RATE IN MILLS</u>	<u>NET ASSESSED VALUATION</u>	<u>TAX LEVY</u>	<u>COLLECTIONS</u>	<u>RETURNED TO COUNTY TREASURER</u>	<u>PERCENTAGE OF CURRENT COLLECTIONS TO TAX LEVY</u>
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	17.94	\$ 2,677,717,414	\$ 48,004,974	\$ 45,843,640	\$ 2,161,334	95.550

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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 \$13,940,000. Each bond issue is maintained and repaid as a separate entity.

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.

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.

Following is an inclusive schedule of long term liabilities at December 31, 2014, statement of bonded indebtedness for the year ended December 31, 2014, and a schedule of bond maturities for the years 2015 to 2020.

THE TOWNSHIP OF UPPER DARBY
STATEMENT OF BONDED INDEBTEDNESS

YEAR ENDED DECEMBER 31, 2014

	<u>BOND/NOTE NUMBER</u>	<u>DATE OF ISSUE</u>	<u>FINAL MATURITY</u>	<u>INTEREST RATE</u>	<u>ORIGINAL AMOUNT ISSUED</u>	<u>OUTSTANDING JANUARY 1, 2014</u>	<u>(PAID)/ INCREASE DURING YEAR</u>	<u>OUTSTANDING DECEMBER 31, 2014</u>
Bonded Debt								
Created by Commissioners								
General Obligation Note	06	5/25/2006	5/25/2017	3.490-3.598%	\$ 7,500,000	\$ 4,882,000	\$ (1,150,000)	\$ 3,732,000
General Obligation Note	08	12/21/2008	5/25/2018	2.45%	3,495,000	2,537,000	(489,000)	2,048,000
General Obligation Note	09	10/25/2011	12/25/2020	2.29%	3,485,000	3,475,000	(5,000)	3,470,000
General Obligation Bonds	10	11/8/2010	10/1/2018	.52-2.50	5,235,000	3,455,000	(665,000)	2,790,000
General Obligation Bonds	12	5/15/2012	7/15/2018	.30-1.50%	3,035,000	2,365,000	(465,000)	1,900,000
Total by Commissioners					<u>\$22,750,000</u>	<u>16,714,000</u>	<u>(2,774,000)</u>	<u>13,940,000</u>
TOTAL INDEBTEDNESS						<u>\$ 16,714,000</u>	<u>\$ (2,774,000)</u>	<u>\$ 13,940,000</u>

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 4. LONG-TERM DEBT (continued)

	Principal Outstanding 12/31/2014
General obligation note series of 2006	\$ 3,732,000
General obligation note series of 2008	2,048,000
General obligation bond series 2009	3,470,000
General obligation note series of 2010	2,790,000
General obligation note series of 2012	1,900,000
	<u>13,940,000</u>
Other post-employment benefits (inclusive of sick time)	119,692,793
Accrued vacation time	1,373,865
Total long term debt	<u>\$ 135,006,658</u>

**THE TOWNSHIP OF UPPER DARBY
SCHEDULE OF BOND AND LONG TERM NOTE MATURITIES
FOR THE YEARS 2015 TO 2020**

SER #	2015		SER #	2016		SER #	2017	
	AMOUNT	INTEREST		AMOUNT	INTEREST		AMOUNT	INTEREST
06	\$ 1,196,000	\$ 92,058	06	\$1,244,000	\$ 55,668	06	\$1,292,000	\$ 16,554
08	494,000	43,116	08	493,000	31,027	08	494,000	18,934
9	5,000	80,852	09	5,000	80,736	09	5,000	80,619
10	675,000	61,162	10	690,000	47,662	10	705,000	33,862
12	465,000	23,324	12	475,000	18,676	12	475,000	13,212
	<u>\$ 2,835,000</u>	<u>\$ 300,512</u>		<u>\$2,907,000</u>	<u>\$233,769</u>		<u>\$2,971,000</u>	<u>\$163,181</u>

SER #	2018		SER #	2019		SER #	2020	
	AMOUNT	INTEREST		AMOUNT	INTEREST		AMOUNT	INTEREST
08	\$ 567,000	\$ 5,788	09	\$1,691,000	\$ 57,451	09	\$1,759,000	\$ 17,092
09	5,000	80,503						
10	720,000	18,000						
12	485,000	7,275						
	<u>\$ 1,777,000</u>	<u>\$ 111,566</u>						

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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 \$3,856,047.

NOTE 6. ACCOUNTS RECEIVABLE - ASH AND RUBBISH

Ash and rubbish fees receivable for the years 1971 to 2014 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 \$1,448,591 outstanding from 2014 and \$3,254,343 outstanding from 2013 and prior years for a total of \$4,702,934.

An allowance for uncollectible accounts has been established at 30 percent of the balance of fees owed as of December 31, 2014, in the amount of \$1,410,880. 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 \$263,346 due from other municipalities for sewer rental charges up to December 31, 2014.

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, 2014**

NOTE 9. FIXED ASSETS

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

	Balance 01/01/14	Additions	Deletions	Balance 12/31/14
Governmental Activities				
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	4,734,936	-	(97,096)	4,637,840
Capital assets being depreciated:				
Land improvements	25,535.00	-	-	25,535
Building and building improvements	16,400,897	560,635	-	16,961,532
Infrastructure	23,094,500	393,663	-	23,488,163
Machinery and equipment	4,738,630	227,890	(74,256)	4,892,264
Vehicles	13,017,199	388,347	(411,883)	12,993,663
Total capital assets being depreciated	57,276,761	1,570,535	(486,139)	58,361,157
Total capital assets	62,011,697	1,570,535	(583,235)	62,998,997
Accumulated depreciation				
Land improvements	2,772	2,554	-	5,326
Building and building improvements	13,839,964	111,799	-	13,951,763
Infrastructure	11,465,769	545,338	-	12,011,107
Machinery and equipment	2,301,622	179,015	(74,256)	2,406,381
Vehicles	9,295,979	685,721	(406,807)	9,574,893
Total accumulated depreciation	36,906,106	1,524,427	(481,063)	37,949,470
Capital assets, net of depreciation	\$ 25,105,591	\$ 46,108	\$ (102,172)	\$25,049,527

Depreciation allocations for the year ended are as follows:

	Depreciation 12/31/2014
Council	\$ 1,630
Administration	83,760
Police	273,642
Fire	300,037
L&I	550
Sanitation	73,780
Sewer	89,798
Public works	412,152
Electric	115,166
Parking meter	2,375
Leisure services	66,250
Parks	29,666
COSA	3,449
General depreciation	72,172
	<u>\$ 1,524,427</u>

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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 no construction in progress items open 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 01/01/14	Additions	Deletions	Balance 12/31/14
Capital assets not being depreciated:				
Land and non-depreciable historical site	\$ 464,385	\$ -	\$ -	\$ 464,385
Capital assets being depreciated:				
Buildings and improvements	414,335	35,790	-	450,125
Leasehold improvements	174,211	-	-	174,211
Furniture and equipment	548,540	15,913	-	564,453
Library books and material	1,167,611	67,730	-	1,235,341
Subtotal	2,769,082	119,433	-	2,888,515
Less: accumulated depreciation	(1,466,879)	(179,234)	-	(1,646,113)
Total	<u>\$1,302,203</u>	<u>\$(59,879)</u>	<u>\$ -</u>	<u>\$1,242,402</u>

Depreciation expense for 2014 was \$179,234.

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	\$ 125,554	\$ 730,905
Sewer rental fund	581,510	-
Highway Aid fund	149,395	-
Debt Service Fund	88,118	54,684
Community Development funds	-	70,870
Sewer rental sinking fund	-	88,118
	<u>\$ 944,577</u>	<u>\$ 944,577</u>

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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, 2014 are as follows:

	Transfers In	Transfers Out
Sewer Rental Fund	\$ -	\$ 492,975
General Fund	-	149,395
Highway Aid Fund	149,395	-
Sewer Rental Sinking Fund	492,975	-
	<u>\$ 642,370</u>	<u>\$ 642,370</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.

NOTE 11. FEDERAL GRANTS/SINGLE AUDIT ACT

Upper Darby Township participated in several federally assisted programs:

PROGRAM
U.S. Department of Housing and Urban Development
Community Development Block Grant
HESG
<i>Passed through Commonwealth of Pennsylvania</i>
HOME
U.S. Department of Health and Human Services
<i>Passed through Commonwealth of Pennsylvania</i>
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
<i>Passed through County of Delaware</i>
Bullet Proof Vests
Drug Forfeiture
Justice Assistance Grant
Federal Emergency Management Administration
<i>Passed through the Commonwealth of Pennsylvania</i>
Emergency Operations Center Grant Program
U.S. Department of Agriculture
<i>Passed through Senior Services Management Group</i>

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 TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 11. FEDERAL GRANTS/SINGLE AUDIT ACT (continued)

The Community Development Block Grant was audited separately for the period January 1, 2014 through December 31, 2014. 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 2014 including the December 2014 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.

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 was leased for a period of five years through 2014, with an option to renew at an annual rental of \$27,600 (which was exercised accordingly). 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. The Township leases a property for use by its Leisure Services Department. The lease is a twenty year lease beginning in 2013 at \$29,352 for the first five years with escalation amounts beginning thereafter.

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

2015	\$	70,748
2016		70,748
2017		70,748
2018		73,319
2019		73,553
Thereafter		451,515
		<u>\$ 810,630</u>

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 13. LEASES (continued)

In addition, the Township holds leases on historical property for which no rent is received. Under this lease, which has been extended through 2015, 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.

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.

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 17. RETIREMENT COMMITMENTS (continued)

Basic Provisions

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.

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.

General Information

The Township received on behalf of the plans \$2,203,555 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	\$1,022,388	\$ 4,843,478	\$3,821,090
Fire	425,995	1,069,622	643,627
Municipal	755,172	896,788	141,616
	<u>\$2,203,555</u>	<u>\$6,809,888</u>	<u>\$ 4,606,333</u>

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

	Police	Fire	Municipal
a. Retirees, beneficiaries and disabled	132	23	136
b. Terminated plan members entitled to but not yet receiving benefits	1	-	14
c. Active plan members	<u>132</u>	<u>53</u>	<u>199</u>
	<u>265</u>	<u>76</u>	<u>349</u>

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 17. RETIREMENT COMMITMENTS (continued)

Active membership of each of the plans contributed as follows for 2014:

	<u>Contribution</u>
Police	\$743,247
Municipal	\$653,919
Fire	\$357,305

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 \$31,852,962.

Projected funding requirements for 2015 based on actuarial computations of minimum municipal obligations are as follows:

Police	\$ 5,012,337
Fire	1,125,537
Municipal	<u>873,334</u>
	<u>\$ 7,011,208</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:

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.

THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 17. RETIREMENT COMMITMENTS (continued)

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

During this period, each of the three plans adopted Government Accounting Standards Board (GASB) Statement 67, *Financial Reporting for Pension Plans*. This standard amended Statement 25 relative to the financial reporting and footnote disclosure for pension plans of state and local government and required additional information be disclosed regarding annual money weighted rates of return in the notes to the financial statements and in the Required Supplementary Information. Although the Township itself is not subject to the new reporting requirements until next year, the additional disclosures relative to the Plans are reported herein.

Net Pension Liability of the Township

Police

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

Total pension liability	\$ 81,824,619
Plan fiduciary net position	(61,132,766)
Township's net pension liability	<u>\$ 20,691,853</u>

Plan fiduciary net position as a percentage of the total pension liability: 74.71%

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions applied to all periods in the measurement:

Inflation	2.5 percent
Salary increases	5 percent per annum, including inflation
Investment rate of return	8 percent per annum
Cost-of-living adjustment	3 percent per annum

The Plan's total pension liability as of December 31, 2014 was projected by the actuaries from January 1, 2013.

Mortality rates for healthy lives were based on the 1984 Unisex Pension Mortality Tables, set forward one year for males and set back four years for females. Mortality rates for disabled lives were based on the 1984 Unisex Pension Mortality Tables, set forward four years for males and set back one year for females.

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 17. RETIREMENT COMMITMENTS (continued)

Long term expected rate of return

The long-term expected rate of return on pension plan investments is determined by an estimate of the ranges of expected real rates of returns weighting these expected rates of return by target asset allocation and adding estimated inflation. The long-term rate of return on assets is expected to be approximately 7.72 percent per year.

Discount rate

The discount rate used to measure the total pension liability was 8% per year, compounded annually. The Plan's fiduciary net position is projected to be sufficient to make projected benefit payments for all future years. The discount rate is equal to the assumptive long-term rate of return of 8%.

Sensitivity of the net pension liability to changes in the discount rate

Following presents the net pension liability of the Township if calculated using different discount rates as presented by actuarial determination (unaudited):

	1% Decrease 7%	Current Rate 8%	1% Increase 9%
Net pension liability	\$29,179,692	\$20,691,853	\$ 13,474,786

Firefighters

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

Total pension liability	\$ 30,692,347
Plan fiduciary net position	(22,828,043)
Township's net pension liability	<u>\$ 7,864,304</u>

Plan fiduciary net position as a percentage of the total pension liability: 74.39%

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions applied to all periods in the measurement:

Inflation	3.0 percent
Salary increases	4.75 percent per annum, including inflation
Investment rate of return	7.25 percent per annum

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 17. RETIREMENT COMMITMENTS (continued)

Mortality rates for healthy lives were based on the RP-2000 Mortality Tables, (Blue Collar) projected to 2018 with Scale AA.

Long term expected rate of return

The long-term expected rate of return on pension plan investments is determined by an estimate of the ranges of expected real rates of returns weighting these expected rates of return by target asset allocation and adding estimated inflation. The long-term rate of return on assets is expected to be approximately 7.45 percent per year.

Discount rate

The discount rate used to measure the total pension liability was 7.25% per year, compounded annually. The Plan's fiduciary net position is projected to be sufficient to make projected benefit payments for all future years. The discount rate is equal to the expected long-term rate of return of 7.25%.

Sensitivity of the net pension liability to changes in the discount rate

Following presents the net pension liability of the Township if calculated using different discount rates as presented by actuarial determination (unaudited):

	1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
Net pension liability	\$11,347,436	\$7,861,804	\$4,676,273

Municipal Employees

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

Total pension liability	\$66,614,608
Plan fiduciary net position	(61,096,312)
Township's net pension liability	<u>\$5,518,296</u>

Plan fiduciary net position as a percentage of the total pension liability: 91.72%

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 17. RETIREMENT COMMITMENTS (continued)

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions applied to all periods in the measurement:

Inflation	2.75 percent
Salary increases	5 percent per annum, including inflation
Investment rate of return	8 percent per annum
Cost-of-living adjustment	Ad hoc basis based on the percentage of change in the Consumer Price Index

The Plan's total pension liability as of December 31, 2014 was projected by the actuaries using an actuarial valuation for the 2014 measurement period.

Mortality rates for healthy lives were based on the 1983 Group Annuitant and Mortality Tables for males and females with ages setback five years.

Long term expected rate of return

The long-term expected rate of return on pension plan investments is determined by an estimate of the ranges of expected real rates of returns (expected returns, net of pension plan investment expense and inflation) weighting these expected rates of return by target asset allocation and adding estimated inflation. The long-term rate of return on assets is expected to be as follows:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	5.40%
International Equity	5.50%
Fixed Income	1%
Cash	0%
Real estate	4.50%

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 17. RETIREMENT COMMITMENTS (continued)

Discount rate

The discount rate used to measure the total pension liability was 8% per year, compounded annually. The Plan's fiduciary net position is projected to be sufficient to make projected benefit payments for all future years. The discount rate is equal to the assumptive long-term rate of return of 8%.

Sensitivity of the net pension liability to changes in the discount rate

Following presents the net pension liability of the Township if calculated using different discount rates as presented by actuarial determination (unaudited):

	1% Decrease 7%	Current Rate 8%	1% Increase 9%
Net pension liability (asset)	\$15,761,251	\$5,518,165	(\$2,875,554)

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:

THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 18. OTHER POST EMPLOYMENT BENEFITS (continued)

Annual required contribution	\$ 25,175,908
Interest on net OPEB obligation	4,083,048
Adjustment to annual required contribution	<u>(6,189,721)</u>
Annual OPEB cost (expense)	23,069,235
Contributions made (pay as you go)	<u>(3,445,349)</u>
Increase in net OPEB obligation	19,623,886
Actuarial adjustment	<u>(2,007,289)</u>
Net OPEB obligation at January 1, 2014	102,076,196
Net OPEB obligation at December 31, 2014	<u><u>\$ 119,692,793</u></u>

Fiscal year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
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
December 31, 2014	\$ 23,069,235	14.93%	\$119,692,793

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

Actuarial accrued liability (AAL)	\$ 244,478,131
Actuarial value of plan assets	<u>-</u>
	\$ 244,478,131
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 31,865,099
UAAL as a percentage of covered payroll	767.23%

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.% 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%

**THE TOWNSHIP OF UPPER DARBY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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, 2014 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.

NOTE 22. TAX ANTICIPATION NOTE

The Township had taken a Tax Anticipation Note for 2014 in the amount of \$4,000,000, at a varying interest rate approximating 2.44% per annum. In 2015, the Township has taken as well a Tax Anticipation Note in the amount of \$4,000,000, at a varying interest rate approximating 2.42% per annum.

NOTE 23. SUBSEQUENT EVENTS

Management of the Township has evaluated subsequent events through June 15, 2015, 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, 2014

	General Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget - Favorable (Unfavorable)
REVENUES				
Real estate taxes	\$ 47,358,250	\$ 47,358,250	\$ 47,705,445	\$ 347,195
Local enabling act taxes	3,115,000	3,115,000	2,676,651	(438,349)
Licenses and permits	2,839,200	2,839,200	3,080,497	241,297
Fines and forfeits	770,000	770,000	676,818	(93,182)
Rent	195,000	195,000	179,174	(15,826)
Investment earnings	25,000	25,000	-	(25,000)
Public utility realty tax	60,000	60,000	63,572	3,572
Grants and entitlements	2,602,000	2,602,000	1,428,187	(1,173,813)
Delaware County Office of Services for the Aging (COSA)	293,437	293,437	320,815	27,378
Departmental earnings	5,691,000	5,691,000	6,063,733	372,733
Pennsylvania contribution for pension and volunteer fireman	2,299,045	2,299,045	2,513,976	214,931
Miscellaneous/refunds and reimbursements	460,000	460,000	589,225	129,225
Sale of fixed assets	25,000	25,000	22,700	(2,300)
Sewer fund reimbursement	850,000	850,000	921,290	71,290
Total revenues	66,582,932	66,582,932	66,242,083	(340,849)
EXPENDITURES				
General governmental	14,856,557	14,767,557	13,636,028	1,131,529
Public Safety	37,379,150	37,844,150	37,405,628	438,522
Health and sanitation	4,604,802	4,431,002	4,507,401	(76,399)
Community development	2,075,000	2,075,000	1,445,488	629,512
Electric, parking and public works	3,525,849	3,629,649	3,431,909	197,740
Leisure services, COSA and parks	3,159,191	3,159,190	2,945,615	213,575
Volunteer fire allocation	300,000	309,000	308,621	379
Library contribution	1,222,627	1,222,627	1,222,627	-
Total expenditures	67,123,176	67,438,175	64,903,317	2,534,858
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(540,244)	(855,243)	1,338,766	2,194,009
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Tax revenue anticipation note	4,000,000	4,000,000	4,000,000	-
Repayment of tax revenue anticipation note	(4,000,000)	(4,000,000)	(4,000,000)	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(149,395)	149,395
Total other financing sources (uses) of funds, net	-	-	(149,395)	149,395
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	\$ (540,244)	\$ (855,243)	1,189,371	\$ 2,343,404
FUND BALANCE - BEGINNING			5,146,755	
FUND BALANCE - ENDING			<u>\$ 6,336,126</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, 2014

	Sewer Rental Fund			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES				
Sewer rentals, penalties and interest	\$ 7,200,000	\$ 7,200,000	\$ 7,419,940	\$ 219,940
Investment earnings	500	500	8	(492)
Grants and entitlements	25,000	25,000	-	(25,000)
Joint projects other municipalities	1,651,941	1,651,941	1,622,827	(29,114)
Total revenues	8,877,441	8,877,441	9,042,775	165,334
EXPENDITURES				
Sewer	8,691,866	8,691,866	8,414,452	277,414
Total expenditures	8,691,866	8,691,866	8,414,452	277,414
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	185,575	185,575	628,323	442,748
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	-	-	-	-
Operating transfers out--sewer rental sinking fund	(492,975)	(492,975)	(492,975)	-
Total other financing sources (uses) of funds, net	(492,975)	(492,975)	(492,975)	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	\$ (307,400)	\$ (307,400)	135,348	\$ 442,748
FUND BALANCE - BEGINNING			1,350,977	
FUND BALANCE - ENDING			<u>\$ 1,486,325</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, 2014

	Highway Aid Fund			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES				
Investment earnings	\$ 500	\$ 500	\$ 363	\$ (137)
Other income	-	-	-	-
Grants and entitlements	1,371,595	1,371,595	1,650,942	279,347
Total revenues	1,372,095	1,372,095	1,651,305	279,210
EXPENDITURES				
Highways and streets	1,484,367	1,484,367	1,589,223	(104,856)
Total expenditures	1,484,367	1,484,367	1,589,223	(104,856)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(112,272)	(112,272)	62,082	174,354
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	-	-	149,395	149,395
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	-	-	149,395	149,395
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	\$ (112,272)	\$ (112,272)	211,477	\$ 323,749
FUND BALANCE - BEGINNING			60,603	
FUND BALANCE - ENDING			<u>\$ 272,080</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, 2014

	Debt Service Fund			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES				
Real estate taxes	\$ 2,645,552	\$ 2,645,552	\$ 2,564,258	\$ (81,294)
Other revenue	-	-	4,606	4,606
Investment earnings	-	-	-	-
Total revenues	2,645,552	2,645,552	2,568,864	(76,688)
EXPENDITURES				
Principal	2,309,000	2,309,000	2,309,000	-
Interest	336,552	336,552	341,240	(4,688)
Total expenditures	2,645,552	2,645,552	2,650,240	(4,688)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(81,376)	(81,376)
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	-	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ -</u>	<u>\$ -</u>	(81,376)	<u>\$ (81,376)</u>
FUND BALANCE - BEGINNING			592,919	
FUND BALANCE - ENDING			<u>\$ 511,543</u>	

REQUIRED SUPPLEMENTAL INFORMATION

THE TOWNSHIP OF UPPER DARBY PENSION PLAN TREND DECEMBER 31, 2014

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.

Police:	January 1,	2013	2012	2011
	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,	2013	2012	2011
	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, 2014**

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

**DECEMBER 31, 2014
(UNAUDITED)**

**SCHEDULES OF CHANGES IN UPPER DARBY TOWNSHIP'S
NET PENSION LIABILITIES AND RELATED RATIOS**

POLICE PENSION PLAN

Total Pension Liability

Service cost	\$ 3,189,543
Interest	5,987,854
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	
Benefit payments	(4,401,917)
Net change in total pension liability	<u>4,775,480</u>
Total pension liability--beginning	<u>77,049,139</u>
Total pension liability--ending	<u><u>\$ 81,824,619</u></u>

Plan Fiduciary Net Position

Contributions-township and state aid	\$ 4,843,478
Contributions-employee	743,247
Net investment income	4,086,724
Benefit payments	(4,401,917)
Administrative expense	(56,069)
Net change in fiduciary net position	<u>5,215,463</u>
Plan fiduciary net position--beginning	<u>55,917,303</u>
Plan fiduciary net position--ending	<u><u>\$ 61,132,766</u></u>

Upper Darby Township net pension liability	<u><u>\$ 20,691,853</u></u>
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Plan fiduciary net position as a percentage of total pension liability	74.71%
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Covered employee payroll	\$ 12,930,104
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REQUIRED SUPPLEMENTARY INFORMATION

THE TOWNSHIP OF UPPER DARBY

**DECEMBER 31, 2014
(UNAUDITED)**

**SCHEDULES OF CHANGES IN UPPER DARBY TOWNSHIP'S
NET PENSION LIABILITIES AND RELATED RATIOS**

MUNICIPAL EMPLOYEES PENSION PLAN

Total Pension Liability

Service cost	\$ 1,328,842
Interest	4,827,925
Changes in benefit terms	-
Differences between expected and actual experience	(689,593)
Changes in assumptions	
Benefit payments	(3,714,872)
Net change in total pension liability	<u>1,752,302</u>
Total pension liability--beginning	<u>64,862,306</u>
Total pension liability--ending	<u><u>\$ 66,614,608</u></u>

Plan Fiduciary Net Position

Contributions-township and state aid	\$ 896,788
Contributions-employee	653,919
Net investment income	4,486,330
Benefit payments	(3,714,872)
Administrative expense	(43,500)
Net change in fiduciary net position	<u>2,278,665</u>
Plan fiduciary net position--beginning	<u>58,817,647</u>
Plan fiduciary net position--ending	<u><u>\$ 61,096,312</u></u>

Upper Darby Township net pension liability	<u><u>\$ 5,518,296</u></u>
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Plan fiduciary net position as a percentage of total pension liability	91.72%
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Covered employee payroll	\$ 10,551,801
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Township's net pension liability as a percentage of covered payroll	52.30%
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REQUIRED SUPPLEMENTARY INFORMATION

THE TOWNSHIP OF UPPER DARBY

DECEMBER 31, 2014

(UNAUDITED)

SCHEDULES OF CHANGES IN UPPER DARBY TOWNSHIP'S NET PENSION LIABILITIES AND RELATED RATIOS

FIREFIGHTERS PENSION PLAN

Total Pension Liability

Service cost	\$ 880,824
Interest	2,036,876
Changes in benefit terms	-
Differences between expected and actual experience	(529)
Changes in assumptions	-
Benefit payments	(697,458)
Net change in total pension liability	2,219,713
Total pension liability--beginning	28,472,634
Total pension liability--ending	\$ 30,692,347

Plan Fiduciary Net Position

Contributions-township and state aid	\$ 1,069,622
Contributions-employee	357,305
Net investment income	1,163,102
Benefit payments	(697,458)
Administrative expense	(33,907)
Net change in fiduciary net position	1,858,664
Plan fiduciary net position--beginning	20,969,379
Plan fiduciary net position--ending	\$ 22,828,043

Upper Darby Township net pension liability	\$ 7,864,304
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Plan fiduciary net position as a percentage of total pension liability	74.38%
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Covered employee payroll	\$ 5,863,744
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REQUIRED SUPPLEMENTARY INFORMATION

THE TOWNSHIP OF UPPER DARBY

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

DECEMBER 31, 2014

POLICE:

YEAR ENDED DECEMBER 31,	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE OF REQUIRED CONTRIBUTION
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%
2014	\$ 4,843,478	100%

FIRE:

YEAR ENDED DECEMBER 31,	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE OF REQUIRED CONTRIBUTION
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%
2014	\$ 1,069,622	100%

REQUIRED SUPPLEMENTARY INFORMATION
THE TOWNSHIP OF UPPER DARBY
SCHEDULE OF EMPLOYER AND COMMONWEALTH OF PENNSYLVANIA
CONTRIBUTIONS

DECEMBER 31, 2014

MUNICIPAL:

YEAR ENDED DECEMBER 31,	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE OF REQUIRED CONTRIBUTION
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%
2014	\$ 896,788	100%

SUPPLEMENTAL INFORMATION

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

DECEMBER 31, 2014

	SEWER RENTAL SINKING FUND	MUNICIPAL BUILDING IMPROVEMENTS I	COMMUNITY DEVELOPMENT GRANTS	PAGE SUBTOTAL	TOTAL
ASSETS					
Cash	\$ 17,537	\$ -	\$ -	\$ 17,537	\$ 21,529
Assessments receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
Grant receivable	-	-	75,910	75,910	75,910
Due from Commonwealth	-	-	-	-	-
TOTAL ASSETS	<u>\$ 17,537</u>	<u>\$ -</u>	<u>\$ 75,910</u>	<u>\$ 93,447</u>	<u>\$ 97,439</u>
Liabilities					
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	-	-	-	-	-
Due to other entities	-	-	-	-	-
Due to general fund	-	-	70,870	70,870	70,870
Due to Commonwealth	-	-	-	-	-
Unearned revenue	-	-	5,040	5,040	5,040
Total liabilities	<u>88,118</u>	<u>-</u>	<u>75,910</u>	<u>164,028</u>	<u>164,028</u>
Fund Balance					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(70,581)	-	-	(70,581)	(66,589)
Total fund balance	<u>(70,581)</u>	<u>-</u>	<u>-</u>	<u>(70,581)</u>	<u>(66,589)</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 17,537</u>	<u>\$ -</u>	<u>\$ 75,910</u>	<u>\$ 93,447</u>	<u>\$ 97,439</u>

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

DECEMBER 31, 2014

	HISTORIC PRESERVATION FUND	COMMUNITY FORESTRY GRANT	UPPER DARBY FOOTBALL BOWL	STORMWATER AND CURB REPLACEMENT	PAGE SUBTOTAL
ASSETS					
Cash	\$ -	\$ -	\$ 3,992	\$ -	\$ 3,992
Assessments receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
Grant receivable	-	-	-	-	-
Due from Commonwealth	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,992</u>	<u>\$ -</u>	<u>\$ 3,992</u>
Liabilities					
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	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	3,992	-	3,992
Total fund balance	<u>-</u>	<u>-</u>	<u>3,992</u>	<u>-</u>	<u>3,992</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,992</u>	<u>\$ -</u>	<u>\$ 3,992</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, 2014

	HISTORIC PRESERVATION FUND	COMMUNITY FORESTRY GRANT	UPPER DARBY FOOTBALL BOWL	STORMWATER AND CURB REPLACEMENT	PAGE SUBTOTAL
REVENUES					
Other grants and donations	\$ -	\$ 1,250	\$ -	\$ -	\$ 1,250
Federal grant	-	-	-	32,208	32,208
Investment earnings	-	-	-	-	-
State grant	-	-	-	-	-
Total revenues	-	1,250	-	32,208	33,458
EXPENDITURES					
Governmental expenditures	64	1,250	156	653	2,123
Public safety	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay					
Highways and streets and sewers	-	-	-	-	-
Community development	-	-	-	31,555	31,555
Public safety	-	-	-	-	-
Recreation	-	-	-	-	-
Departmental	-	-	-	-	-
Total expenditures	64	1,250	156	32,208	33,678
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(64)	-	(156)	-	(220)
OTHER FINANCING SOURCES AND (USES) OF FUNDS					
Operating transfer	-	-	-	-	-
Total other financing sources (uses) of funds	-	-	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(64)	-	(156)	-	(220)
FUND BALANCE - BEGINNING	64	-	4,148	-	4,212
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,992	\$ -	\$ 3,992

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, 2014

	SEWER RENTAL SINKING FUND	MUNICIPAL BUILDING IMPROVEMENTS I	COMMUNITY DEVELOPMENT GRANTS	PAGE SUBTOTAL	TOTAL
REVENUES					
Other grants and donations	\$ -	\$ -	\$ 49,578	\$ 49,578	\$ 50,828
Federal grant	-	176,732	89,209	265,941	298,149
Investment earnings	-	-	-	-	-
State grant	-	-	-	-	-
Total revenues	-	176,732	138,787	315,519	348,977
EXPENDITURES					
Governmental expenditures	-	-	19,684	19,684	21,807
Public safety	-	-	54,907	54,907	54,907
Debt service					
Principal	465,000	-	-	465,000	465,000
Interest	27,975	-	-	27,975	27,975
Capital outlay					
Highways and streets and sewers	-	-	-	-	-
Community development	-	176,732	64,196	240,928	272,483
Public safety	-	-	-	-	-
Departmental	-	-	-	-	-
Total expenditures	492,975	176,732	138,787	808,494	842,172
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(492,975)	-	-	(492,975)	(493,195)
OTHER FINANCING SOURCES AND (USES) OF FUNDS					
Operating transfer	492,975	-	-	492,975	492,975
Total other financing sources (uses) of funds	492,975	-	-	492,975	492,975
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	(220)
FUND BALANCE - BEGINNING	(70,581)	-	-	(70,581)	(66,369)
FUND BALANCE - ENDING	<u>\$ (70,581)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (70,581)</u>	<u>\$ (66,589)</u>

THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

BALANCE SHEET
GENERAL FUND

DECEMBER 31, 2014

ASSETS

Cash and cash equivalents		\$ 6,927,711
Real estate taxes receivable		
Real estate taxes - current	\$ 2,260,816	
Less: Allowance for uncollectible accounts	(678,245)	
	<u>1,582,571</u>	
Real estate taxes - prior	1,555,900	
Less: Allowance for uncollectible accounts	(466,770)	
	<u>1,089,130</u>	
Total real estate taxes receivable		2,671,701
Other accounts receivable		2,420,481
Prepaid insurance		14,559
Due from other funds		<u>125,554</u>
TOTAL ASSETS		<u>12,160,006</u>
Deferred outflows of resources		-
Total assets and deferred outflows of resources		<u><u>\$12,160,006</u></u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 375,662	
Due to other funds	730,905	
Due to other governments	21,948	
Accrued payroll and related liabilities	700,686	
Escrow liability	95,744	
Unearned revenue	<u>215,911</u>	
Total liabilities	<u>2,140,856</u>	
Deferred inflows of resources		
Unavailable taxes and trash fees	<u>3,683,024</u>	
Total liabilities and deferred inflows of resources	<u>5,823,880</u>	
Fund Balance		
Nonspendable	14,559	
Restricted	-	
Committed for:		
Debt service	-	
Capital projects	-	
Assigned to 2015 appropriation	482,440	
Unassigned	<u>5,839,127</u>	
Total fund balance	<u>6,336,126</u>	
TOTAL LIABILITIES AND FUND BALANCE		<u><u>\$12,160,006</u></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, 2014

REVENUES

Taxes - Real Estate (net) \$ 47,705,445

Local Enabling Act Taxes

Mercantile tax	1,350,760
Business privilege tax	570,214
Local service tax	725,752
Mechanical devices and amusement admission taxes	29,925
	<u>2,676,651</u>

Licenses and Permits

Beverage (liquor license)	26,550
Health, plumbing, and housing	1,245,857
Streets	58,758
Licenses and inspection	201,915
Cable television	1,547,417
	<u>3,080,497</u>

Fines - Forfeits Costs

Upper Darby central courts	256,835
Police fines, violation, parking meter fines and drug forfeiture	419,983
	<u>676,818</u>

Rents

Rent of building and parking lots	179,174
	<u>179,174</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, 2014

Grants and Gifts

Delaware County Office of Services for the Aging (COSA)	320,815
Federal grants and state grants	1,428,187
Public utility realty tax act	63,572
	<u>1,812,574</u>

Departmental Earnings

Garbage, refuse charges and recycling	4,529,957
Parking meters	634,722
Miscellaneous police	79,266
Other departmental revenue and miscellaneous revenue	703,268
HUD program income / loan recapture	116,520
	<u>6,063,733</u>
Total revenues	<u>62,194,892</u>

NON-REVENUES

Miscellaneous refunds and reimbursements	611,925
Municipal pension plans	2,205,355
Volunteer fire allocation	308,621
Sewer fund transfer	921,290
Total non-revenues	<u>4,047,191</u>

TOTAL REVENUES	<u>66,242,083</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, 2014

GOVERNMENTAL EXPENDITURES

GENERAL GOVERNMENT

Administration

Salaries	1,032,412
Materials and supplies	17,824
General expenses	161,615
Emergency management	7,770
Maintenance and repairs and computer	14,955
Court fees solicitor	272,414
HUD transfer	(5,924)
	<u>1,501,066</u>

Treasurer

Salaries	7,529
	<u>7,529</u>

Municipal Buildings

Salaries	942,291
Materials and supplies - general	42,619
Utility cost	275,334
Postage expense	79,773
Maintenance and repairs, computer administration	112,495
Drug alcohol testing	11,125
General expenses	28,895
HUD transfer	(35,980)
	<u>1,456,552</u>

Total general government	<u>2,965,147</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, 2014

PROTECTION TO PERSONS AND PROPERTY

Police Protection

Salaries	14,335,228
Materials, supplies and general expenses	260,984
Utilities	65,895
Vehicle operation and new vehicles	214,594
Insurance, social security tax	6,575,329
Communication expense	54,774
Maintenance and repairs and equipment	85,084
Police training and civil service	71,432
Drug forfeiture expense	3,000
Computer maintenance and consulting	224,403
Pension plan contribution	4,843,478
HUD transfer	(259,833)
	<u>26,474,368</u>

Fire

Salaries	6,035,218
Materials, supplies, and general expenses	155,735
Utilities and hydrants	195,858
Communication expense	18,747
Insurance, social security tax and workers' compensation	2,135,982
Contribution volunteer fire companies	630,870
Pension contribution	1,069,622
	<u>10,242,032</u>

Building Regulation Planning and Zoning

Salaries	692,551
Materials and supplies	25,395
General expenses	15,575
HUD transfer	(24,293)
	<u>709,228</u>

Total protection to persons and property	<u>37,425,628</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, 2014

HEALTH AND SANITATION

General Health Services

Salaries	393,079
Materials and supplies	12,650
Communication expense	6,222
General expenses	58,767
HUD transfer	(167)
	<u>470,551</u>

Sanitation Collection and Disposal

Salaries	2,547,116
Materials and supplies	8,561
General expenses, recycling and land fill fees	1,125,619
Lien fees	327,170
Communication expense	28,384
	<u>4,036,850</u>

Total health and sanitation	<u>4,507,401</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, 2014

GENERAL SERVICES, STREET LIGHTS AND HIGHWAY

Electrical Department

Salaries	268,963
Materials and supplies	13,587
General expenses	2,107
Maintenance and repairs, traffic lights and lighting	820,500
HUD transfer	(2,441.00)
	<u>1,102,716</u>

Department of Public Works

Salaries	419,884
Materials and supplies	74,480
General expenses	27,288
Vehicle operating expense, repairs and parts	1,135,673
Maintenance and equipment and construction repairs	232,685
	<u>1,890,010</u>

Parking Meter

Salaries	406,187
Materials and supplies	32,996
	<u>439,183</u>

Total general services, street lights and highway	<u>3,431,909</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, 2014

DEPARTMENT OF LEISURE SERVICES

General Recreation Services

Salaries	716,167
Materials and supplies	87,416
General expenses	317,334
	<u>1,120,917</u>

Parks and Playgrounds

Salaries	1,057,750
Materials and supplies	120,421
Maintenance and repairs	98,683
Utilities	109,091
Major equipment replacement and construction	48,666
General expenses	49,823
HUD transfer	(4,563)
	<u>1,479,871</u>

Total department of leisure services	<u>2,600,788</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, 2014

Miscellaneous Expenditures

Social security taxes	622,643
Volunteer fire allocation	308,621
Insurance premiums and workers' compensation claims	8,913,872
Grants and program activity, HUD, COSA, Senior centers, HOME	1,790,315
Municipal pension contribution	896,788
Refunds, contingencies and miscellaneous	217,578
Library contribution	<u>1,222,627</u>

Total miscellaneous expenditures	<u>13,972,444</u>
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TOTAL EXPENDITURES	<u>64,903,317</u>
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EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,338,766
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OTHER FINANCING SOURCES (USES) OF FUNDS

Tax revenue anticipation note	4,000,000
Repayment of tax revenue anticipation note	(4,000,000)
Operating transfer out	<u>(149,395)</u>
	<u>(149,395)</u>

EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	1,189,371
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FUND BALANCE - BEGINNING	<u>5,146,755</u>
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FUND BALANCE - ENDING	<u><u>\$ 6,336,126</u></u>
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THE TOWNSHIP OF UPPER DARBY

STATEMENT OF SEWER ASSESSMENTS
SEWER RENTAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

Current Assessments

Original bills	\$ 7,548,838
Less: Collections face	<u>6,100,247</u>

**BALANCE 2014 SEWER FUND ASSESSMENTS
RECEIVABLE AT DECEMBER 31, 2014**

\$ 1,448,591

Delinquent and Liened Assessments

Beginning balance	\$ 2,811,476
Add: 2013 assessments unpaid at January 1, 2014	<u>1,362,184</u>
Less: Collections face - net adjustment	<u>919,317</u>

BALANCE PRIOR YEARS AT DECEMBER 31, 2014

\$ 3,254,343

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, 2014

	<u>SENIOR CENTER</u>		<u>USDA</u>	<u>TOTAL</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>PROGRAM</u>	<u>BUDGET</u>	<u>ACTUAL</u>
			<u>ACTUAL</u>		
REVENUES					
Delaware County Office Services for the Aging (COSA)	\$ 293,437	\$ 301,908	\$ -	\$ 293,437	\$ 301,908
Nutrition Services Incentive	-	-	2,762	-	2,762
Township of Upper Darby and program income	303,883	178,138	-	303,883	178,138
Total revenues	<u>597,320</u>	<u>480,046</u>	<u>2,762</u>	<u>597,320</u>	<u>482,808</u>
EXPENDITURES					
Personnel	363,060	253,606	-	363,060	253,606
Fringe	51,960	71,909	-	51,960	71,909
Occupancy**	121,000	130,752	-	121,000	130,752
Communications	20,800	-	-	20,800	-
Transportation	19,000	-	-	19,000	-
Contract services	20,000	23,779	-	20,000	23,779
Other expenses	1,500	-	-	1,500	-
Deli meals	-	-	2,762	-	2,762
Total expenditures	<u>597,320</u>	<u>480,046</u>	<u>2,762</u>	<u>597,320</u>	<u>482,808</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<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, 2014

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/14	EXPENDITURES CUMULATIVE 12/31/14	QUESTIONED COSTS 12/31/14
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	-
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	-	2,084,686	-
Contingencies and/or local option activities	478,528	-	-	-
TOTAL	<u>\$ 2,563,214</u>	<u>\$ -</u>	<u>\$ 2,084,686</u>	<u>\$ -</u>

* 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, 2014

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/14	EXPENDITURES CUMULATIVE 12/31/14	QUESTIONED COSTS 12/31/14
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. OOHR 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	-
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	2,439,511	-	2,439,511	-
Contingencies and/or local option activities	-	-	-	-
TOTAL	\$ 2,439,511	\$ -	\$ 2,439,511	\$ -

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, 2014

	<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>1,844,057</u>
Program funds still available to program year 2011	18,217
Program income applicable to program year 2011	<u>271,248</u>
Program year 2011 funds received	2,115,305
Total funds applied to prior year:	2,115,305
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, 2014

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/14	EXPENDITURES CUMULATIVE 12/31/14	QUESTIONED COSTS 12/31/14
1. Fair housing outreach	\$ 4,995	\$ -	\$ 4,995	\$ -
2. Progressive team patrol	293,797	-	293,797	-
3. Street resurfacing	200,000	-	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	-
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	-	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	-	49,632	-
14. Code enforcement slum/blight	18,415	-	18,415	-
15. Emergency rehab vacant properties	-	-	-	-
16. Chestnut Street & Powell Lane Sewer replacement	174,599	-	46,735	-
17. Interim assistance Weed and Seed*	14,971	-	14,971	-
18. Capital improvement Cobbs Creek Housing	33,723	-	33,723	-
19. Rehab/rennovation Detective Unit	6,118	-	6,118	-
20. HESG	15,018	6,518	15,018	-
21. Sidewalk Replacement Lansdowne Avenue	20,000	-	20,000	-
22. Homeless Prevention	33,490	-	33,490	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP*	519,975	-	519,975	-
Administrative	200,000	-	200,000	-
Subtotal	2,045,970	6,518	1,871,958	-
Contingencies and/or local option activities	-	-	-	-
TOTAL	\$ 2,045,970	\$ 6,518	\$ 1,871,958	\$ -

* 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, 2014

	<u>GRANT AMOUNT</u>
Total program year 2012 funds	\$1,362,348
Emergency shelter funds	153,808
	<u>1,516,156</u>
Less: Total program year 2012 funds drawdown by recipient	<u>1,499,390</u>
	-
Program funds still available to program year 2012	16,766
Program income applicable to program year 2012	<u>110,774</u>
	-
Program year 2012 funds received	1,610,164
Total funds applied to prior year:	
	\$ 248,900
	2011 6,518
	2012 753,090
	2013 497,672
	2014 <u>123,157</u>
	<u>1,629,337</u>
Total program year 2012 funds held by recipient	<u>\$ -</u>
Total program year 2012 funds available for disposition	<u>\$ -</u>

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, 2014

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/14	EXPENDITURES CUMULATIVE 12/31/14	QUESTIONED COSTS 12/31/14
1. Fair housing outreach	\$ 5,000	\$ -	\$ 5,000	\$ -
2. Progressive team patrol	204,352	-	204,351	-
3. Street resurfacing	200,000	791	192,281	-
4. Code enforcement low/mod*	238,570	-	238,570	-
5. OOHHR emergency	75,000	-	75,000	-
6. Domestic abuse ESG	40,237	-	40,237	-
7. First time homebuyers	150,000	8,778	150,000	-
8. Bond Avenue Stormwater Pump Station	30,000	-	-	-
9. Cobbs Creek Housing ESG	46,000	-	46,000	-
10. Replacement of various street signs	25,000	-	-	-
11. Code enforcement slum/blight	-	-	-	-
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	-	-	-
16. Firehouse 7241 WestChester Pike	46,099	39,151	39,151	-
17. Cardington Stonehurst Firehouse	30,743	30,743	30,743	-
18. Homeless Prevention*	55,863	5,652	52,565	-
19. Rapid Rehousing	11,000	11,000	11,000	-
20. Data Collection	700	700	700	-
21. Long Lane Beautification	100,000	15,153	15,153	-
22. Reconstruction Cardington Soccer Field	100,000	13,162	13,162	-
23. Cobbs Creek Interceptor sewer*	345,000	339,049	339,878	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP	735,000	218,058	497,165	-
Administrative	177,996	70,853	177,996	-
Subtotal	2,661,560	753,090	2,128,952	-
Contingencies and/or local option activities	-	-	-	-
TOTAL	\$ 2,661,560	\$ 753,090	\$ 2,128,952	\$ -

* 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, 2014

		<u>GRANT AMOUNT</u>
Total program year 2013 funds		\$1,362,348
Emergency shelter funds		<u>153,808</u>
		1,516,156
Less: Total program year 2013 funds drawdown by recipient		<u>81,736</u>
		-
Program funds still available to program year 2013		1,434,420
Program income applicable to program year 2013		<u>-</u>
		-
Program year 2013 funds received		81,736
Total funds applied to prior year:	\$ -	
	2014 <u>81,736</u>	81,736
Total program year 2013 funds held by recipient		<u>\$ -</u>
Total program year 2013 funds available for disposition		<u>\$ -</u>

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, 2014

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/14	EXPENDITURES CUMULATIVE 12/31/14	QUESTIONED COSTS 12/31/14
1. Fair housing outreach	\$ 5,000	\$ 566	\$ 566	\$ -
2. Progressive team patrol	216,949	53,722	216,949	-
3. Street resurfacing	200,000	-	-	-
4. Code enforcement low/mod	100,000	79,416	100,000	-
5. OOHR emergency*	75,000	69,787	83,197	-
6.. First time homebuyers	50,000	39,074	39,074	-
7. Renovations to Firehouse Westchester Pike	25,000	-	-	-
8. Renovations to Cardington Stonehurst Firehouse	25,000	24,630	24,630	-
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	23,400	23,400	-
15. Sellers Halls Renovations	25,000	-	-	-
16. Comprehensive Plan *	60,000	41,638	41,638	-
17. Accessibility Upgrade*	10,000	-	-	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP	200,000	99,992	99,992	-
Administrative	100,000	65,450	65,450	-
Subtotal	1,461,949	497,675	694,896	-
Contingencies and/or local option activities	79,378	-	-	-
TOTAL	\$ 1,541,327	\$ 497,675	\$ 694,896	\$ -

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, 2014

	<u>GRANT AMOUNT</u>
Total program year 2014 funds	\$1,446,286
Emergency shelter funds	<u>-</u>
	1,446,286
Less: Total program year 2014 funds drawdown by recipient	<u>-</u>
	-
Program funds still available to program year 2014	1,446,286
Program income applicable to program year 2014	<u>-</u>
	-
Program year 2014 funds received	-
Total funds applied to prior year:	<u>\$ -</u>
Total program year 2014 funds held by recipient	<u>\$ -</u>
Total program year 2014 funds available for disposition	<u>\$ -</u>

COMMUNITY DEVELOPMENT GRANT FUNDS-CDBG NO. B-13-MC-42-0015
PROGRAM YEAR 2014 - PROGRAM YEAR PERIOD OCTOBER 1, 2014 TO SEPTEMBER 30, 2015
STATEMENT OF PROGRAM COSTS
FOR THE PERIOD: OCTOBER 1, 2014 THROUGH DECEMBER 31, 2014

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/14	EXPENDITURES CUMULATIVE 12/31/14	QUESTIONED COSTS 12/31/14
1. Fair housing outreach	\$ 5,000	\$ -	\$ -	\$ -
2. Progressive team patrol	216,943	176,111	176,111	-
3. Street resurfacing	200,000	-	-	-
4. Code enforcement low/mod	100,000	10,409	10,409	-
5. OOH emergency	50,000	-	-	-
6. First time homebuyers	75,000	-	-	-
7. Cobbs Creek Interceptor Sewer Cast Pipe	300,000	-	-	-
8. Construction of Salt Bin 6810 Montgomery	25,000	-	-	-
9. Update Intersection Pedestrian Signals/LED	50,000	-	-	-
10. Code enforcement slum/blight	5,000	2,785	2,785	-
11. Façade Marquee Improvement 7000 Terminal	15,000	-	-	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP	120,000	15,588	25,996	-
Administrative	100,000	-	-	-
Subtotal	1,261,943	204,893	215,301	-
Contingencies and/or local option activities	4,343	-	-	-
TOTAL	\$ 1,266,286	\$ 204,893	\$ 215,301	\$ -