

**THE TOWNSHIP OF UPPER DARBY**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**



CYNTHIA FELZER LEITZELL, CPA  
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CERTIFIED PUBLIC ACCOUNTANTS

## THE TOWNSHIP OF UPPER DARBY

YEAR ENDED DECEMBER 31, 2015

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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, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

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

### ***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, 2015, 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.



CYNTHIA FEYZER LEITZELL, CPA  
STELLA C. ECONOMIDIS, CPA

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CERTIFIED PUBLIC ACCOUNTANTS

**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 3 through 12, 68 through 71 and 72 through 76 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 77 through 78), selected individual fund information (pages 79 through 87), schedule of COSA fund (page 89), Sewer Rental Fund Statement of Sewer Assessments (page 88) the Statement of Sources and Status of Funds and Statement of Program Costs (pages 90 through 100) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining 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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2016, on our consideration of the Township of Upper Darby, Upper Darby, Pennsylvania's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Upper Darby, Upper Darby, Pennsylvania's internal control over financial reporting and compliance.

*Leitzell & Economidis PC*  
LEITZELL & ECONOMIDIS, PC  
Certified Public Accountants

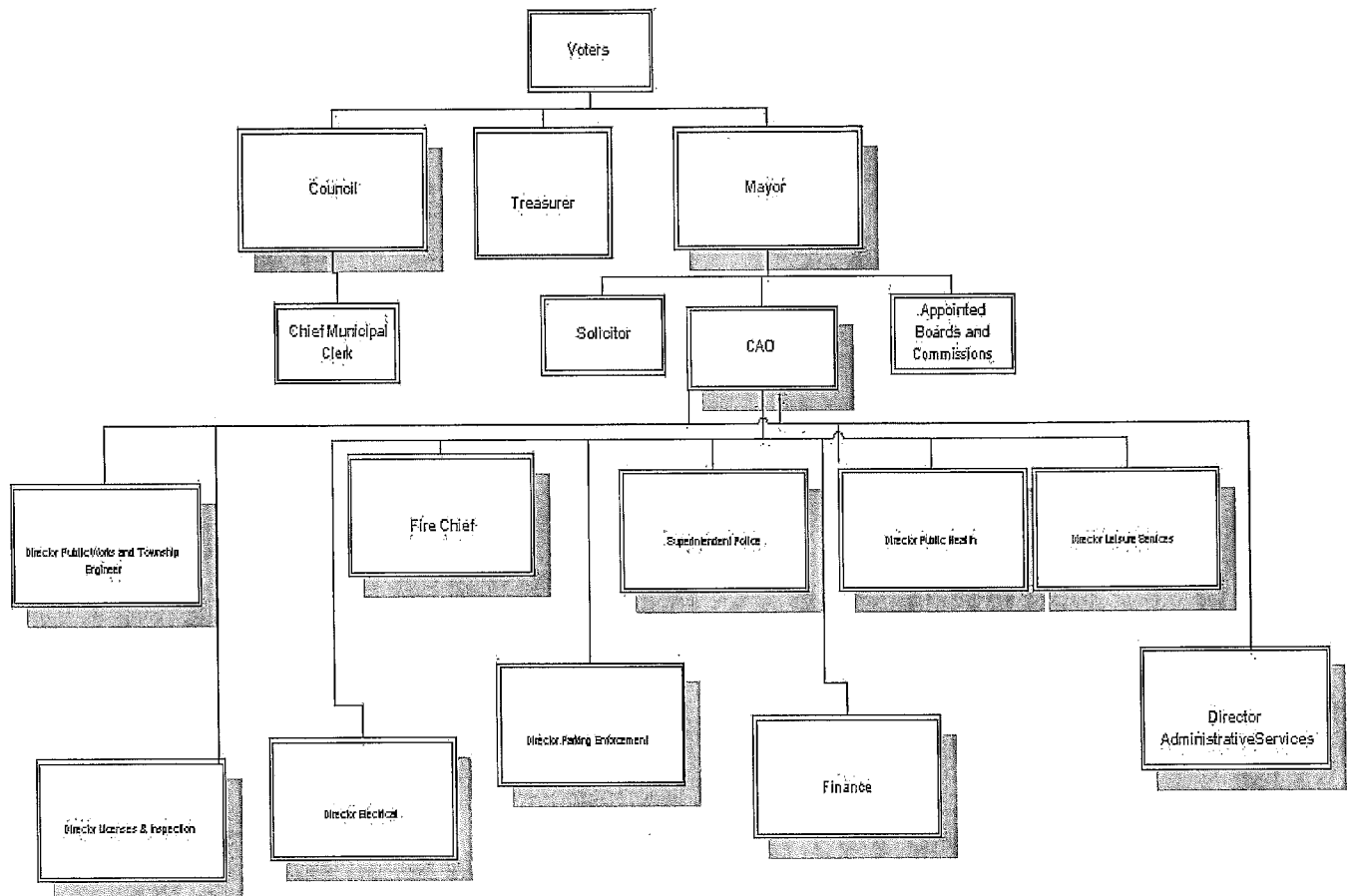
June 20, 2016

**THE TOWNSHIP OF UPPER DARBY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(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, 2015. 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 to \$(135,167,552) in 2015. This decrease in net position was resulting primarily from two factors: (1) Post-employment benefit expense in the amount of \$18,989,444 over the pay as you go amount as reflected within the governmental statements in the amount of \$3,682,263. Presenting the long term post-employment benefits in the government wide statements is pursuant to Government Accounting Standards Board Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" (OPEB) which cost is actuarially determined. (2) This period the Township recognized the long-term net pension liability representing each of the three pension plans sponsored by the Township. Presenting this liability within the government wide statements in the amount of \$48,341,483 is pursuant to the adoption the Government Accounting Standards Board (GASB) Statement 68, *Accounting and Reporting for Pensions* relative to state and local governments.
- The governmental funds reported an excess of revenue over expenditures in the amount of \$328,488 including \$2,483,008 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 \$258,175. 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 \$82,695,524, an approximate 4.1% increase. Charges for services and grant awards did increase this period. Charges for services increased approximately 3.4%, particularly in the area of public safety. There was an increase in grant activity primarily in community development, highway and street activity and additional public safety grants. Increased revenue areas were also reflected in increased real estate tax collections. Operating expenses without regard to the OPEB charges (\$18,989,444) and not including allocated and non-allocated depreciation and amortization in the government-wide statements (\$1,524,025, net) increased approximately 7.2% primarily in the general government expenses (including benefits and insurance), public safety (inclusive of pension obligations for police and fire personnel), and sewer and highway improvement costs.
- Revenues for the Township's governmental fund activities increased \$3,841,825 in total (approximately 4.8%), while total governmental fund expenditures increased correspondingly by \$3,898,311 over the previous year, approximately 5%. 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 increased as well this period, particularly within community development (corresponding to increased community development improvements and other activity) as well as highway and street improvement grant activity. Investment earnings remained low as a result of market conditions.

- At the close of this fiscal year, unassigned fund balance in the General Fund was \$6,388,417, or 9.4% of total General Fund expenditures or 9.1% of total General Fund revenues.
- The General Fund activities resulted in a surplus of \$1,838,905. Investment earnings as noted above remained low as a result of market conditions. Revenues as a whole were over budget, particularly as a result of departmental earnings and licenses and permits as well as insurance and street repair refunds. 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 decreased somewhat this period as a result of slightly lower treatment costs from third parties. Expenditures remained stable from the prior year while revenues within the Sewer fund increased as a result of increased collection activity.
- 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 eleven 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 2014 to 2015. Table 4 shows changes in outstanding bonded debt from 2014 to 2015.

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

	<b>2015</b>	<b>2014 - restated GASB68 Impact</b>
Current assets	\$ 22,678,684	\$ 21,497,044
Capital assets, net	25,886,168	25,049,527
Restricted assets	95,354	175,378
Other assets	6,602,343	6,860,518
Total assets	<u>55,262,549</u>	<u>53,582,467</u>
Deferred outflows of resources	<u>16,202,829</u>	<u>9,481</u>
Current liabilities	2,462,292	4,816,389
Noncurrent liabilities	199,322,920	166,246,111
Total liabilities	<u>201,785,212</u>	<u>171,062,500</u>
Deferred inflows of resources	<u>4,847,218</u>	<u>11,488</u>
Net position invested in capital assets	31,327,842	17,949,836
Restricted	2,972,314	511,543
Unrestricted	<u>(169,467,708)</u>	<u>(135,943,419)</u>
Total net position	<u><u>\$(135,167,552)</u></u>	<u><u>\$(117,482,040)</u></u>

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

	2015	2014
<b>Revenues</b>		
Property taxes	\$52,856,788	\$50,458,722
Local enabling taxes	2,777,386	2,676,651
Charges for services	19,281,391	19,020,586
Operating grants	7,099,815	6,436,427
Rent	191,882	179,174
Interest	7,152	1,116
Miscellaneous	739,285	652,197
Total revenues	<u>82,953,699</u>	<u>79,424,873</u>
<b>Operating expenses</b>		
General government	15,025,718	13,624,498
Public safety	41,408,240	38,774,346
Sewers	7,701,461	7,738,726
Highway and streets	1,733,450	1,625,588
Sanitation	5,060,056	4,582,654
Community development	1,557,016	1,115,699
Public works	4,090,598	3,971,373
Leisure services	3,195,143	3,065,885
Library contribution	1,254,139	1,222,627
Interest	298,980	369,215
Loss on disposal of assets	-	5,076
Post employment benefits	18,989,444	17,616,597
Unallocated depreciation/amortization	66,791	71,770
Total program/function	<u>100,381,036</u>	<u>93,784,054</u>
Excess of total revenues over (under) expenses	(17,427,337)	(14,359,181)
Decrease in investment net of contribution	(258,175)	(489,312)
Change in net position	<u>\$ (17,685,512)</u>	<u>\$ (14,848,493)</u>

The Township's capital assets increased by \$2,046,372 net of deletions from 2014 to 2015. Total fixed assets at December 31, 2015 were valued at \$65,045,369 before depreciation.

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

<b>CAPITAL INVESTMENT</b>	<b>2015</b>	<b>2014</b>	<b>%Inc/Decr</b>
Land	\$4,663,375	\$4,663,375	0.00%
Buildings	16,966,682	16,961,532	0.03%
Equipment	18,492,968	17,885,927	3.39%
Infrastructure	24,922,344	23,488,163	6.11%
Totals	<u>\$65,045,369</u>	<u>\$62,998,997</u>	<u>9.53%</u>

The Township, at December 31, 2015, had \$11,094,000 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,**

<b>SERIES</b>	<b>2015</b>	<b>2014</b>	<b>Inc. / Dec.</b>
Note of 2006	\$ 2,525,000	\$ 3,732,000	\$ 1,207,000
Note of 2008	1,554,000	2,048,000	494,000
Series of 2010 Bonds	2,115,000	2,790,000	675,000
Note of 2009	3,465,000	3,470,000	5,000
Series 2012 Bonds	1,435,000	1,900,000	465,000
Total outstanding debt	<u>\$ 11,094,000</u>	<u>\$ 13,940,000</u>	<u>\$ 2,846,000</u>

### **ECONOMIC DEVELOPMENT**

Upper Darby Township continues to make Economic Development a priority. The Administration and Township Council are focused on the goals presented in the Township's Comprehensive Plan. The Township through their Comprehensive Planning committee continues to work to update their Comprehensive Plan and provide a roadmap/action plan for the next 10 year period.

The Market Street and 69<sup>th</sup> Street area is the Township's main business center. This area also serves as a key transportation hub for the Philadelphia Metropolitan area. This

section offers a vibrant mixed use area with regional transit access, walkable streets, entertainment venues and quality retail establishments. The Ashkenazy Corporation owns the majority of the property along the 69<sup>th</sup> Street business district. This property owner is committed to restoring the infrastructure of the shopping district and continues to make investment in improving the property facades and an overall clean-up of the street. Since 2013 we have seen the opening of retail outlets Burlington Coat Factory, Ross Dress for Less store, H and M., Studio Movie Grill, International House of Pancakes and Models. We also saw a Ross Dress for Less retail outlet open in the Pilgrim Gardens Shopping Center. Ashkenazy Corporation continues its efforts to revitalize the 69<sup>th</sup> Street shopping district and has started talks related to the redevelopment of a new shopping area at the site of a former big box retail operation on the corner of 69<sup>th</sup> and Walnut Streets. A little off the Market Street/West Chester Pike strip on the 7000 block of Terminal Square, the national supermarket chain H-Mart continues to be a successful community partner. This Korean owned chain has been very successful in its efforts to serve the diverse Upper Darby community. The H-Mart complex, also houses a full service market, a food court and a bank. Right at the corner of Garrett Road and Long Lane we have the Five Points Coffee House, a blend of refreshment and student housing for the schools of higher learning in the Philadelphia University City district. A little east on 69<sup>th</sup> Street, just past Marshall Road, the Fresh Grocery supermarket chain has committed to the redevelopment of the former supermarket store recently vacated by the Pathmark asset sales.

The Township, through its economic development efforts, has established a reputation as a business friendly municipality. Upper Darby Township continues to work with the Southeastern Transportation Authority on the development of a parking garage in the area of 69<sup>th</sup> and Market Streets. The Township and SEPTA have partnered on the parking garage project with the proposed garage planned to be built on the SEPTA parking lot adjacent to the 69<sup>th</sup> Street transportation terminal. This development is out for Request for Qualified bidders. In addition, SEPTA and the Township Administration worked together to refurbish the Primos train station on the Media Elwyn train line. The Primos station includes enhanced and expanded parking. The refurbishing of the Secane train station continues to move forward with enhanced parking and raised platforms.

Township officials continue to encourage and work with the business communities within the Township like the Aronimink Business Association, Long Lane Business Association and the West Chester Pike Business Association. The Corner of Baltimore Pike and Union Avenue continues to show improved development with the successful Goodwill operation. The Goodwill facility houses a collection/refurbish warehouse and job training and opportunity office. The retail outlet Advanced Auto on this site is very successful. The plan also has this site scheduled for the development of a McDonalds restaurant which is still moving forward. We are pleased to advise that WAWA has targeted the property at the corner of West Chester Pike and Park Ave for a super WAWA. Watch for construction on this site to start in the spring of 2016. 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 continues to provide a safe and friendly environment at the Kent Dog Park. The Township continues its joint work with the county on the long range plans for a walking trail along the Darby Creek.

The Township continues to support the concepts of the Department of Justice Weed and Seed grant program. The Department of Justice discontinued funding for the Weed and Seed program in 2011. The Township, through the Center for Family Safety, continues its support of the program's goal to weed out drugs and crime and through faith based organizations seed the area with programs to prevent the return of drugs and crime. The Center for Family Safety staff has initiated an aggressive program to reach out into the community with programs. In 2015 these programs included topics such as parenting skills, how to improve your credit seminars, first time homebuyers programs, how to start a small business, along with activities related to English as a second language and immigration law and regulations. In addition, the Center for Family Safety adds support to the Police Athletic League summer basketball program and the Anthony Becht football camp held at the Monsignor Bonner athletic complex.

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

The Upper Darby Community is deeply supportive of the Upper Darby Performing Arts Center, a joint effort between the Upper Darby School District and Upper Darby Township. The Performing Arts Center's mission is 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 performs seven theater productions each summer which are enjoyed by over 30,000 individuals. Since 2011 the Township has supported the Brad Schoener Memorial Fund's Music Marathon and Schoener Music Man Camp.

#### **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, 2015**

	Primary Government	Component Units	
	Governmental Activities	UD Township and Sellers Memorial Library	Weed and Seed Center for Family Safety
<b>ASSETS</b>			
Cash and cash equivalents	\$ 12,543,376	\$ 392,450	\$ 16,942
Investment	-	30,886	-
Receivables (net of allowance for uncollectibles)	9,865,751	2,069	-
Due from other governments	248,732	-	8,310
Prepaid assets	20,825	15,833	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	95,354	-	-
Capital assets (net of accumulated depreciation):			
Land and non-depreciable historical site	4,637,840	464,384	-
Land improvements	17,655	-	-
Buildings and improvements	2,891,494	258,797	-
Machinery and equipment	5,998,150	61,874	-
Infrastructure	12,341,029	-	-
Library books and materials	-	375,507	-
Investment in wastewater treatment plant	6,602,343	-	-
Total assets	<u>55,262,549</u>	<u>1,601,800</u>	<u>25,252</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized bond discounts	7,586	-	-
Pension expense deferrals	16,195,243	-	-
	<u>16,202,829</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	2,237,530	109,898	-
Due to other entities	21,948	-	-
Escrow liability	165,990	-	-
Unearned grant revenue	36,824	9,721	6,000
Long-term liabilities:			
Due within one year	2,907,000	-	-
Due in more than one year	196,416,420	-	-
Total liabilities	<u>201,785,712</u>	<u>119,619</u>	<u>6,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension expense deferrals	4,838,027	-	-
Unamortized bond premiums	9,191	-	-
	<u>4,847,218</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	31,327,842	-	-
Restricted for:			
Capital projects	2,520,326	-	-
Debt service	451,988	-	-
Unrestricted	(169,467,708)	1,482,181	19,252
Total net position	<u>\$ (135,167,552)</u>	<u>\$ 1,482,181</u>	<u>\$ 19,252</u>

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

**THE TOWNSHIP OF UPPER DARBY**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	Primary Government Activities	Component Units
<b>Primary Government:</b>						
General governmental	\$ 15,025,718	\$ 74,402	\$ 83,173	\$ -	\$ (14,868,143)	\$ -
Public safety	41,408,240	2,501,599	2,508,794	-	(36,397,847)	-
Sewers	7,701,461	7,676,155	-	-	(25,306)	-
Highways and streets	1,733,450	684,121	2,040,701	-	991,372	-
Sanitation	5,060,056	4,674,597	88,449	-	(297,010)	-
Community development	1,557,016	105,617	2,020,656	-	569,257	-
Street lights, electric, parking and public works	4,090,598	-	-	-	(4,090,598)	-
Leisure services, COSA and parks	3,195,143	669,977	296,481	-	(2,228,685)	-
Library contribution	1,254,139	-	-	-	(1,254,139)	-
Interest on long-term debt	298,980	-	-	-	(298,980)	-
Post employment benefits	18,989,444	-	-	-	(18,989,444)	-
Non-allocated depreciation/amortization	66,791	-	-	-	(66,791)	-
Total governmental activities	<u>\$ 100,381,036</u>	<u>\$ 16,386,468</u>	<u>\$ 7,038,254</u>	<u>\$ -</u>	<u>(76,956,314)</u>	<u>-</u>
<b>Component Units:</b>						
UD Township and Sellers Memorial Library	\$ 1,701,355	\$ 76,382	\$ 1,530,346	\$ -		(94,627)
Weed and Seed Center for Family Safety	83,573	8,655	74,286	-		(632)
Total component unit	<u>\$ 1,784,928</u>	<u>\$ 85,037</u>	<u>\$ 1,604,632</u>	<u>\$ -</u>		<u>(95,259)</u>
<b>General Revenues:</b>						
Property taxes					52,856,788	-
Local enabling taxes					2,777,386	-
Cable television					1,463,279	-
Joint project sewers					1,431,644	-
Grants and contributions not restricted to a specific program					61,561	-
Investment earnings					7,152	234
Refunds and reimbursements and miscellaneous revenue					739,285	-
Decrease in investment in wastewater treatment plant					(258,175)	-
Rent					191,882	-
Total general revenues					<u>59,270,802</u>	<u>234</u>
Change in net position					(17,685,512)	(95,025)
Net position - beginning restated					<u>(117,482,040)</u>	<u>1,596,458</u>
Net position - ending					<u>\$ (135,167,552)</u>	<u>\$ 1,501,433</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, 2015**

	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
<b>ASSETS</b>								
Cash and cash equivalents	\$ 8,633,220	\$ -	\$ -	\$ 21,003	\$ 1,152,968	\$ 2,704,656	\$ 31,529	\$ 12,543,376
Property tax receivable (net of allowance for uncollectibles)	2,896,075	-	-	176,480	-	-	-	3,072,555
Sewer assessments (net of allowance for uncollectibles)	-	3,339,702	-	-	-	-	-	3,339,702
Other receivables	3,191,425	-	-	-	-	-	262,069	3,453,494
Prepaid insurance	20,825	-	-	-	-	-	-	20,825
Due from other funds	257,530	825,707	5,906	415,785	-	-	70,581	1,575,509
Due from other municipalities/entities	-	222,065	-	-	26,667	-	-	248,732
Restricted cash	-	11,783	83,571	-	-	-	-	95,354
Total assets	<u>14,999,075</u>	<u>4,399,257</u>	<u>89,477</u>	<u>613,268</u>	<u>1,179,635</u>	<u>2,704,656</u>	<u>364,179</u>	<u>24,349,547</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 14,999,075</u>	<u>\$ 4,399,257</u>	<u>\$ 89,477</u>	<u>\$ 613,268</u>	<u>\$ 1,179,635</u>	<u>\$ 2,704,656</u>	<u>\$ 364,179</u>	<u>\$ 24,349,547</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 671,218	\$ 415,962	\$ 922	\$ -	\$ 18,966	\$ 184,330	\$ -	\$ 1,291,398
Accrued payroll and related costs	854,882	49,376	41,874	-	-	-	-	946,132
Due to other governments or entities	21,948	-	-	-	-	-	-	21,948
Due to other funds	1,159,281	70,581	-	-	-	-	345,647	1,575,509
Unearned revenue	22,284	-	-	-	-	-	14,540	36,824
Escrow	165,990	-	-	-	-	-	-	165,990
Total liabilities	<u>2,895,603</u>	<u>535,919</u>	<u>42,796</u>	<u>-</u>	<u>18,966</u>	<u>184,330</u>	<u>360,187</u>	<u>4,037,801</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable taxes, sewer fees and trash fees	3,928,441	2,173,346	-	161,280	-	-	-	6,263,067
Total liabilities and deferred inflows of resources	<u>6,824,044</u>	<u>2,709,265</u>	<u>42,796</u>	<u>161,280</u>	<u>18,966</u>	<u>184,330</u>	<u>360,187</u>	<u>10,300,868</u>
Fund balances:								
Nonspendable	20,825	-	-	-	-	-	-	20,825
Restricted	-	-	-	-	-	-	-	-
Committed for:								
Debt service	-	-	-	451,988	-	-	-	451,988
Capital projects	-	-	-	-	-	2,520,326	-	2,520,326
Assigned to emergency services	300,000	-	-	-	-	-	-	300,000
Assigned to 2016 appropriation	1,465,789	-	-	-	-	-	-	1,465,789
Unassigned	6,388,417	1,689,992	46,681	-	1,160,669	-	3,992	9,289,751
Total fund balance	<u>8,175,031</u>	<u>1,689,992</u>	<u>46,681</u>	<u>451,988</u>	<u>1,160,669</u>	<u>2,520,326</u>	<u>3,992</u>	<u>14,048,679</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 14,999,075</u>	<u>\$ 4,399,257</u>	<u>\$ 89,477</u>	<u>\$ 613,268</u>	<u>\$ 1,179,635</u>	<u>\$ 2,704,656</u>	<u>\$ 364,179</u>	<u>\$ 24,349,547</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, 2015

**Total fund balances - governmental funds** \$ 14,048,679

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	24,922,344	
Other capital assets	35,485,185	
Accumulated depreciation	<u>(39,159,201)</u>	
Total capital assets		25,886,168

Investment in wastewater treatment plant 6,602,343

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. 6,263,067

Bond discounts and premiums are capitalized and amortized in the government-wide statements (shown as net) (1,605)

Pension expense deferrals are capitalized and amortized in the government-wide statements (shown as net) 11,357,216

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 and net pension obligation (199,323,420)

Net position of governmental activities \$ (135,167,552)

**THE TOWNSHIP OF UPPER DARBY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	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
<b>REVENUES</b>								
Taxes and assessments								
Property	\$ 49,968,922	\$ -	\$ -	\$ 2,582,382	\$ -	\$ -	\$ -	\$ 52,551,304
Sewer rentals/penalties and interest	-	7,782,270	-	-	-	-	-	7,782,270
Local enabling act taxes	2,777,386	-	-	-	-	-	-	2,777,386
Licenses-permits	3,234,042	-	-	-	-	-	-	3,234,042
Fines and forfeits	683,040	-	-	-	-	-	-	683,040
Rent	191,882	-	-	-	-	-	-	191,882
Investment earnings	4,937	16	375	-	416	1,408	-	7,152
Public utility realty tax	61,561	-	-	-	-	-	-	61,561
Grants and entitlements	2,288,160	-	1,580,679	-	-	-	275,691	4,144,530
Delaware County Office of Services for the Aging (COSA)	296,481	-	-	-	-	-	-	296,481
Departmental earnings	6,346,229	-	-	-	-	-	-	6,346,229
Joint projects other municipalities	-	1,431,644	-	-	-	-	-	1,431,644
Pennsylvania contribution for pension and ad hoc	2,188,476	-	-	-	-	-	-	2,188,476
Volunteer firemen allocation	294,168	-	-	-	-	-	-	294,168
Other revenue	634,544	-	-	-	36,766	-	-	671,310
Sewer fund reimbursement	1,070,765	-	-	-	-	-	-	1,070,765
Total revenues	70,040,593	9,213,930	1,581,054	2,582,382	37,182	1,408	275,691	83,732,240
<b>EXPENDITURES</b>								
Current:								
General government	13,008,040	-	-	-	-	85,786	-	13,093,826
Public safety/including police and fire pension contribution	38,628,647	-	-	-	-	-	83,173	38,711,820
Sewer	-	8,463,019	-	-	201,172	8,000	-	8,672,191
Highways and streets	-	-	1,590,741	-	-	142,709	-	1,733,450
Health and sanitation	4,954,863	-	-	-	-	35,000	-	4,989,863
Community development	1,557,016	-	-	-	-	-	-	1,557,016
Street lights, electric, parking and public works	3,493,671	-	-	-	-	-	-	3,493,671
Leisure services, COSA and parks	3,095,849	-	-	-	-	6,437	-	3,102,286
Volunteer fire allocation	294,168	-	-	-	-	-	-	294,168
Municipal pension contribution	873,334	-	-	-	-	-	-	873,334
Library contribution	1,254,139	-	-	-	-	-	-	1,254,139
Debt service:								
Principal	-	-	-	2,846,000	-	-	-	2,846,000
Interest	26,380	-	-	272,600	-	-	-	298,980
Capital outlay:								
Community development	804,314	-	-	-	-	-	-	804,314
Highways and streets and sewers	-	-	215,712	-	-	642,011	192,518	1,050,241
Public safety	204,520	-	-	-	-	171,948	-	376,468
Departmental	6,747	-	-	-	-	245,238	-	251,985
Total expenditures	68,201,688	8,463,019	1,806,453	3,118,600	201,172	1,337,129	275,691	83,403,752
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,838,905	750,911	(225,399)	(536,218)	(163,990)	(1,335,721)	-	328,488
<b>OTHER FINANCING SOURCES (USES) OF FUNDS</b>								
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	-	-	-	476,663	-	-	70,581	547,244
Operating transfer out	-	(547,244)	-	-	-	-	-	(547,244)
	-	(547,244)	-	476,663	-	-	70,581	-
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	1,838,905	203,667	(225,399)	(59,555)	(163,990)	(1,335,721)	70,581	328,488
<b>FUND BALANCE - BEGINNING</b>	6,336,126	1,486,325	272,080	511,543	1,324,659	3,856,047	(66,589)	13,720,191
<b>FUND BALANCE - ENDING</b>	\$ 8,175,031	\$ 1,689,992	\$ 46,681	\$ 451,988	\$ 1,160,669	\$ 2,520,326	\$ 3,992	\$ 14,048,679

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, 2015**

**Net change in fund balances - total governmental funds** **\$ 328,488**

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	\$ 2,483,008	
Depreciation expense	(1,646,367)	
Amortization expense	<u>402</u>	837,043

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	2,846,000
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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	(18,821,278)
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Pension expense is shown as paid in the governmental statements but increased pursuant to actuarial determination of net pension obligations and pension expense and amortizations	(2,909,814)
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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.	(258,175)
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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	292,224
Changes in net position of governmental activities	<u><u>\$ (17,685,512)</u></u>

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, 2015**

	<b>POLICE PENSION PLAN</b>	<b>MUNICIPAL EMPLOYEES PENSION PLAN</b>	<b>FIREFIGHTER'S PENSION PLAN</b>	<b>LIBRARY TRUST FUND</b>	<b>SELF INSURANCE TRUST FUND</b>	<b>TOTAL</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 1,759,699	\$ 1,456,761	\$ 665,522	\$ 16	\$ 352,031	\$ 4,234,029
Investments (at market value)	59,985,433	57,975,099	22,578,778	-	959,092	141,498,402
Interest receivable	-	99,192	-	-	-	99,192
Prepaid expense	10,914	2,439	3,214	-	-	16,567
Contribution receivable	57,725	-	26,964	-	-	84,689
Total assets	<u>61,813,771</u>	<u>59,533,491</u>	<u>23,274,478</u>	<u>16</u>	<u>1,311,123</u>	<u>145,932,879</u>
<b>Liabilities</b>						
Accounts payable	64,606	23,957	9,589	-	-	98,152
Escrow	-	-	-	-	1,311,123	1,311,123
	<u>64,606</u>	<u>23,957</u>	<u>9,589</u>	<u>-</u>	<u>1,311,123</u>	<u>1,409,275</u>
<b>Net position</b>						
Restricted	<u>\$61,749,165</u>	<u>\$59,509,534</u>	<u>\$ 23,264,889</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 144,523,604</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, 2015**

	<b>POLICE PENSION PLAN</b>	<b>MUNICIPAL EMPLOYEES PENSION PLAN</b>	<b>FIREFIGHTER'S PENSION PLAN</b>	<b>LIBRARY TRUST FUND</b>	<b>SELF INSURANCE TRUST FUND</b>	<b>TOTAL</b>
<b>Additions:</b>						
Contributions:						
State subsidies	\$ 1,015,776	\$ 734,484	\$ 437,565	\$ -	\$ -	\$ 2,187,825
Employee contributions	778,130	691,270	367,743	-	-	1,837,143
Township contributions	3,996,561	138,850	687,973	-	-	4,823,384
Other	-	7,055	-	-	-	7,055
Total contributions	5,790,467	1,571,659	1,493,281	-	-	8,855,407
Investment earnings:						
Net depreciation in fair value of investments	(1,803,183)	(1,014,753)	(546,919)	-	-	(3,364,855)
Investment earnings	1,365,182	1,445,011	302,364	-	-	3,112,557
Less: investment expense	(208,947)	(319,485)	(26,931)	-	-	(555,363)
Total investment earnings (expense)	(646,948)	110,773	(271,486)	-	-	(807,661)
Total additions	5,143,519	1,682,432	1,221,795	-	-	8,047,746
<b>Deductions:</b>						
Pension benefits	4,460,947	3,181,428	752,903	-	-	8,395,278
Other services and charges	66,173	87,785	32,046	-	-	186,004
Total deductions	4,527,120	3,269,213	784,949	-	-	8,581,282
Change in net position	616,399	(1,586,781)	436,846	-	-	(533,536)
Net position - beginning of the year	61,132,766	61,096,315	22,828,043	16	-	145,057,140
Net position - end of the year	<u>\$ 61,749,165</u>	<u>\$ 59,509,534</u>	<u>\$ 23,264,889</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 144,523,604</u>



COMPONENT UNIT

UPPER DARBY TOWNSHIP AND SELLERS MEMORIAL FREE PUBLIC LIBRARY

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

**Assets**

Cash and cash equivalents	\$ 392,450
Investments	30,886
Accounts receivable	2,069
Prepaid insurance	10,907
Prepaid expenses	4,926
Capital assets (net of accumulated depreciation)	
Land and non-depreciable historical site	464,384
Buildings and improvements	258,797
Leasehold improvements	-
Furniture and equipment	61,874
Library books and materials	375,507
Total capital assets	<u>1,160,562</u>
Total assets	<u>1,601,800</u>

**Liabilities**

Accounts payable and accrued liabilities	19,812
Accrued payroll and related expenses	34,192
Accrued compensated absences	55,894
Deferred grant revenue	9,721
Total liabilities	<u>119,619</u>

**Net Assets**

Unrestricted	
Undesignated	1,451,295
Designated	30,886
Total net assets	<u>\$ 1,482,181</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, 2015**

**UNRESTRICTED NET ASSETS**

Revenues, gains and other support:

Upper Darby Township support:

Contribution	\$ 1,254,139
Sellers Trust Fund	14,876
Total Upper Darby Township support	<u>1,269,016</u>

Revenues from operations

Fines	23,105
Copier / computer / miscellaneous	49,610
Video rentals	3,666
Total revenues from operations	<u>76,382</u>

Other revenues

Investment income	1,906
Unrealized gain/(loss) in market value	(1,694)
Total other revenues	<u>212</u>

Grants and donations

Commonwealth of Pennsylvania	238,723
County of Delaware Aid	7,397
Grant	-
Fundraising / endowments / gifts	6,710
In kind donation of a capital asset	8,500
Total grants and donations	<u>261,330</u>

Total revenues, gains and other support	<u>1,606,939</u>
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Expenses

Program

Personnel	1,202,760
Library services	52,510

Support

Facilities and equipment	175,756
Other supporting services	67,071
Pension	27,965
Depreciation	175,293
Total operating expenses	<u>1,701,354</u>

Change in net assets	(94,415)
Net assets - beginning of year	1,576,596
Net assets - end of year	<u><u>\$ 1,482,181</u></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 CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 76,296
Receipts from intergovernmental support	1,610,109
Donation received from intergovernmental support	14,876
Receipt of grant income	-
Miscellaneous cash income	6,710
Payments to suppliers	(279,968)
Payments to employees	(1,235,261)
Net cash provided by operating activities	<u>192,762</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Purchases of capital assets	<u>(84,953)</u>
Net cash used by capital and related financing activities and related financing activities	<u>(84,953)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest and dividends income	<u>1,906</u>
Net cash provided by investing activities	<u>1,906</u>

Net increase in cash and cash equivalents	109,715
Cash and cash equivalents January 1,	<u>282,735</u>
Cash and cash equivalents December 31,	<u>\$ 392,450</u>

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

Operating loss - non-inclusive of investment income	\$ (96,321)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	175,293
Unrealized (gain) loss in market value	1,694
Miscellaneous adjustment for credits issued	(1,352)
Donated capital	(8,500)
(Increase) decrease in accounts receivable	109,734
(Increase) decrease in prepaid items	17,081
Increase (decrease) in accounts payable and accrued expenses	(331)
Increase (decrease) in accrued payroll and related expenses	1,423
Increase (decrease) in accrued compensated absences	(5,959)
Total adjustments	<u>289,083</u>
Net cash provided by operating activities	<u>\$ 192,762</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, 2015**

**Assets**

Cash	\$ 16,942
Due from Upper Darby Township	<u>8,310</u>
Total assets	<u><u>\$ 25,252</u></u>

**Liabilities**

Deferred revenue	<u>\$ 6,000</u>
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**Net assets**

Unrestricted	<u>19,252</u>
Total liabilities and net assets	<u><u>\$ 25,252</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, 2015**

**Unrestricted revenues, gains and other support**

Revenues and other additions

Contributions	\$ 8,655
Grant income	74,286
Interest income	22
Total unrestricted revenues, gains and other support	<u>82,963</u>

**Expenses**

Program expenses	<u>83,573</u>
Total expenses	<u>83,573</u>

Change in unrestricted net assets	<u>(610)</u>
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**Temporarily restricted net assets**

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

**Permanently restricted net assets**

Change in permanently restricted net assets	<u>-</u>
---------------------------------------------	----------

Change in net assets	(610)
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Net assets - beginning of the year	<u>19,862</u>
Net assets - end of the year	<u><u>\$ 19,252</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, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (610)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
(Increase) decrease in:	
Accounts receivable	-
Increase (decrease) in:	
Accounts payable and accrued expense	-
Deferred revenue	6,000
Net cash provided by operating activities	<u>5,390</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

-

**CASH FLOWS FROM INVESTING ACTIVITIES**

-

Net increase in cash and cash equivalents	5,390
Cash and cash equivalents January 1,	<u>11,552</u>
Cash and cash equivalents December 31,	<u>\$ 16,942</u>

**Supplemental Disclosure**

Income taxes paid	\$ -
Interest paid	\$ -

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

Upper Darby Township operates under a Home Rule Charter with an elective governing body inclusive of an eleven person Council and an elected Mayor. 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 adopted the Government Accounting Standards Board (GASB) Statement 68, Accounting and Reporting for Pensions relative to state and local governments. This standard amended Statement 27 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.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This Statement requires that most changes in the net pension liability be included in pension expense in the period of the change. For example, changes in the total pension liability resulting from current-period service cost, interest on the total pension liability, and changes of benefit terms are required to be included in pension expense. Projected earnings on the pension plan's investments also are required to be included in the determination of pension expense. 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.

Further, this period the Township implemented GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68," which resolves transition issues in GASB Statement No. 68. Statement 71 eliminates a potential source of understatement of restated beginning net position and expense in a government's first year of implementing Statement 68.

As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of Upper Darby Township and its component units: Sellers Memorial Free Public Library, and the Weed and Seed Center for Family Safety Inc. These component units are included in the Township's reporting entity because of the significance of its operational and/or financial relationship with the Township including financial accountability and fiscal dependency. Separate financial statements are available for the component units.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

Following is a summary of the Township's 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.

**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), PECO Green Region Fund, Community Development Grants, and Upper Darby Football Bowl, (shown in these financial statements as Other Governmental Funds).



**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

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 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, Debt Service Fund, Sewer Rental Capital Projects and Capital Projects.

Nonmajor Funds include the following: Sewer Rental Sinking Fund, PECO Green Region, Community Development Grants, and Upper Darby Football Bowl.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

**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 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 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.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

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, \$40,213 is shown as a current liability in the General Fund, \$4,230 as a current liability in the Sewer Rental Fund, and \$981 as a current liability in the Highway Aid Fund. As of December 31, 2015, the long-term liability for accrued vacation leave and accrued sick was \$8,328,425 of which \$7,122,725 is included in total of other post-employment benefits of \$138,682,237; 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 TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

The following presents those areas which incurred an excess of expenditures over appropriations for the year ended December 31, 2015 as follows:

	Excess Expenditure Legally Adopted Budget
General Fund	
Health and Sanitation	\$ 212,491
Interest	1
Community development	69,747
	<u>\$ 282,239</u>
Highway Aid Fund	
Highways and streets	<u>\$ 110,582</u>
Debt Service Fund	
Principal	<u>\$ 476,000</u>

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 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.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

**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

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

provided over the assets' useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset as follows:

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

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

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

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

**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.

*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.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

*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
- Current and advance refunding related items
- Increase in fair value of derivative instruments
- Service concession arrangements for up-front payments.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**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, 2015, 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 \$12,638,730 (\$95,384 as restricted cash and cash equivalents) of which \$1,000,000 is insured by the federal depository insurance (FDIC). Therefore, included in bank deposits is the remaining \$11,638,730 collateralized as noted above pursuant to Act 72. The bank deposits for the component units totaled \$409,392 of which \$250,000 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 \$5,702,630 in the General Fund; \$31,089 in the Sewer Rental Fund; \$1,002,466 in the Special Sewer Rental Fund; and \$2,599,295 in Capital Project Funds. The PLGIT investment portfolios are invested in full faith and credit obligations of the Commonwealth of Pennsylvania and its agencies, instrumentalities and political subdivisions. Collateralization requirements of Act No. 72, when required for deposits in excess of insurance limits are followed with respect to pooling, custody and type of collateral. Of the PLGIT investments noted above, \$250,000 is insured by the FDIC.

The balance as noted above is collateralized within the requirements of Act No. 72. Because of this collateralization policy, the entity has no investments subject to custodial credit risk.



**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

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, 2015, the carrying amount and the balance of the Plan's deposits in cash and cash alternatives totaled \$1,759,699 and 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	\$ 3,612,308
Vanguard Small Cap Index Fund	3,594,915
Vanguard Total Bond Market Index Fund	8,430,537
Vanguard Intermediate Term Corp Bond	8,377,719
Vanguard International Equity Index Fund	12,552,783
Vanguard US Large Cap Growth Index Fund	11,701,198
Vanguard US Large Cap Value Index Fund	11,715,973
	<hr/>
	\$ 59,985,433

Investments in each of the funds are greater than 5% or more of the plan net position at December 31, 2015.

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, 2015. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan and are held by either counterparty or the counterparty's trust department or agent but not in the Plan's name. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities in the possession of an outside party.

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

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

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, 2015:

<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, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -1.19%. 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.

*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, 2015, the carrying amount and the balance of the Plan's deposits in cash and cash alternatives totaled \$1,456,751 and was held with PNC Investment of which \$250,000 was covered by FDIC insurance.

*Investments*

At December 31, 2015, the Plan held the following investments which were 5% or more of the Plan's net position:

Dodge and Cox Income Fund	\$	3,623,835
Fidelity Advisor Floating High Income Fund	\$	3,137,177

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**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, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -.71%. 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, 2015:

<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, 2015**

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

Following is the fair value of investments at December 31, 2015:

	<b>MOODY'S RATING</b>	<b>FAIR VALUE</b>	<b>DURATION</b>
Cash and Cash Equivalents	n/a	\$ 1,456,761	n/a
Investments			
Mutual Funds	n/a	14,946,441	n/a
Equities	n/a	36,165,029	n/a
Fixed Income			
	A1	348,676	1-7
	A2	320,266	1-9
	A3	413,630	3-11
	AA1	78,657	4-8
	AA2	67,570	3-6
	AA3	137,424	1-2
	AAA	3,858,685	1-10
	BAA1	603,028	1-11
	BAA2	582,346	1-10
	BAA3	418,532	1-12
	Unrated	34,815	3
		<u>\$ 59,431,860</u>	

**Firefighters' 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, 2015, the carrying amount and the balance of the Plan's deposits in cash and cash alternatives totaled \$665,522, of which \$474,429 was held with Ameritrade and \$191,093 was held with Schwab of which \$441,093 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 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, 2015, held plan assets in investments as follows:

Investments at fair value:	
Vanguard Mid Cap Index Fund	\$ 884,610
Vanguard Small Cap Index Fund	880,252
Vanguard Total Bond Market Index Fund *	1,569,974
Vanguard US Large Cap Growth Index Fund *	2,865,295
Vanguard US Large Cap Value Index Fund *	2,869,015
Vanguard Intermediate Term Corp Bond Fund *	1,560,122
Vanguard International Equity Index Fund *	3,073,906
	<u>\$ 13,703,174</u>

\*Indicates an investment of 5% or more of the plan net position at December 31, 2015.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

Wealth Management Services held plan assets in investments at December 31, 2015 as follows:

Equities and equity funds	\$ 6,213,027
Mortgage pools and asset backed maturities	84,964
Bond funds	1,622,536
Structured settlement-WMS Chestnut Fund Trust	955,077
	<u>\$ 8,875,604</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, 2015.

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, 2015. 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, 2015:

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

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -1.19%. 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, 2015**

**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, 2015. A 2% discount was generally allowed if payment was made by March 31, 2015. 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 \$19.92 per \$1,000 of assessed valuation. The penalty period begins June 1<sup>st</sup> of each year. A ten percent penalty is assessed at that point. Taxes are returned to the County for collection after February 28 of the subsequent year.

An allowance for uncollectible accounts has been established at 30 percent of the balance of taxes owed in the total funds (General Fund and Sinking Fund) in the amount of \$1,316,813 as of December 31, 2015. 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 - 2015 duplicate)	\$2,569,638
Prior year tax receivable (see following statement of real estate taxes - prior years)	1,819,730
	<hr/>
	4,389,368
Less: Allowance for uncollectible accounts	(1,316,813)
	<hr/>
	<u>\$3,072,555</u>

Following are schedules detailing property taxes and their appropriation to the various funds for the year ended December 31, 2015, 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 - 2015 DUPLICATE

YEAR ENDED DECEMBER 31, 2015

	ASSESSED VALUATION	TOTAL TAX LEVY	GENERAL FUND	SINKING FUND
Tax rate in mills		19.92	18.97	0.95
Tax duplicate	\$ 2,668,812,865	\$53,160,877	\$50,625,594	\$2,535,283
Add: interim taxes prorated	<u>1,041,170</u>	<u>15,558</u>	<u>14,816</u>	<u>742</u>
Net tax duplicate	<u>\$ 2,669,854,035</u>	<u>53,176,435</u>	<u>50,640,410</u>	<u>2,536,025</u>
Deduct: taxes collected face		49,730,902	47,359,197	2,371,705
Discounts allowed		<u>875,895</u>	<u>834,123</u>	<u>41,772</u>
Total deductions		<u>50,606,797</u>	<u>48,193,320</u>	<u>2,413,477</u>
<b>Taxes receivable for year ended December 31, 2015</b>		<u>\$ 2,569,638</u>	<u>\$ 2,447,090</u>	<u>\$ 122,548</u>
Penalty assessed at 10%		<u>\$ 256,964</u>	<u>\$ 202,674</u>	<u>\$ 54,290</u>

THE TOWNSHIP OF UPPER DARBY

STATEMENT OF REAL ESTATE TAXES - PRIOR YEARS

YEAR ENDED DECEMBER 31, 2015

	TOTAL	GENERAL FUND	SINKING FUND
Prior year 2014 duplicate taxes	\$ 2,380,269	\$ 2,260,815	\$ 119,454
Add: Penalties lienied and collected to February 28, 2015 (net)	238,027	226,082	11,945
Deduct: Collections including penalties	(393,329)	(373,590)	(19,739)
Taxes returned to County Treasurer (\$2,022,697 plus 10% penalty of \$202,269)	2,224,967	2,113,307	111,660
Prior years returned and lienied balance January 1, 2015	1,671,673	1,555,900	115,773
Add: 2014 taxes returned to County Treasurer	2,224,967	2,066,327	158,640
Sub-total	3,896,640	3,622,227	274,413
Deduct: Collections	(2,076,910)	(1,932,061)	(144,849)
<b>Prior years taxes receivable - December 31, 2015</b>	<b>\$ 1,819,730</b>	<b>\$ 1,690,165</b>	<b>\$ 129,564</b>



THE TOWNSHIP OF UPPER DARBY

TEN YEAR SUMMARY OF REAL ESTATE TAXES

YEARS 2005 TO 2014 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>
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	96.054%
2013	17.94	\$ 2,677,717,414	\$ 48,004,974	\$ 45,843,640	\$ 2,161,334	95.498%
2014	18.93	\$ 2,949,305,129	\$ 50,744,893	\$ 48,722,196	\$ 2,022,697	96.014%

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**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 \$11,094,000. 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, 2015, statement of bonded indebtedness for the year ended December 31, 2015, and a schedule of bond maturities for the years 2016 to 2020.

**THE TOWNSHIP OF UPPER DARBY**  
**SCHEDULE OF BOND AND LONG TERM NOTE MATURITIES**  
**FOR THE YEARS 2016 TO 2020**

2016			2017			2018		
SER #	AMOUNT	INTEREST	SER #	AMOUNT	INTEREST	SER #	AMOUNT	INTEREST
6	\$ 1,244,000	\$ 55,668	6	\$ 1,281,000	\$ 16,554	8	\$ 567,000	\$ 5,788
8	493,000	31,027	8	494,000	18,934	9	5,000	80,503
9	5,000	80,736	9	5,000	80,619	10	720,000	18,000
10	690,000	47,662	10	705,000	33,862	12	485,000	7,275
12	475,000	18,676	12	475,000	13,212			
	<u>\$ 2,907,000</u>	<u>\$ 233,769</u>		<u>\$ 2,960,000</u>	<u>\$ 163,181</u>		<u>\$ 1,777,000</u>	<u>\$ 111,566</u>
2019			2020			Total		
SER #	AMOUNT	INTEREST	SER #	AMOUNT	INTEREST	Principal	Interest	
9	<u>\$ 1,691,000</u>	<u>\$ 57,451</u>	9	<u>\$ 1,759,000</u>	<u>\$ 17,092</u>	\$ 11,094,000	\$ 583,059	



**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 6. ACCOUNTS RECEIVABLE**

The following is a schedule of the township accounts receivable as of December 31, 2015, inclusive of the property taxes as noted above in Note 3.

	General Fund	Sinking Fund	Sewer Fund	Non Major Funds	Total
Real estate taxes	\$ 4,137,256	\$ 252,112	\$ -	\$ -	\$4,389,368
Sewer rental fees	-	-	4,771,002	-	4,771,002
Ash and rubbish fees	3,442,968	-	-	-	3,442,968
County receivable	127,979	-	-	-	127,979
Grant receivables:					
County aid	178,336	-	-	-	178,336
HUD	842,010	-	-	-	842,010
Home	113,078	-	-	-	113,078
COSA	24,328	-	-	-	24,328
Community development	-	-	-	262,069	262,069
Cable franchise	357,753	-	-	-	357,753
Local service tax	67,799	-	-	-	67,799
Liquor license	27,750	-	-	-	27,750
Other	75,200	-	-	-	75,200
Less: allowance for doubtful accounts	(3,306,957)	(75,632)	(1,431,300)	-	(4,813,889)
	<u>\$ 6,087,500</u>	<u>\$ 176,480</u>	<u>\$ 3,339,702</u>	<u>\$ 262,069</u>	<u>\$9,865,751</u>

**ASH AND RUBBISH**

Ash and rubbish fees receivable for the years 1971 to 2015 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.

**SEWER RENTAL**

Receivables from sewer rental fees include \$1,449,655 outstanding from 2015 and \$3,321,347 outstanding from 2014 and prior years for a total of \$4,771,002.

An allowance for uncollectible accounts has been established at 30 percent of the balance of fees owed as of December 31, 2015, in the amount of \$1,431,300. 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

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 6. ACCOUNTS RECEIVABLE (continued)**

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 \$222,065 due from other municipalities for sewer rental charges up to December 31, 2015.

**NOTE 7. 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, 2015**

**NOTE 8. FIXED ASSETS**

Capital asset activity for the year ended December 31, 2015 was as follows:

	Balance 01/01/15	Additions	Deletions	Balance 12/31/15
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land	\$ 4,637,840	\$ -	\$ -	\$ 4,637,840
Total capital assets not being depreciated	4,637,840	-	-	4,637,840
Capital assets being depreciated:				
Land improvements	25,535	-	-	25,535
Building and building improvements	16,961,532	5,150	-	16,966,682
Infrastructure	23,488,163	1,434,181	-	24,922,344
Machinery and equipment	4,892,264	97,662	(166,186)	4,823,740
Vehicles	12,993,663	946,015	(270,450)	13,669,228
Total capital assets being depreciated	58,361,157	2,483,008	(436,636)	60,407,529
Total capital assets	62,998,997	2,483,008	(436,636)	65,045,369
Accumulated depreciation				
Land improvements	5,326	2,554	-	7,880
Building and building improvements	13,951,763	123,425	-	14,075,188
Infrastructure	12,011,107	570,208	-	12,581,315
Machinery and equipment	2,406,381	189,173	(166,186)	2,429,368
Vehicles	9,574,893	761,007	(270,450)	10,065,450
Total accumulated depreciation	37,949,470	1,646,367	(436,636)	39,159,201
Capital assets, net of depreciation	\$ 25,049,527	\$ 836,641	\$ -	\$ 25,886,168

Depreciation allocations for the year ended are as follows:

	12/31/2015
Council	\$ 815
Administration	101,403
Police	316,394
Fire	297,688
L&I	550
Health	2,312
Sanitation	70,193
Sewer	100,035
Public works	446,204
Electric	148,348
Parking meter	2,375
Leisure services	68,092
Parks	21,316
COSA	3,449
General depreciation	67,193
	<u>\$ 1,646,367</u>

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 8. 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 01/01/15	Additions	Deletions	Balance 12/31/15
Capital assets not being depreciated:				
Land and non-depreciable historical site	\$ 464,384	\$ -	\$ -	\$ 464,384
Capital assets being depreciated:				
Buildings and improvements	450,125	-	-	450,125
Leasehold improvements	174,211	-	-	174,211
Furniture and equipment	564,453	17,123	-	581,576
Library books and material	1,235,342	76,330	(121,029)	1,190,643
Subtotal	2,888,515	93,453	(121,029)	2,860,939
Less: accumulated depreciation	(1,646,113)	(175,293)	121,029	(1,700,377)
Total	\$1,242,402	\$ (81,840)	\$ -	\$1,160,562

Depreciation for 2015 totaled \$175,293.

**NOTE 9. 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	\$ 257,530	\$ 1,159,281
Sewer rental fund	825,707	70,581
Highway Aid fund	5,906	-
Debt Service Fund	415,785	-
Community Development funds	-	257,529
Sewer rental sinking fund	70,581	88,118
	<u>\$ 1,575,509</u>	<u>\$ 1,575,509</u>

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.



**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 9. INTERFUND RECEIVABLES AND PAYABLES/INTERFUND TRANSFERS**  
(continued)

Interfund transfers for the year ended December 31, 2015 are as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>
Sewer Rental Fund	\$ -	\$ 547,244
Debt Service Fund	476,663	-
Highway Aid Fund	-	-
Sewer Rental Sinking Fund	70,581	-
	<u>\$ 547,244</u>	<u>\$ 547,244</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 10. FEDERAL GRANTS/SINGLE AUDIT ACT**

Upper Darby Township participated in several federally assisted programs:

<b>PROGRAM</b>
<b>U.S. Department of Housing and Urban Development</b>
Community Development Block Grant
<b>U.S. Department of Health and Human Services</b>
<i>Passed through Commonwealth of Pennsylvania</i>
Special Programs for Aging Title IIIC
Special Programs for Aging Title III-Part C Nutrition
<b>Department of Justice</b>
<i>Passed through County of Delaware</i>
Bullet Proof Vests
Justice Assistance Grant
<b>U.S. Department of Transportation</b>
<i>Passed through the Commonwealth of Pennsylvania-</i>
Division of Highway Safety and Traffic Operations
Highway Safety Program-DUI enforcement

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

The Community Development Block Grant was audited separately for the period January 1, 2015 through December 31, 2015. 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 2015 including the November and December 2015 drawdowns 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

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 10. FEDERAL GRANTS/SINGLE AUDIT ACT (continued)**

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 11. 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. This property is part of the Township's fixed assets as reported in Note 9 above.

**NOTE 12. LEASES**

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

A property at 319 Watkins Avenue is leased for a period of five years through 2019, with an annual rental of \$27,600. The Township further leases a property from the Upper Darby Fire Company No.3 for the use of the Police Athletic League boxing program for \$900 per month currently. 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 and thereafter are as follows:

2016	\$ 70,748
2017	70,748
2018	73,319
2019	73,553
2020	73,553
Thereafter	489,462
	<u>\$ 851,382</u>

In addition, the Township holds a lease on an historical property for which no rent is received. Under this lease, which has been extended through 2016, the lessee is to maintain the properties in habitable condition and is responsible for costs. In addition, the lessee is required to permit access to the properties for nature study, environmental analysis and historical considerations. The Township further leases out the Collenbrook property referred to above for \$750 per month. The Township leases an additional property to the Marine Corp League for \$1 per year.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 13. 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 14. 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 15. 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 16. RETIREMENT COMMITMENTS**

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

*Basic Provisions*

**Police:**

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

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

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 16. RETIREMENT COMMITMENTS (continued)**

**Fire:**

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

**Municipal:**

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

*General Information*

The Township received on behalf of the plans \$2,187,825 in Commonwealth funds pursuant to Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, which were distributed as follows:

	<b>State Aid</b>	<b>Minimum Municipal Obligation</b>	<b>Township Contribution</b>
<b>Police</b>	\$1,015,776	\$5,012,337	\$ 3,996,561
<b>Fire</b>	437,565	\$1,125,538	687,973
<b>Municipal</b>	734,484	\$873,334	138,850
	<u>\$2,187,825</u>	<u>\$7,011,209</u>	<u>\$ 4,823,384</u>

Net pension liability and pension expense within the government wide statements recognized for the period pursuant to GASB 68 is as follows:

<b>Net pension liability</b>			
<b>Police</b>	<b>Municipal</b>	<b>Fire</b>	<b>Total</b>
\$30,198,083	\$8,928,786	\$9,214,614	\$48,341,483
<b>Pension expense</b>			
<b>Police</b>	<b>Municipal</b>	<b>Fire</b>	<b>Total</b>
\$6,551,211	\$1,997,840	\$1,389,125	\$9,938,176

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

	<b>Police</b>	<b>Fire</b>	<b>Municipal</b>
a. Retirees, beneficiaries and disabled	126	23	131
b. Terminated plan members entitled to but not yet receiving benefits	1	-	14
c. Active plan members	134	53	204
	<u>261</u>	<u>76</u>	<u>349</u>

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 16. RETIREMENT COMMITMENTS (continued)**

Active membership of each of the plans contributed as follows for 2015:

	<u>Contribution</u>
Police	\$778,130
Municipal	\$691,270
Fire	\$367,743

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 2016 based on actuarial computations of minimum municipal obligations are as follows:

Police	\$ 4,538,737
Fire	1,305,775
Municipal	<u>907,281</u>
	<u>\$ 6,751,793</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.

As noted above, during this period the Township adopted GASB Statement 68 and 71. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 16. RETIREMENT COMMITMENTS (continued)**

attribute that present value to periods of employee service. These statements require that most changes in the net pension liability be included in pension expense in the period of the change.

*Net Pension Liability of the Township*

*Police*

The components of the net pension liability of the Township at December 31, 2015 were as follows:

Total pension liability	\$ 91,947,248
Plan fiduciary net position	(61,749,165)
Township's net pension liability	<u>\$ 30,198,083</u>

Plan fiduciary net position as a percentage of the total pension liability: 67.16%

*Actuarial assumptions*

The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions applied to all periods in the measurement

Inflation	2.5 percent
Salary increases	4.75 percent per annum, including inflation
Investment rate of return	7.75 percent per annum
Cost-of-living adjustment	3 percent per annum

The Plan's total pension liability as of December 31, 2015 was projected by the actuaries from January 1, 2015.

Mortality rates for healthy lives were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment with Scale AA projected to 2015.

*Long term expected rate of return/ money weighted 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. The net blended rate representing the real rate of return, inclusive of inflation and net of plan expenses was 5.38%. Long term expected real rate of return was as follows:

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 16. RETIREMENT COMMITMENTS (continued)**

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Stocks	
Large Cap	7.32%
Mid/Small Cap	9.30%
Real Estate	6.58%
International Stocks	7.68%
Bonds	1.01%
Cash	-1.37%
Total Gross Blended Return	5.73%
Less: Plan Expenses	0.35%
Total Net Blended Return	5.38%

The annual money-weighted rate of return on pension plan investments, expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	<b>2015</b>	<b>2014</b>
Annual money-weighted return on Plan Investments	-1.07%	7.52%

*Discount rate*

The discount rate used to measure the total pension liability was 7.75% 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 7.75%. The discount rate was changed from a previously 8% to the 7.75% in 2015.

*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):

	<b>1% Decrease 6.75%</b>	<b>Current Rate 7.75%</b>	<b>1% Increase 8.75%</b>
Net pension liability	\$ 40,751,908	\$ 30,198,083	\$ 21,370,196

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 16. RETIREMENT COMMITMENTS (continued)**

For the year ended December 31, 2015, the Township recognized pension expense in its government wide statements for the Police pension in the amount of \$ 6,551,211. At December 31, 2015, the Township reported deferred outflows of resources and deferred inflows of resources related to the police pension as follows:

	<b><i>Deferred Outflows of Resources</i></b>	<b><i>Deferred Inflows of Resources</i></b>
Difference between expected and actual experience	\$ -	\$3,144,864
Changes in assumptions	6,932,724	-
Net difference between projected and actual investment earnings	4,196,649	-
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$11,129,373</u>	<u>\$3,144,864</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Police Pension will be recognized in the Township's pension expense as follows:

Year ended June 30:

2016	\$ 2,128,324
2017	\$ 2,128,324
2018	\$ 2,128,324
2019	\$ 1,599,537
2020	\$ -

***Firefighters***

The components of the net pension liability of the Township at December 31, 2015 were as follows:

Total pension liability	\$ 32,479,503
Plan fiduciary net position	(23,264,889)
Township's net pension liability	<u>\$ 9,214,614</u>

Plan fiduciary net position as a percentage of the total pension liability: 71.63%

***Actuarial assumptions***

The total pension liability was determined by an actuarial valuation as of December 31, 2015, 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	7.45 percent per annum



**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 16. 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. For the year ended December 31, 2015, the annual rate of return on the pension plan investments, net of pension investment expense was -1.19%. Long term expected real rate of return was as follows:

Asset Class	Long-Term Expected Real Rate of Return
Equity	7.87%
Fixed Income	1.02%
Cash	-1.37%
Total Gross Blended Return	5.41%
Less: Plan Expenses	0.30%
Total Net Blended Return	5.11%

*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.

*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	\$13,115,881	\$9,214,614	\$5,879,391

For the year ended December 31, 2015, the Township recognized pension expense in its government wide statements for the Firefighters pension in the amount of \$ 1,389,125. At December 31, 2015, the Township reported deferred outflows of resources and deferred inflows of resources related to the Firefighters pension as follows:

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 16. RETIREMENT COMMITMENTS (continued)**

	<i><b>Deferred Outflows of Resources</b></i>	<i><b>Deferred Inflows of Resources</b></i>
Difference between expected and actual experience	\$ -	\$473,727
Changes in assumptions	-	-
Net difference between projected and actual investment earnings	1,560,450	-
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$1,560,450</u>	<u>\$473,727</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Firefighters Pension will be recognized in the Township's pension expense as follows:

Year ended June 30:	
2016	\$ 312,744
2017	\$ 312,744
2018	\$ 312,744
2019	\$ 312,744
2020	\$ (77,368)
Thereafter	\$ (86,884)

*Municipal Employees*

The components of the net pension liability of the Township at December 31, 2015 were as follows:

Total pension liability	\$68,438,320
Plan fiduciary net position	<u>(59,509,534)</u>
Township's net pension liability	<u>\$ 8,928,786</u>

Plan fiduciary net position as a percentage of the total pension liability: 86.95%

*Actuarial assumptions*

The total pension liability was determined by an actuarial valuation as of December 31, 2015, 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

The Plan's total pension liability as of December 31, 2015 was projected by the actuaries using an actuarial valuation for the 2015 measurement period.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 16. RETIREMENT COMMITMENTS (continued)**

Mortality rates for healthy lives changed from the 1983 Group Annuitant and Mortality Tables for males and females with ages setback five years to the RP2000 projected forward 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 (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	5.4 - 6.4%
International Equity	5.5 - 6.5%
Fixed Income	1.3 - 3.3%
Cash	0.0 - 1.0%
Real estate	4.5 - 5.5%

*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	\$19,357,077	\$8,928,786	\$386,413

For the year ended December 31, 2015, the Township recognized pension expense in its government wide statements for the Municipal Employees pension in the amount of \$1,997,840. At December 31, 2015, the Township reported deferred outflows of resources and deferred inflows of resources related to the Municipal Employees pension as follows:

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 16. RETIREMENT COMMITMENTS (continued)**

	<i><b>Deferred Outflows of Resources</b></i>	<i><b>Deferred Inflows of Resources</b></i>
Difference between expected and actual experience	\$ -	\$1,219,436
Changes in assumptions	-	-
Net difference between projected and actual investment earnings	3,505,420	-
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$3,505,420</u>	<u>\$1,219,436</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Municipal Employees Pension will be recognized in the Township's pension expense as follows:

Year ended June 30:		
2016	\$	755,619
2017	\$	755,619
2018	\$	755,619
2019	\$	755,619
2020	\$	(120,736)
Thereafter	\$	(615,756)

**NOTE 17. 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

**THE TOWNSHIP OF UPPER DARBY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 17. OTHER POST EMPLOYMENT BENEFITS (continued)**

expense for this period is presented net of that previously recorded in the Statement of Activities. The ARC is equal to the normal cost and the amortization of the Unfunded Actuarial Accrued Liability plus interest. The following show the components of the annual OPEB cost for the year, the amount actually contributed to the Plan, and the changes in the Township's OPEB obligation:

Annual required contribution (ARC)	\$ 26,732,019
Interest on net OPEB obligation and ARC	4,787,712
Adjustment to annual required contribution	<u>(7,330,320)</u>
Annual OPEB cost (expense)	24,189,411
Contributions made (pay as you go)	<u>(3,682,263)</u>
Increase in net OPEB obligation	20,507,148
Actuarial adjustment	<u>(1,517,704)</u>
Net OPEB obligation at January 1, 2015	119,692,793
Net OPEB obligation at December 31, 2015	<u>\$ 138,682,237</u>

<u>Fiscal year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2009	\$ 21,016,627	24.00%	\$ 34,344,989
December 31, 2010	\$ 19,852,104	15.50%	\$ 51,119,293
December 31, 2011	\$ 20,707,976	15.38%	\$ 68,642,273
December 31, 2012	\$ 20,787,230	14.63%	\$ 86,186,800
December 31, 2013	\$ 22,232,345	13.91%	\$102,076,196
December 31, 2014	\$ 23,069,235	14.93%	\$119,692,793
December 31, 2015	\$ 24,189,411	15.22%	\$138,682,237

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

Actuarial accrued liability (AAL)	\$ 244,478,131
	<u>-</u>
	\$ 244,478,131
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 33,049,683
UAAL as a percentage of covered payroll	739.73%

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 17. OTHER POST EMPLOYMENT BENEFITS (continued)**

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%

**NOTE 18. 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, 2015 is included herein as supplemental information.

**NOTE 19. 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 20. TAX ANTICIPATION NOTE**

The Township had taken a Tax Anticipation Note for 2015 in the amount of \$4,000,000, at a varying interest rate approximating 2.42% per annum and was repaid during the year.

**NOTE 21. RESTATEMENT OF NET POSITION**

During this period, the Township restated its beginning net position in its government-wide statements as a result of the implementation of GASB 68 as noted above. The net position was reduced by \$34,074,453 to account for the beginning net pension liability of each of the three Township pension plans.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 24. SUBSEQUENT EVENTS**

Management of the Township has evaluated subsequent events through June 20, 2016, 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, 2015**

	General Fund			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real estate taxes	\$ 49,959,900	\$ 49,959,900	\$ 49,968,922	\$ 9,022
Local enabling act taxes	3,035,000	3,035,000	2,777,386	(257,614)
Licenses and permits	2,801,500	2,801,500	3,234,042	432,542
Fines and forfeits	735,000	735,000	683,040	(51,960)
Rent	189,000	189,000	191,882	2,882
Investment earnings	25,000	25,000	4,937	(20,063)
Public utility realty tax	60,000	60,000	61,561	1,561
Grants and entitlements	2,536,283	2,536,283	2,288,160	(248,123)
Delaware County Office of Services for the Aging (COSA)	305,000	305,000	296,481	(8,519)
Departmental earnings	6,026,700	6,026,700	6,346,229	319,529
Pennsylvania contribution for pension and Ad hoc	2,175,241	2,175,241	2,188,476	13,235
pension and volunteer fireman	300,000	300,000	294,168	(5,832)
Miscellaneous/refunds and reimbursements	495,000	495,000	634,544	139,544
Sewer fund reimbursement	900,000	900,000	1,070,765	170,765
Total revenues	69,543,624	69,543,624	70,040,593	496,969
<b>EXPENDITURES</b>				
General governmental	14,550,724	14,594,345	13,014,787	1,579,558
Public Safety	39,184,583	39,353,258	38,833,167	520,091
Health and sanitation	4,803,472	4,742,372	4,954,863	(212,491)
Community development	2,291,583	2,291,583	2,361,330	(69,747)
Electric, parking and public works	3,482,184	3,568,284	3,493,671	74,613
Leisure services, COSA and parks	3,261,044	3,269,044	3,095,849	173,195
Volunteer fire allocation	300,000	300,000	294,168	5,832
Municipal pension contribution	873,334	873,334	873,334	-
Library contribution	1,254,140	1,254,140	1,254,139	1
Interest expense	25,000	26,379	26,380	(1)
Total expenditures	70,026,064	70,272,739	68,201,688	2,071,051
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(482,440)</b>	<b>(729,115)</b>	<b>1,838,905</b>	<b>2,568,020</b>
<b>OTHER FINANCING SOURCES (USES) OF FUNDS:</b>				
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	-	-	-	-
Total other financing sources (uses) of funds, net	-	-	-	-
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	<b>\$ (482,440)</b>	<b>\$ (729,115)</b>	<b>1,838,905</b>	<b>\$ 2,568,020</b>
<b>FUND BALANCE - BEGINNING</b>			6,336,126	
<b>FUND BALANCE - ENDING</b>			<u>\$ 8,175,031</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, 2015**

	Sewer Rental Fund			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Sewer rentals, penalties and interest	\$ 7,200,000	\$ 7,200,000	\$ 7,782,270	\$ 582,270
Investment earnings	500	500	16	(484)
Grants and entitlements	25,000	25,000	-	(25,000)
Joint projects other municipalities	1,639,687	1,639,687	1,431,644	(208,043)
Total revenues	8,865,187	8,865,187	9,213,930	348,743
<b>EXPENDITURES</b>				
Sewer	8,964,000	8,964,000	8,463,019	500,981
Total expenditures	8,964,000	8,964,000	8,463,019	500,981
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(98,813)	(98,813)	750,911	849,724
<b>OTHER FINANCING SOURCES (USES) OF FUNDS:</b>				
Operating transfers in	-	-	-	-
Operating transfers out--sewer rental sinking fund	(488,325)	(488,325)	(547,244)	(58,919)
Total other financing sources (uses) of funds, net	(488,325)	(488,325)	(547,244)	(58,919)
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	\$ (587,138)	\$ (587,138)	203,667	\$ 790,805
<b>FUND BALANCE - BEGINNING</b>			1,486,325	
<b>FUND BALANCE - ENDING</b>			<u>\$ 1,689,992</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, 2015**

	Highway Aid Fund			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Investment earnings	\$ 500	\$ 500	\$ 375	\$ (125)
Other income	159,511	159,511	-	(159,511)
Grants and entitlements	1,535,860	1,535,860	1,580,679	44,819
Total revenues	1,695,871	1,695,871	1,581,054	(114,817)
<b>EXPENDITURES</b>				
Highways and streets	1,695,871	1,695,871	1,806,453	(110,582)
Total expenditures	1,695,871	1,695,871	1,806,453	(110,582)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(225,399)	(225,399)
<b>OTHER FINANCING SOURCES (USES) OF FUNDS:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	-	-	-	-
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	<u>\$ -</u>	<u>\$ -</u>	(225,399)	<u>\$ (225,399)</u>
<b>FUND BALANCE - BEGINNING</b>			272,080	
<b>FUND BALANCE - ENDING</b>			<u>\$ 46,681</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, 2015**

	Debt Service Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget - Favorable (Unfavorable)
<b>REVENUES</b>				
Real estate taxes	\$ 2,536,500	\$ 2,536,500	\$ 2,582,382	\$ 45,882
Other revenue	-	-	-	-
Investment earnings	-	-	-	-
Total revenues	2,536,500	2,536,500	2,582,382	45,882
<b>EXPENDITURES</b>				
Principal	2,370,000	2,370,000	2,846,000	(476,000)
Interest	277,189	277,189	272,600	4,589
Total expenditures	2,647,189	2,647,189	3,118,600	(471,411)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(110,689)	(110,689)	(536,218)	(425,529)
<b>OTHER FINANCING SOURCES (USES) OF FUNDS:</b>				
Operating transfers in	488,325	488,325	476,663	(11,662)
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	488,325	488,325	476,663	(11,662)
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	\$ 377,636	\$ 377,636	(59,555)	\$ (437,191)
<b>FUND BALANCE - BEGINNING</b>			511,543	
<b>FUND BALANCE - ENDING</b>			<u>\$ 451,988</u>	

**REQUIRED SUPPLEMENTARY INFORMATION**

**THE TOWNSHIP OF UPPER DARBY**

**DECEMBER 31, 2015  
(UNAUDITED)**

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

**POLICE PENSION PLAN**

	<b>2014</b>	<b>2015</b>
<b><i>Total Pension Liability</i></b>		
Service cost	\$ 3,189,543	\$ 3,349,022
Interest	5,987,854	6,367,532
Changes in benefit terms	-	-
Differences between expected and actual experience	-	(4,040,837)
Changes in assumptions	-	8,907,859
Benefit payments	(4,401,917)	(4,460,947)
<b>Net change in total pension liability</b>	<b>4,775,480</b>	<b>10,122,629</b>
<b>Total pension liability - beginning</b>	<b>77,049,139</b>	<b>81,824,619</b>
<b>Total pension liability - ending</b>	<b>\$ 81,824,619</b>	<b>\$ 91,947,248</b>
 <b><i>Plan Fiduciary Net Position</i></b>		
Contributions-township and state aid	\$ 4,843,478	\$ 5,012,337
Contributions-employee	743,247	778,130
Net investment income	4,086,724	(646,948)
Benefit payments	(4,401,917)	(4,460,947)
Administrative expense	(56,069)	(66,173)
<b>Net change in fiduciary net position</b>	<b>5,215,463</b>	<b>616,399</b>
<b>Plan fiduciary net position-beginning</b>	<b>55,917,303</b>	<b>61,132,766</b>
<b>Plan fiduciary net position-ending</b>	<b>\$ 61,132,766</b>	<b>\$61,749,165</b>
 <b>Upper Darby Township net pension liability</b>	 <b>\$ 20,691,853</b>	 <b>\$30,198,083</b>
 <b>Plan fiduciary net position as a percentage of total pension liability</b>	 <b>74.71%</b>	 <b>67.16%</b>
<b>Covered employee payroll</b>	<b>\$ 12,930,104</b>	<b>\$13,841,548</b>
 <b>Net pension liability as a percentage of covered employee payroll</b>	 <b>160.03%</b>	 <b>218.17%</b>

**SCHEDULE OF INVESTMENT RETURNS**

	<b>2014</b>	<b>2015</b>
Annual money-weighted rate of return net of investment expense	7.52%	-1.07%

**REQUIRED SUPPLEMENTARY INFORMATION**

**THE TOWNSHIP OF UPPER DARBY**

**DECEMBER 31, 2015  
(UNAUDITED)**

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

**MUNICIPAL EMPLOYEES PENSION PLAN**

	<b>2014</b>	<b>2015</b>
<b><i>Total Pension Liability</i></b>		
Service cost	\$ 1,328,842	\$ 1,364,058
Interest	4,827,925	4,981,253
Changes in benefit terms	-	-
Differences between expected and actual experience	(689,593)	(1,340,172)
Changes in assumptions		
Benefit payments	<u>(3,714,872)</u>	<u>(3,181,428)</u>
<b>Net change in total pension liability</b>	1,752,302	1,823,712
<b>Total pension liability - beginning</b>	<u>64,862,306</u>	<u>66,614,608</u>
<b>Total pension liability - ending</b>	<u><u>\$66,614,608</u></u>	<u><u>\$68,438,320</u></u>
 <b><i>Plan Fiduciary Net Position</i></b>		
Contributions-township and state aid	\$ 896,788	\$ 873,334
Contributions-employee	653,919	691,270
Net investment income	4,486,461	110,645
Benefit payments	(3,714,872)	(3,181,428)
Other	-	7,055
Administrative expense	<u>(43,500)</u>	<u>(87,785)</u>
<b>Net change in fiduciary net position</b>	2,278,796	(1,586,909)
<b>Plan fiduciary net position-beginning</b>	<u>58,817,647</u>	<u>61,096,443</u>
<b>Plan fiduciary net position-ending</b>	<u><u>\$61,096,443</u></u>	<u><u>\$59,509,534</u></u>
 <b>Upper Darby Township net pension liability</b>	<u><u>\$ 5,518,165</u></u>	<u><u>\$ 8,928,786</u></u>
 <b>Plan fiduciary net position as a percentage of total pension liability</b>	91.72%	86.95%
 <b>Covered employee payroll</b>	\$10,551,801	\$11,142,155
 <b>Township's net pension liability as a percentage of covered payroll</b>	52.30%	86.95%

**SCHEDULE OF INVESTMENT RETURNS**

	<b>2014</b>	<b>2015</b>
Annual money-weighted rate of return		
net of investment expense	8.33%	-0.71%

**REQUIRED SUPPLEMENTARY INFORMATION**

**THE TOWNSHIP OF UPPER DARBY**

**DECEMBER 31, 2015  
(UNAUDITED)**

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

**FIREFIGHTERS PENSION PLAN**

	<b>2014</b>	<b>2015</b>
<b><i>Total Pension Liability</i></b>		
Service cost	\$ 880,824	\$ 832,869
Interest	2,036,876	2,258,285
Changes in benefit terms	-	-
Differences between expected and actual experience	(529)	(551,095)
Changes in assumptions	-	-
Benefit payments	(697,458)	(752,903)
<b>Net change in total pension liability</b>	<u>2,219,713</u>	<u>1,787,156</u>
<b>Total pension liability—beginning</b>	<u>28,472,634</u>	<u>30,692,347</u>
<b>Total pension liability—ending</b>	<u><u>\$ 30,692,347</u></u>	<u><u>\$ 32,479,503</u></u>
<b><i>Plan Fiduciary Net Position</i></b>		
Contributions-township and state aid	\$ 1,069,622	\$ 1,125,538
Contributions-employee	357,305	367,743
Net investment income (loss)	1,163,102	(271,486)
Benefit payments	(697,458)	(752,903)
Administrative expense	(33,907)	(32,046)
<b>Net change in fiduciary net position</b>	<u>1,858,664</u>	<u>436,846</u>
<b>Plan fiduciary net position—beginning</b>	<u>20,969,379</u>	<u>22,828,043</u>
<b>Plan fiduciary net position—ending</b>	<u><u>\$ 22,828,043</u></u>	<u><u>\$ 23,264,889</u></u>
<b>Upper Darby Township net pension liability</b>	<u><u>\$ 7,864,304</u></u>	<u><u>\$ 9,214,614</u></u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	74.38%	71.63%
<b>Covered employee payroll</b>	\$ 5,863,744	\$ 6,142,272

**SCHEDULE OF INVESTMENT RETURNS**

	<b>2014</b>	<b>2015</b>
Annual money-weighted rate of return net of investment expense	5.57%	-1.19%

# REQUIRED SUPPLEMENTARY INFORMATION

## THE TOWNSHIP OF UPPER DARBY

### SCHEDULE OF EMPLOYER AND COMMONWEALTH OF PENNSYLVANIA CONTRIBUTIONS

DECEMBER 31, 2015

Actuarially determined contributions are determined in accordance with Pennsylvania Act 205.  
Assumptions used for contribution requirements match those used for GASB purposes.

#### POLICE:

	Actuarially determined contribution	Contributions in relation to actuarially determined contribution	Contribution excess (deficiency)	Covered employee payroll	Contributions as a percentage of covered payroll
2006	\$2,665,273	\$2,665,273	\$ -	\$8,831,881	30.18%
2007	\$2,781,834	\$2,781,834	\$ -	\$9,298,453	29.92%
2008	\$3,451,236	\$3,451,236	\$ -	\$10,315,914	33.46%
2009	\$3,720,809	\$3,720,809	\$ -	\$11,374,290	32.71%
2010	\$3,746,842	\$3,746,842	\$ -	\$11,852,118	31.61%
2011	\$4,731,466	\$4,731,466	\$ -	\$11,847,920	39.93%
2012	\$4,414,043	\$4,414,043	\$ -	\$11,783,712	37.46%
2013	\$4,949,013	\$4,949,013	\$ -	\$12,171,676	40.66%
2014	\$4,843,478	\$4,843,478	\$ -	\$12,930,104	37.46%
2015	\$5,012,337	\$5,012,337	\$ -	\$13,841,548	36.21%

#### FIRE:

	Actuarially determined contribution	Contributions in relation to actuarially determined contribution	Contribution excess (deficiency)	Covered employee payroll	Contributions as a percentage of covered payroll
2006	\$ 636,388	\$ 636,388	\$ -	\$ 3,465,783	18.36%
2007	\$ 614,228	\$ 614,228	\$ -	\$ 4,516,283	13.60%
2008	\$ 712,761	\$ 712,761	\$ -	not available	N/A
2009	\$ 760,335	\$ 760,335	\$ -	\$ 4,082,200	18.63%
2010	\$ 779,085	\$ 779,085	\$ -	not available	N/A
2011	\$ 898,564	\$ 898,564	\$ -	\$ 4,458,017	20.16%
2012	\$ 817,982	\$ 817,982	\$ -	not available	N/A
2013	\$ 1,025,025	\$ 1,025,025	\$ -	\$ 5,119,335	20.02%
2014	\$ 1,069,622	\$ 1,069,622	\$ -	\$ 5,863,744	18.24%
2015	\$ 1,125,538	\$ 1,125,538	\$ -	\$ 6,142,272	18.32%



**REQUIRED SUPPLEMENTARY INFORMATION**

**THE TOWNSHIP OF UPPER DARBY**

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

**DECEMBER 31, 2015**

**MUNICIPAL:**

	Actuarially determined contribution	Contributions in relation to actuarially determined contribution	Contribution excess (deficiency)	Covered employee payroll	Contributions as a percentage of covered payroll
2006	\$107,536	\$107,536	\$ -	\$8,879,535	1.21%
2007	\$117,534	\$117,534	\$ -	\$9,228,587	1.27%
2008	\$273,359	\$273,359	\$ -	\$9,827,202	2.78%
2009	\$327,956	\$327,956	\$ -	\$10,405,119	3.15%
2010	\$374,296	\$374,296	\$ -	\$10,405,119	3.60%
2011	\$822,055	\$822,055	\$ -	\$10,654,302	7.72%
2012	\$728,889	\$728,889	\$ -	\$10,278,604	7.09%
2013	\$869,754	\$869,754	\$ -	\$10,052,549	8.65%
2014	\$896,788	\$896,788	\$ -	\$10,551,801	8.50%
2015	\$873,334	\$873,334	\$ -	\$11,142,155	7.84%

## **SUPPLEMENTAL INFORMATION**

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

**DECEMBER 31, 2015**

	SEWER RENTAL SINKING FUND	PECO GREEN REGION FUND	COMMUNITY DEVELOPMENT GRANTS	UPPER DARBY FOOTBALL BOWL	TOTAL
<b>ASSETS</b>					
Cash	\$ 17,537	\$ 10,000	\$ -	\$ 3,992	\$ 31,529
Assessments receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Due from other funds	70,581	-	-	-	70,581
Grant receivable	-	-	262,069	-	262,069
Due from Commonwealth	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 88,118</b>	<b>\$ 10,000</b>	<b>\$ 262,069</b>	<b>\$ 3,992</b>	<b>\$ 364,179</b>
<b>Liabilities</b>					
Due to Sewer fund	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Highway fund	-	-	-	-	-
Due to Local Weed and Seed	-	-	-	-	-
Due to Debt Service fund	88,118	-	-	-	88,118
Accounts payable	-	-	-	-	-
Due to other entities	-	-	-	-	-
Due to general fund	-	-	257,529	-	257,529
Due to Commonwealth	-	-	-	-	-
Unearned revenue	-	10,000	4,540	-	14,540
<b>Total liabilities</b>	<b>88,118</b>	<b>10,000</b>	<b>262,069</b>	<b>-</b>	<b>360,187</b>
<b>Fund Balance</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	3,992	3,992
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,992</b>	<b>3,992</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 88,118</b>	<b>\$ 10,000</b>	<b>\$ 262,069</b>	<b>\$ 3,992</b>	<b>\$ 364,179</b>

**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, 2015**

	<b>SEWER RENTAL SINKING FUND</b>	<b>PECO GREEN REGION FUND</b>	<b>COMMUNITY DEVELOPMENT GRANTS</b>	<b>UPPER DARBY FOOTBALL BOWL</b>	<b>TOTAL</b>
<b>REVENUES</b>					
Other grants and donations	\$ -	\$ -	\$ 193,018	\$ -	\$ 193,018
Federal grant	-	-	82,673	-	82,673
Investment earnings	-	-	-	-	-
State grant	-	-	-	-	-
Total revenues	-	-	275,691	-	275,691
<b>EXPENDITURES</b>					
Governmental expenditures	-	-	-	-	-
Public safety	-	-	83,173	-	83,173
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay					
Highways and streets and sewers	-	-	192,518	-	192,518
Community development	-	-	-	-	-
Public safety	-	-	-	-	-
Departmental	-	-	-	-	-
Total expenditures	-	-	275,691	-	275,691
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-	-
<b>OTHER FINANCING SOURCES AND (USES) OF FUNDS</b>					
Operating transfer	70,581	-	-	-	-
Total other financing sources (uses) of funds	70,581	-	-	-	-
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	70,581	-	-	-	70,581
<b>FUND BALANCE - BEGINNING</b>	(70,581)	-	-	3,992	(66,589)
<b>FUND BALANCE - ENDING</b>	\$ -	\$ -	\$ -	\$ 3,992	\$ 3,992

THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

BALANCE SHEET  
GENERAL FUND

DECEMBER 31, 2015

ASSETS

Cash and cash equivalents		\$ 8,633,220
Real estate taxes receivable		
Real estate taxes - current	\$ 2,447,087	
Less: Allowance for uncollectible accounts	(734,126)	
	<u>1,712,961</u>	
Real estate taxes - prior	1,690,164	
Less: Allowance for uncollectible accounts	(507,050)	
	<u>1,183,114</u>	
Total real estate taxes receivable		2,896,075
Other accounts receivable		3,191,425
Prepaid insurance		20,825
Due from other funds		<u>257,530</u>
<b>TOTAL ASSETS</b>		<u>14,999,075</u>
<b>Deferred outflows of resources</b>		-
Total assets and deferred outflows of resources		<u>\$ 14,999,075</u>

LIABILITIES AND FUND BALANCE

<b>Liabilities</b>		
Accounts payable	\$ 671,218	
Due to other funds	1,159,281	
Due to other entities	21,948	
Accrued payroll and related liabilities	854,882	
Escrow liability	165,990	
Unearned revenue	<u>22,284</u>	
Total liabilities	<u>2,895,603</u>	
<b>Deferred inflows of resources</b>		
Unavailable taxes and trash fees	<u>3,928,441</u>	
Total liabilities and deferred inflows of resources	<u>6,824,044</u>	
<b>Fund Balance</b>		
Nonspendable	20,825	
Restricted	-	
Committed for:		
Debt service	-	
Capital projects	-	
Assigned to emergency services	300,000	
Assigned to 2016 appropriation	1,465,789	
Unassigned	<u>6,388,417</u>	
Total fund balance	<u>8,175,031</u>	
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<u>\$ 14,999,075</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, 2015

**Grants and Gifts**

Delaware County Office of Services for the Aging (COSA)	296,481
Federal grants	2,020,656
County highway aid	267,504
Public utility realty tax act	61,561
	<u>2,646,202</u>

**Departmental Earnings**

Garbage, refuse charges and recycling	4,670,191
Parking meters	647,355
Miscellaneous police	75,947
Other departmental revenue and miscellaneous revenue	847,119
HUD program income / loan recapture	105,617
	<u>6,346,229</u>
Total revenues	<u>65,847,703</u>

**OTHER REVENUE**

Interest income	4,937
Miscellaneous refunds and reimbursements	634,544
Municipal pension plans	2,188,476
Volunteer fire allocation	294,168
Sewer fund transfer	1,070,765
Total other revenue	<u>4,192,890</u>

**TOTAL REVENUES** 70,040,593

**THE TOWNSHIP OF UPPER DARBY**

**SUPPLEMENTAL INFORMATION**

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

**FOR THE YEAR ENDED DECEMBER 31, 2015**

**REVENUES**

**Taxes - Real Estate (net)** \$49,968,922

**Local Enabling Act Taxes**

Mercantile tax	1,518,807
Business privilege tax	613,086
Local service tax	618,593
Mechanical devices and amusement admission taxes	26,900
	<u>2,777,386</u>

**Licenses and Permits**

Beverage (liquor license)	26,150
Health, plumbing, and housing	1,296,841
Streets	59,599
Licenses and inspection	388,182
Cable television	1,463,270
	<u>3,234,042</u>

**Fines - Forfeits Costs**

Upper Darby central courts	254,597
Police fines, violation, parking meter fines and drug forfeiture	428,443
	<u>683,040</u>

**Rents**

Rent of building and parking lots	191,882
	<u>191,882</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, 2015**

**GOVERNMENTAL EXPENDITURES**

**GENERAL GOVERNMENT**

**Administration**

Salaries	1,096,940
Materials and supplies	17,745
General expenses	180,906
Emergency management	3,393
Maintenance and repairs and computer	10,010
Court fees solicitor	197,284
HUD transfer	(10,873)
	<u>1,495,405</u>

**Treasurer**

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

**Municipal Buildings**

Salaries	945,387
Materials and supplies - general	93,717
Utility cost	237,799
Postage expense	80,473
Maintenance and repairs, computer administration	129,692
Drug alcohol testing	11,692
General expenses	102,524
HUD transfer	(66,312)
	<u>1,534,972</u>

Total general government	<u>3,037,906</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, 2015**

**PROTECTION TO PERSONS AND PROPERTY**

**Police Protection**

Salaries	14,650,792
Materials, supplies and general expenses	268,299
Utilities	56,651
Vehicle operation and new vehicles	194,595
Insurance, social security tax	6,982,378
Communication expense	48,824
Maintenance and repairs and equipment	144,697
Police training and civil service	92,608
Drug forfeiture expense	6,000
Computer maintenance and consulting	184,576
Pension plan contribution	5,012,337
HUD transfer	(221,224)
	<u>27,420,533</u>

**Fire**

Salaries	6,245,332
Materials, supplies, and general expenses	156,832
Utilities and hydrants	195,520
Communication expense	16,315
Insurance, social security tax and workers' compensation	2,304,259
Contribution volunteer fire companies	650,000
Pension contribution	1,125,538
	<u>10,693,796</u>

**Building Regulation Planning and Zoning**

Salaries	705,646
Materials and supplies	11,641
General expenses	30,418
HUD transfer	(28,867)
	<u>718,838</u>

Total protection to persons and property	<u>38,833,167</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, 2015**

**HEALTH AND SANITATION**

**General Health Services**

Salaries	426,684
Materials and supplies	11,178
Communication expense	6,810
General expenses	52,913
	<u>497,585</u>

**Sanitation Collection and Disposal**

Salaries	2,735,228
Materials and supplies	6,275
Landfill fees	1,163,488
General expenses and recycling	33,533
Lien fees	492,529
Communication expense	26,225
	<u>4,457,278</u>

Total health and sanitation	<u>4,954,863</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, 2015

**GENERAL SERVICES, STREET LIGHTS AND HIGHWAY**

**Electrical Department**

Salaries	332,934
Materials and supplies	14,569
General expenses	1,576
Maintenance and repairs, traffic lights and lighting	817,158
HUD transfer	(16,452)
	<u>1,149,785</u>

**Department of Public Works**

Salaries	406,996
Materials and supplies	142,460
General expenses	33,033
Vehicle operating expense, repairs and parts	1,072,800
Maintenance and equipment and construction repairs	230,202
	<u>1,885,491</u>

**Parking Meter**

Salaries	428,386
Materials and supplies	30,009
	<u>458,395</u>

Total general services, street lights and highway	<u>3,493,671</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, 2015**

**DEPARTMENT OF LEISURE SERVICES**

**General Recreation Services**

Salaries	827,922
Materials and supplies	99,527
Summer stage royalties	67,626
Professional services	131,890
General expenses	138,166
	<u>1,265,131</u>

**Parks and Playgrounds**

Salaries	1,092,439
Materials and supplies	114,942
Maintenance and repairs	83,992
Utilities	111,042
Major equipment replacement and construction	31,970
General expenses	55,995
HUD transfer	(20,736)
	<u>1,469,644</u>

Total department of leisure services	<u>2,734,775</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, 2015**

**Miscellaneous Expenditures**

Social security taxes	666,367
Volunteer fire allocation	294,168
Insurance premiums and workers' compensation claims	9,205,357
Grants and program activity, HUD, COSA and County Aid	2,729,151
Municipal pension contribution	873,334
Refunds, contingencies and miscellaneous	98,411
Library contribution	<u>1,254,139</u>

Total miscellaneous expenditures	<u>15,120,927</u>
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**Debt service**

Interest expense	<u>26,380</u>
<b>Total debt service</b>	<u>26,380</u>

<b>TOTAL EXPENDITURES</b>	<u>68,201,689</u>
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<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,838,905
-----------------------------------------------------	-----------

**OTHER FINANCING SOURCES (USES) OF FUNDS**

Tax revenue anticipation note	4,000,000
Repayment of tax revenue anticipation note	<u>(4,000,000)</u>
	<u>-</u>

<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	1,838,905
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<b>FUND BALANCE - BEGINNING</b>	<u>6,336,126</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 8,175,031</u></u>

**THE TOWNSHIP OF UPPER DARBY**  
**STATEMENT OF SEWER ASSESSMENTS**  
**SEWER RENTAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Current Assessments**

Original bills	\$7,548,838
Less: Collections face	<u>6,099,183</u>

**BALANCE 2015 SEWER FUND ASSESSMENTS  
RECEIVABLE AT DECEMBER 31, 2015**

\$1,449,655

**Delinquent and Liened Assessments**

Beginning balance	\$3,254,343
Add: 2014 assessments unpaid at January 1, 2015	<u>1,448,591</u>
Less: Collections face - net adjustment	<u>1,381,587</u>

**BALANCE PRIOR YEARS AT DECEMBER 31, 2015**

\$3,321,347

**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, 2015**

	<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>		
<b>REVENUES</b>					
Delaware County Office Services for the Aging (COSA)	\$ 293,437	\$ 317,339	\$ -	\$ 293,437	\$ 317,339
Nutrition Services Incentive	-	-	1,685	-	1,685
Township of Upper Darby and program income	300,264	137,383	-	300,264	137,383
Total revenues	<u>593,701</u>	<u>454,722</u>	<u>1,685</u>	<u>593,701</u>	<u>456,407</u>
<b>EXPENDITURES</b>					
Personnel	339,125	241,945	-	339,125	241,945
Fringe	56,576	79,879	-	56,576	79,879
Occupancy**	129,000	118,402	-	129,000	118,402
Communications	23,500	-	-	23,500	-
Transportation	19,000	-	-	19,000	-
Contract services	25,000	14,496	-	25,000	14,496
Other expenses	1,500	-	-	1,500	-
Deli meals	-	-	1,685	-	1,685
Total expenditures	<u>593,701</u>	<u>454,722</u>	<u>1,685</u>	<u>593,701</u>	<u>456,407</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

**THE TOWNSHIP OF UPPER DARBY**  
**COMMUNITY DEVELOPMENT GRANT FUNDS-CDBG NO. B-09-MC-42-0015**  
**PROGRAM YEAR 2009 - PROGRAM YEAR PERIOD OCTOBER 1, 2009 TO SEPTEMBER 30, 2010**  
**STATEMENT OF PROGRAM COSTS**  
**FOR THE PERIOD: OCTOBER 1, 2009 THROUGH DECEMBER 31, 2015**

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/15	EXPENDITURES CUMULATIVE 12/31/14	QUESTIONED COSTS 12/31/15
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. OOH 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*	-	-	-	-
<b>TOTAL</b>	<b>\$ 2,084,686</b>	<b>\$ -</b>	<b>\$ 2,084,686</b>	<b>\$ -</b>

\* Rebudget during fiscal year



**THE TOWNSHIP OF UPPER DARBY**  
**COMMUNITY DEVELOPMENT GRANT FUNDS-CDBG NO. B-10-MC-42-0015**  
**PROGRAM YEAR 2010 - PROGRAM YEAR PERIOD OCTOBER 1, 2010 TO SEPTEMBER 30, 2011**  
**STATEMENT OF PROGRAM COSTS**  
**FOR THE PERIOD: OCTOBER 1, 2010 THROUGH DECEMBER 31, 2015**

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/15	EXPENDITURES CUMULATIVE 12/31/15	QUESTIONED COSTS 12/31/15
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. OOHHR 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	-	-	-	-
<b>TOTAL</b>	<b>\$ 2,439,511</b>	<b>\$ -</b>	<b>\$ 2,439,511</b>	<b>\$ -</b>

**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, 2015**

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/15	EXPENDITURES CUMULATIVE 12/31/15	QUESTIONED COSTS 12/31/15
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*	3,852	-	3,852	-
7. LED Hand and Man Pedestrian Signals	-	-	-	-
8. Cobbs Creek Interceptor sewer	-	-	-	-
9. Domestic abuse ESG	40,237	-	40,237	-
10. First time homebuyers	75,000	-	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	46,735	-	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	-	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	1,871,958	-	1,871,958	-
Contingencies and/or local option activities	-	-	-	-
TOTAL	\$ 1,871,958	\$ -	\$ 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, 2015**

	<u>GRANT AMOUNT</u>
Total program year 2012 funds	\$1,362,348
Emergency shelter funds	<u>153,808</u>
	1,516,156
Less: Total program year 2012 funds drawdown by recipient	<u>1,516,156</u>
	-
Program funds still available to program year 2012	-
Program income applicable to program year 2012	<u>113,181</u>
	-
Program year 2012 funds received	<u>1,629,337</u>
Total funds applied to prior year:	<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, 2015**

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/15	EXPENDITURES CUMULATIVE 12/31/15	QUESTIONED COSTS 12/31/15
1. Fair housing outreach	\$ 5,000	\$ -	\$ 5,000	\$ -
2. Progressive team patrol	204,352	-	204,351	-
3. Street resurfacing*	192,281	-	192,281	-
4. Code enforcement low/mod	238,570	-	238,570	-
5. OOH emergency	75,000	-	75,000	-
6. Domestic abuse ESG	40,237	-	40,237	-
7. First time homebuyers	150,000	-	150,000	-
8. Bond Avenue Stormwater Pump Station*	-	-	-	-
9. Cobbs Creek Housing ESG	46,000	-	46,000	-
10. Replacement of various street signs	25,000	5,644	5,644	-
11. Abbey Terrace Storm Sewer installation*	-	-	-	-
12. Backflow protection program*	-	-	-	-
13. Capital improvement Cobbs Creek Housing	5,000	-	5,000	-
14. Firehouse 7241 WestChester Pike*	39,151	-	39,151	-
15. Cardington Stonehurst Firehouse	30,743	-	30,743	-
16. Homeless Prevention*	52,568	-	52,568	-
17. Rapid Rehousing	11,000	-	11,000	-
18. Data Collection*	-	-	-	-
19. Long Lane Beautification*	115,153	44,216	59,370	-
20. Reconstruction Cardington Soccer Field	100,000	-	13,162	-
21. Cobbs Creedk Interceptor sewer*	339,878	-	339,878	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP	735,000	237,834	735,000	-
Administrative	177,996	-	177,996	-
Subtotal	2,582,929	287,694	2,420,951	-
Contingencies and/or local option activities	-	-	-	-
TOTAL	<u>\$ 2,582,929</u>	<u>\$ 287,694</u>	<u>\$ 2,420,951</u>	<u>\$ -</u>

\* Rebudget during fiscal year

**THE TOWNSHIP OF UPPER DARBY**

**COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

**PROGRAM YEAR 2013 - CDBG NO. B-13-MC-42-0015**

**STATEMENT OF SOURCE AND STATUS OF FUNDS**  
**FOR THE PERIOD OCTOBER 1, 2013 THROUGH DECEMBER 31, 2015**

	<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>1,516,156</u>
	-
Program funds still available to program year 2013	-
Program income applicable to program year 2013	<u>105,616</u>
	-
Program year 2013 funds received	1,621,772
Total funds applied to prior year:	\$ 151,605
	2012 287,694
	2013 358,315
	2014 <u>824,158</u>
	<u>\$1,621,772</u>
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, 2015  
STATEMENT OF PROGRAM COSTS  
FOR THE PERIOD: OCTOBER 1, 2013 THROUGH DECEMBER 31, 2015

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/15	EXPENDITURES CUMULATIVE 12/31/15	QUESTIONED COSTS 12/31/15
1. Fair housing outreach	\$ 5,000	\$ 4,434	\$ 5,000	\$ -
2. Progressive team patrol	216,949	-	216,949	-
3. Street resurfacing*	1,000	1,000	1,000	-
4. Code enforcement low/mod	100,000	-	100,000	-
5. OOHR emergency*	125,000	41,803	125,000	-
6.. First time homebuyers	50,000	10,926	50,000	-
7. Renovations to Firehouse Westchester Pike	25,000	-	-	-
8. Renovations to Cardington Stonehurst Firehouse*	24,630	-	24,630	-
9. Replacement of various street signs	25,000	-	-	-
10. Code enforcement slum/blight	20,000	16,974	16,974	-
11. Pavement reconstruction 69th St., Marshall, Walnut*	-	-	-	-
12. 69th Street Pedestrian Crosswalk and Bus Lane Reconstruction*	-	-	-	-
13. Police Station Lighting Upgrades*	28,727	28,727	28,727	-
14. Capital Improvements CAA Shelter*	50,000	3,864	27,264	-
15. Sellers Halls Renovations	25,000	-	-	-
16. Comprehensive Plan *	120,000	65,195	106,833	-
17. Accessibility Upgrade*	25,517	29,884	29,884	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP	200,000	120,958	220,950	-
Administrative	100,000	34,550	100,000	-
Subtotal	1,141,823	358,315	1,053,211	-
Contingencies and/or local option activities*	-	-	-	-
TOTAL	\$ 1,141,823	\$ 358,315	\$ 1,053,211	\$ -

\* Rebudget during fiscal year

THE TOWNSHIP OF UPPER DARBY

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

PROGRAM YEAR 2014 - CDBG NO. B-14-MC-42-0015

STATEMENT OF SOURCE AND STATUS OF FUNDS  
FOR THE PERIOD OCTOBER 1, 2014 THROUGH DECEMBER 31, 2015

		<u>GRANT AMOUNT</u>
Total program year 2014 funds		\$1,446,286
Less: Total program year 2014 funds drawdown by recipient		<u>746,685</u>
		-
Program funds still available to program year 2014		699,601
Program income applicable to program year 2014		<u>-</u>
		-
Program year 2014 funds received		746,685
Total funds applied:		
	2014 \$ 503,774	
	2015 <u>242,911</u>	
		<u>\$ 746,685</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, 2015**

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/15	EXPENDITURES CUMULATIVE 12/31/15	QUESTIONED COSTS 12/31/15
1. Fair housing outreach	\$ 5,000	\$ 1,871	\$ 1,871	\$ -
2. Progressive team patrol	216,943	40,832	216,943	-
3. Street resurfacing*	259,651	238,429	238,429	-
4. Code enforcement low/mod	100,000	89,585	99,994	-
5. OOH emergency	50,000	55,988	55,988	-
6.. First time homebuyers	75,000	80,290	80,290	-
7. Cobbs Creek Interceptor Sewer Cast Pipe*	305,122	327,134	327,134	-
8. Construction of Salt Bin 6810 Montgomery	25,000	-	-	-
9. Update Intersection Pedestrian Signals/LED*	200,000	67,660	67,660	-
10. Code enforcement slum/blight	5,000	-	2,785	-
11. Façade Marquee Improvement 7000 Terminal	15,000	7,500	7,500	-
12. Reconstruction retaining wall at Watkins Ave*	50,000	-	-	-
13. Drainage improvements 6800 Montgomery Ave*	35,000	-	-	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP***	399,000	305,977	397,273	-
Administrative	100,000	112,666	112,666	-
Subtotal	1,840,716	1,327,932	1,608,533	-
Contingencies and/or local option activities*	542,045	-	-	-
TOTAL	\$ 2,382,761	\$ 1,327,932	\$ 1,608,533	\$ -



**THE TOWNSHIP OF UPPER DARBY**

**COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

**PROGRAM YEAR 2015 - CDBG NO. B-14-MC-42-0015**

**STATEMENT OF SOURCE AND STATUS OF FUNDS**  
**FOR THE PERIOD OCTOBER 1, 2015 THROUGH DECEMBER 31, 2015**

	<u>GRANT AMOUNT</u>
Total program year 2015 funds	\$1,424,124
Less: Total program year 2015 funds drawdown by recipient	<u>-</u>
Program funds still available to program year 2015	1,424,124
Program income applicable to program year 2015	<u>-</u>
Program year 2015 funds received	-
Total funds applied:	\$ -
Total program year 2015 funds held by recipient	<u>\$ -</u>
Total program year 2015 funds available for disposition	<u>\$ -</u>

COMMUNITY DEVELOPMENT GRANT FUNDS-CDBG NO. B-13-MC-42-0015  
PROGRAM YEAR 2015 - PROGRAM YEAR PERIOD OCTOBER 1, 2015 TO SEPTEMBER 30, 2016  
STATEMENT OF PROGRAM COSTS  
FOR THE PERIOD: OCTOBER 1, 2015 THROUGH DECEMBER 31, 2015

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/15	EXPENDITURES CUMULATIVE 12/31/15	QUESTIONED COSTS 12/31/15
1. Fair housing outreach	\$ 5,000	\$ -	\$ -	\$ -
2. Progressive team patrol	213,618	180,292	180,292	-
3. Street resurfacing	150,000	-	-	-
4. Code enforcement low/mod	100,000	14,741	14,741	-
5. OOH emergency	75,000	-	-	-
6.. First time homebuyers	75,000	-	-	-
7. Cobbs Creek Interceptor Sewer Cast Pipe	200,000	-	-	-
8. 69th Street Pedestrian Crosswalk and Bus Lane Reconstruction	100,000	-	-	-
9. New LED street lights	100,000	-	-	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP	250,000	47,878	47,878	-
Administrative	115,000	-	-	-
Subtotal	1,383,618	242,911	242,911	-
Contingencies and/or local option activities	40,503	-	-	-
TOTAL	\$ 1,424,121	\$ 242,911	\$ 242,911	\$ -