

**THE TOWNSHIP OF UPPER DARBY**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**



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## THE TOWNSHIP OF UPPER DARBY

YEAR ENDED DECEMBER 31, 2018

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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, 2018, 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.



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### **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, 2018, and the respective changes in its financial position, and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension plan trend information and other post-employment benefits on pages 4 through 14, 72 through 75 and 76 through 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Upper Darby's financial statements. The combining non-major fund financial statements (pages 82 through 83), selected individual fund information (pages 83 through 91), Sewer Rental Fund Statement of Sewer Assessments (page 93), schedule of COSA fund (page 94), the Statements of Sources and Status of Funds and Statements of Program Costs (pages 95 through 104) 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 fund financial statements, the selected individual fund information, Sewer Rental Fund Statement of Sewer Assessments, schedule of COSA fund and the Statements of Sources and Status of Funds and Statements of Program Costs are fairly stated in all material respects in relation to the basic financial statements as a whole.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2019, on our consideration of the Township of Upper Darby, Upper Darby, Pennsylvania's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Upper Darby, Upper Darby, Pennsylvania's internal control over financial reporting and compliance.

LEITZELL & ECONOMIDIS, PC  
Certified Public Accountants

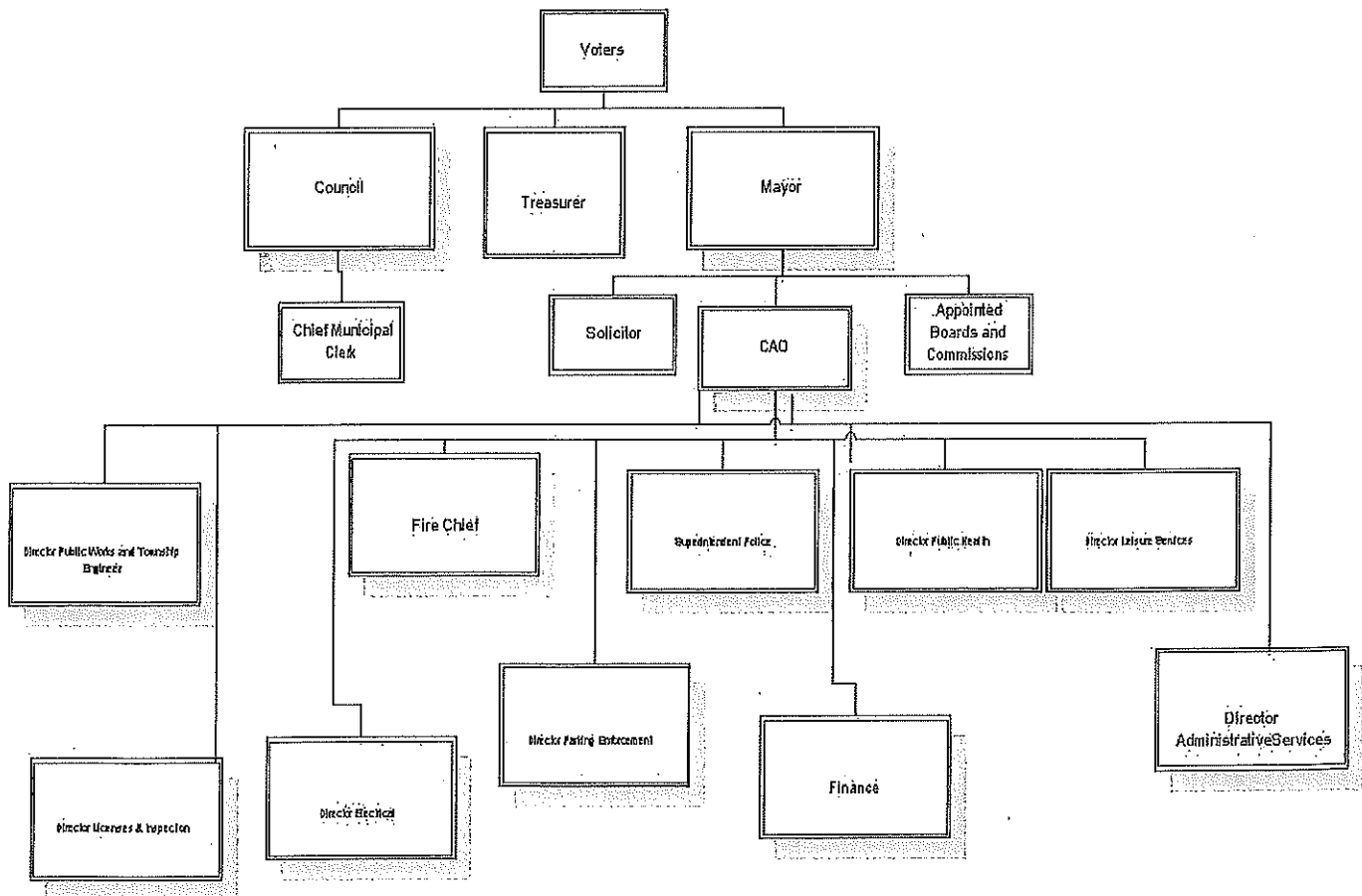
Media, Pennsylvania  
June 20, 2019

**THE TOWNSHIP OF UPPER DARBY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(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, 2018. 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 \$(315,220,451) in 2018 reflecting a loss for the period of \$21,491,600. This decrease in net position for the period was resulting primarily from two factors: (1) Post-employment benefit expense is increased for the government-wide statement by \$21,327,351 over the pay as you go amount as reflected within the governmental statements in the amount of \$4,489,182. Presenting the long-term post-employment benefits in the government wide statements is pursuant to Government Accounting Standards Board Statement 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" (OPEB) which cost is actuarially determined. (2) The Township continues to recognize the long-term net pension liability and the resultant actuarial changes representing each of the three pension plans sponsored by the Township. Presenting this liability within the government wide statements in the amount of \$53,702,787 is pursuant to the adoption the Government Accounting Standards Board (GASB) Statement 68, *Accounting and Reporting for Pensions* relative to state and local governments. This liability increased this period by \$19,697,193.
- The beginning net position within the government wide statements was restated for a change in accounting resulting in the determination of comp time as a long term viable liability previously not recorded in the financial statements. This change resulted in an increase of \$3,199,738 to the beginning balance of long-term liabilities and a corresponding reduction in the beginning net position.
- The governmental funds reported expenditures in excess of revenue in the amount of \$5,322,621 which included \$3,946,520 in capital related expenditures relative to community development, highways, streets and sewers and other departmental capital costs, as well as \$1,787,000 in debt principal payments.
- The Township's investment in its capital lease with the Philadelphia Water Department for wastewater treatment decreased this period by \$358,100. This represents the book value of those assets over the related depreciation and additional capital costs.
- During the year, the Township's operating revenue (without regard for the decrease in investment) on the government wide statements increased slightly to \$89,197,973, an approximate 4% increase. Charges for services increased this period with upsurges in public safety, sewers, sanitation and highways. There was, however, a corresponding increase in sewer and sanitation revenues. Grant activity Increased primarily in regard to community development activity.
- Operating expenses, without regard to the OPEB charges (\$25,816,533), the difference between actuarial and actual pension contributions, and allocated and non-allocated depreciation and amortization in the government-wide statements

(\$1,769,066), decreased approximately 6% primarily in the areas of public safety (inclusive of pension obligations for police and fire personnel), and sewer improvement costs.

- Revenues for the Township's governmental fund activities (increased slightly to \$89,906,129 (3.5%)) in total while total governmental fund expenditures increased by \$4,571,118 over the previous year, approximately 5%. A portion of the increase (approximately \$1,050,000) was directly related to increased police and fire pension costs. As noted above revenues were increased in the governmental funds. Operating grants were increased by approximately \$891,000 in community development grants resulting from increased community development projects. Departmental earnings increased along with varied reimbursements. Investment earnings increased considerably as a result of market conditions and new investment opportunities consistent with the Home Rule Charter and First Class Township Code.
- At the close of this fiscal year, unassigned fund balance in the General Fund was \$4,513,596, 5.90% of total General Fund expenditures or 6.0% of total General Fund revenues.
- The General Fund activities resulted in a deficit of \$1,254,538 well below that anticipated with the assigned fund balance for 2018 that was in the amount of \$3,124,629. Investment earnings as noted above were higher than anticipated because of market conditions and well in excess of budgetary anticipation. Revenues as a whole were over budget, particularly in license and inspections, and insurance and other reimbursements. Management maintained expenditures significantly below budgeted levels. The Township was able to utilize less of its fund balance for operations than that budgeted, as previously noted.
- Other municipality reimbursements for joint sewer treatment costs were increased somewhat this period despite being considerably less than anticipated—all resulting from less than anticipated third party charges. Expenditures increased from the prior year while still considerably below anticipated costs, while revenues within the Sewer fund increased as a result of increased collection activity.

## **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 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 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 eight 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 individual and combining statements in the supplemental information to this report.

*Fiduciary Funds* - The Township has four fiduciary funds. 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 has 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 2017 to 2018. Table 4 shows changes in outstanding bonded debt from 2017 to 2018.

TABLE 1  
SUMMARY OF NET POSITION  
DECEMBER 31,

	2018	2017 restated
Current assets	\$ 28,609,079	\$ 32,637,847
Capital assets, net	29,047,451	26,869,994
Restricted assets	938,473	560,215
Other assets	5,092,028	5,450,128
Total assets	<u>63,687,031</u>	<u>65,518,184</u>
Deferred outflows of resources	40,136,640	28,402,176
Current liabilities	5,881,392	4,195,295
Noncurrent liabilities	377,567,574	366,302,859
Total liabilities	<u>383,448,966</u>	<u>370,498,154</u>
Deferred inflows of resources	<u>35,595,156</u>	<u>17,151,057</u>
 Net position invested in capital assets	 23,726,779	 24,941,576
Restricted	8,655,025	13,338,150
Unrestricted	(347,602,255)	(332,008,577)
Total net position	<u><u>\$ (315,220,451)</u></u>	<u><u>\$ (293,728,851)</u></u>

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

	2018	2017
<b>Revenues</b>		
Property taxes	\$55,628,270	\$54,425,418
Local enabling taxes	3,166,507	3,014,352
Charges for services	20,482,741	19,669,224
Operating grants	8,023,651	7,005,987
Rent	222,717	224,890
Interest	578,118	350,962
Miscellaneous	1,095,969	1,002,038
Total revenues	89,197,973	85,692,871
<b>Operating expenses</b>		
General government	14,165,129	14,388,408
Public safety	42,649,757	40,176,618
Sewers	8,411,873	7,835,469
Highway and streets	2,231,467	1,928,259
Sanitation	5,484,548	5,045,875
Community development	1,737,912	1,596,585
Public works	4,409,132	3,587,208
Leisure services	3,353,991	3,277,143
Library contribution	1,360,470	1,320,845
Interest and debt issuance costs	674,266	672,036
Post employment benefits	25,816,533	27,180,392
Unallocated depreciation/amortization	36,395	36,554
Total program/function	110,331,473	107,045,392
Excess of total revenues over (under) expenses	(21,133,500)	(21,352,521)
Increase (decrease) in investment net of contribution	(358,100)	(617,478)
Change in net position	<u>\$ (21,491,600)</u>	<u>\$ (21,969,999)</u>

The Township's capital assets increased by \$3,877,425 net of deletions from 2017 to 2018. Total fixed assets at December 31, 2018 were valued at \$72,163,120 before depreciation.

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

<b>CAPITAL INVESTMENT</b>	<b>2018</b>	<b>2017</b>	<b>%Inc/Decr</b>
Land and land improvements	\$ 5,364,363	\$ 4,746,363	13.02%
Buildings	17,410,333	17,215,887	1.13%
Equipment	20,287,127	19,159,911	5.88%
Construction in process	-	2,054,082	100.00%
Infrastructure	29,101,297	25,109,452	15.90%
Totals	<u>\$72,163,120</u>	<u>\$68,285,695</u>	<u>135.93%</u>

The Township, at December 31, 2018, had \$18,600,000 in outstanding general obligation bonds and notes. The 2009 note carries an interest rate of 2.332%, maturing in 2020. The 2016 bond issuance carries a 4% fixed rate, maturing in 2037; and the 2017 bond bears interest rates of 2-4% also maturing in 2037.

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

<b>SERIES</b>	<b>2018</b>	<b>2017</b>	<b>Inc. / (Dec)</b>
Note of 2008	\$ -	\$ 567,000	\$ (567,000)
Series of 2010 Bonds	-	720,000	(720,000)
Note of 2009	3,450,000	3,455,000	(5,000)
Series 2012 Bonds	-	485,000	(485,000)
Series 2016 Bonds	7,510,000	7,515,000	(5,000)
Series 2017 Bonds	7,640,000	7,645,000	(5,000)
Total outstanding debt	<u>\$ 18,600,000</u>	<u>\$ 20,387,000</u>	<u>\$ (1,787,000)</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 has updated the Comprehensive Plan which provides 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, Gap and Models. We also saw a Ross Dress for Less retail outlet open in the Pilgrim Gardens Shopping Center. The Pilgrim Garden Shopping area recently welcomed to new food establishment Moe's Southwest Grill and Tank and Libby's restaurant.

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, you will find the Fresh Grocery supermarket chain and just next door to the Fresh Grocery is a Popeye's fast food operation.

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 has been bid SEPTA is review the proposals. In addition, SEPTA and the Township Administration worked together to refurbish the Primos and Secane train stations on the Media Elwyn train line. The Primos station includes enhanced and expanded parking. The Secane train station will see enhanced parking, raised platforms, pedestrian enhancements and tunnel underneath the tracks to facilitate commuters access between platforms without walking on the track right of way. The Township appreciates SEPTA's on going infrastructure investment in their route 101 and 102 trolley line.

In 2018 the Mayor appointed an Economic Development Committee to help him review and recommend strategies to attract and retain business in the Township. The



committee is made up of local business man and community leaders. Together with the Economic Development Committee, Township officials continue to encourage and work with the business communities like the Aronimink Business Association, Long Lane Business Association Garrett Road Business 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 site has been enhanced with the development of a McDonalds restaurant. The new Super Wawa store has opened at the corner of West Chester Pike and Park Ave is a resounding success and continues to enhance the community. Wawa has announced plans to build a super store at the corner of Baltimore Ave and Oak Lane. They have also announced plans for a super store at the intersection of Township Line Road and State Road. This Wawa will be built as part of the redevelopment of the Drexeline shopping center. The Drexeline Shopping was purchased by the Baltimore Maryland firm of MCB real estate, their plans are to redevelop the property into a walkable, mixed use development designed to better serve the growing Upper Darby community. While these plans hit a snag and were delayed by a resident's Lawsuit related to zoning the developer advised they are moving forward with the planned work. The Developer has advised that a new approximately 70,000 square foot Shop Rite, a storage facility and a redeveloped Anthony's restaurant will be part of the plan. They hope to break ground on the redevelopment project before the end of 2019.

The Drexelbrook Catering and Convention center has started construction on a new 100 room hotel. The Hotel should be opened for business in the Spring of 2019.

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 Upper Darby Township continue to provide a safe and friendly environment at the Kent Dog Park. The cooperative team effort has completed work on a walking trail along the Darby Creek, from Kent Dog Park to the Swedish cabin. The Township is working on plans to extend the walking trail from the Swedish Cabin to Rosemont Avenue where it will connect to the planed walking trail at the Drexelbrook Hotel and Catering complex. The ultimate goal is to have this walking trail connect with the walking trail planned in the Drexeline Shopping center redevelopment.

The Township continues to support the concepts of the Department of Justice Weed and Seed grant program. The Department of Justice discontinued funding for the Weed and Seed program in 2011. The Township, through the Center for Family Safety, continues its support of the program's goal to weed out drugs and crime and through faith-based organizations and seed the area with programs to prevent the return of drugs and crime. The Center for Family Safety staff has initiated an aggressive program to reach out into the community with programs. These programs included topics such as parenting skills, how to improve your credit seminars, first time homebuyer's 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. Watch for the opening of an additional Police Sub-station in 2019.

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, 2018

	Primary Government	Component Units	
	Governmental Activities	UD Township and Sellers Memorial Library	Weed and Seed, Inc Center for Family Safety
<b>ASSETS</b>			
Cash and cash equivalents	\$ 17,994,123	\$ 198,860	\$ 7,843
Investment	-	34,554	-
Receivables (net of allowance for uncollectibles)	10,015,245	746	-
Due from other governments	373,136	-	8,310
Prepaid assets	226,574	37,134	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	938,473	-	-
Capital assets (net of accumulated depreciation):			
Land and non-depreciable historical site	4,637,840	464,384	-
Land improvements	677,934	-	-
Buildings and improvements	2,945,156	249,750	-
Machinery and equipment	6,091,171	35,037	-
Infrastructure	14,695,350	-	-
Library books and materials	-	431,782	-
Investment in wastewater treatment plant	5,092,029	-	-
Total assets	<u>63,687,031</u>	<u>1,452,247</u>	<u>16,153</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized bond discounts	56,497	-	-
OPEB deferrals	20,457,254	-	-
Pension expense deferrals	19,622,889	-	-
	<u>40,136,640</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	3,174,384	98,126	-
Overdrawn account	228,583	-	-
Due to other entities	8,310	-	-
Escrow liability	451,200	-	-
Escheated liability	2,281	-	-
Unearned grant revenue	10,634	-	-
Long-term liabilities:			
Due within one year	2,006,000	-	-
Due in more than one year	377,567,574	-	-
Total liabilities	<u>383,448,966</u>	<u>98,126</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension expense deferrals	11,481,843	-	-
OPEB deferrals	23,626,645	-	-
Unamortized bond premiums	486,668	-	-
	<u>35,595,156</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	23,726,780	-	-
Restricted for:			
Capital projects	7,733,489	-	-
Debt service	921,536	-	-
Unrestricted	(347,602,256)	1,354,121	16,153
Total net position	<u>\$ (315,220,451)</u>	<u>\$ 1,354,121</u>	<u>\$ 16,153</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, 2018

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	\$ 14,165,129	\$ 121,590	\$ 946,246	\$ -	\$ (13,097,293)	\$ -
Public safety	42,649,757	2,470,006	2,061,824	-	(38,117,927)	-
Sewers	8,411,873	8,140,777	-	-	(271,096)	-
Highways and streets	2,231,467	-	2,033,538	-	(197,929)	-
Health and sanitation	5,484,548	5,298,337	79,982	-	(106,229)	-
Community development	1,737,912	77,096	2,527,109	-	866,293	-
Street lights, electric, parking and public works	4,409,132	636,139	-	-	(3,772,993)	-
Leisure services, COSA and parks	3,353,991	737,428	316,316	-	(2,300,247)	-
Library contribution	1,360,470	-	-	-	(1,360,470)	-
Interest on long-term debt	674,266	-	-	-	(674,266)	-
Post employment benefits	25,816,533	-	-	-	(25,816,533)	-
Non-allocated amortization	(24,137)	-	-	-	24,137	-
Non-allocated depreciation	60,533	-	-	-	(60,533)	-
Total governmental activities	<u>\$ 110,331,473</u>	<u>\$ 17,481,373</u>	<u>\$ 7,965,015</u>	<u>\$ -</u>	<u>(84,885,085)</u>	<u>-</u>
<b>Component Units:</b>						
UD Township and Sellers Memorial Library	\$ 1,714,015	\$ 67,718	\$ 1,634,880	\$ -		(11,417)
Weed and Seed Center for Family Safety	88,566	14,410	65,730	-		(8,426)
Total component unit	<u>\$ 1,802,581</u>	<u>\$ 82,128</u>	<u>\$ 1,700,610</u>	<u>\$ -</u>		<u>(19,843)</u>
<b>General Revenues:</b>						
Property taxes					55,628,270	-
Local enabling taxes					3,166,507	-
Cable television					1,502,616	-
Joint project sewers					1,498,752	-
Grants and contributions not restricted to a specific program					58,636	-
Investment earnings					578,118	1,848
Refunds and reimbursements and miscellaneous revenue					1,095,969	-
Decrease in investment in wastewater treatment plant					(358,100)	-
Rent					222,717	-
Total general revenues					<u>63,393,485</u>	<u>1,848</u>
Change in net position					(21,491,600)	(17,995)
Net position - beginning restated					<u>(293,728,851)</u>	<u>1,388,269</u>
Net position - ending					<u>\$ (315,220,451)</u>	<u>\$ 1,370,274</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, 2018**

	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	\$ 9,268,240	\$ -	\$ -	\$ -	\$ 535,327	\$ 8,187,300	\$ 3,256	\$ 17,994,123
Property tax receivable (net of allowance for uncollectibles)	2,970,823	-	-	134,484	-	-	-	3,105,307
Sewer assessments (net of allowance for uncollectibles)	-	3,551,797	-	-	-	-	-	3,551,797
Other receivables	2,957,644	-	-	-	8,100	-	392,397	3,358,141
Prepaid expenditures	226,574	-	-	-	-	-	-	226,574
Due from other funds	602,987	1,594,473	1,721	907,697	-	20,000	-	3,126,878
Due from other municipalities/entities	-	346,469	-	-	26,667	-	-	373,136
Restricted cash	-	-	938,473	-	-	-	-	938,473
Total assets	16,026,268	5,492,739	940,194	1,042,181	570,094	8,207,300	395,653	32,674,429
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Total assets and deferred outflows of resources	\$ 16,026,268	\$ 5,492,739	\$ 940,194	\$ 1,042,181	\$ 570,094	\$ 8,207,300	\$ 395,653	\$ 32,674,429
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 637,959	\$ 726,359	\$ 673	\$ -	\$ 19,125	\$ 473,811	\$ -	\$ 1,857,927
Accrued payroll and related costs	1,190,345	59,732	66,380	-	-	-	-	1,316,457
Due to other governments or entities	8,310	-	-	-	-	-	-	8,310
Due to other funds	2,523,891	-	215,130	-	-	-	387,857	3,126,878
Escheat liability	2,281	-	-	-	-	-	-	2,281
Overdrawn account	-	228,582	-	-	-	-	-	228,582
Unearned revenue	6,094	-	-	-	-	-	4,540	10,634
Escrow	451,200	-	-	-	-	-	-	451,200
Total liabilities	4,820,080	1,014,673	282,183	-	19,125	473,811	392,397	7,002,269
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable taxes, sewer fees and trash fees	4,245,605	2,292,768	-	120,645	-	-	-	6,659,018
Total liabilities and deferred inflows of resources	9,065,685	3,307,441	282,183	120,645	19,125	473,811	392,397	13,661,287
<b>Fund balances:</b>								
Nonspendable	226,574	-	-	-	-	-	-	226,574
Restricted	-	-	-	-	-	-	-	-
Committed for:								
Debt service	-	-	-	921,536	-	-	-	921,536
Capital projects	-	-	-	-	-	7,733,489	-	7,733,489
Assigned to 2019 appropriation	2,220,413	-	-	-	-	-	-	2,220,413
Unassigned	4,513,596	2,185,298	658,011	-	550,969	-	3,256	7,911,130
Total fund balance	6,960,583	2,185,298	658,011	921,536	550,969	7,733,489	3,256	19,013,142
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 16,026,268</b>	<b>\$ 5,492,739</b>	<b>\$ 940,194</b>	<b>\$ 1,042,181</b>	<b>\$ 570,094</b>	<b>\$ 8,207,300</b>	<b>\$ 395,653</b>	<b>\$ 32,674,429</b>

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, 2018

<b>Total fund balances - governmental funds</b>	<b>\$ 19,013,142</b>
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	29,101,297
Other capital assets	38,423,983
Accumulated depreciation	<u>(43,115,669)</u>
Total capital assets	29,047,451
Investment in wastewater treatment plant	5,092,029
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.	6,659,018
Bond discounts and premiums are capitalized and amortized in the government-wide statements (shown as net)	(430,171)
Pension expense deferrals and OPEB deferrals are capitalized and amortized in the government-wide statements (shown as net)	4,971,654
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	<u>(379,573,574)</u>
Net position of governmental activities	<u><u>\$ (315,220,451)</u></u>

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

THE TOWNSHIP OF UPPER DARBY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	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	\$ 53,213,493	\$ -	\$ -	\$ 2,580,831	\$ -	\$ -	\$ -	\$ 55,794,324
Sewer rentals/penalties and interest	-	7,829,982	-	-	-	-	-	7,829,982
Local enabling act taxes	3,166,507	-	-	-	-	-	-	3,166,507
Licenses-permits	3,323,577	-	-	-	-	-	-	3,323,577
Fines and forfeits	611,666	-	-	-	-	-	-	611,666
Rent	222,717	-	-	-	-	-	-	222,717
Investment earnings	377,793	-	963	-	8,550	190,812	-	578,118
Public utility realty tax	58,636	-	-	-	-	-	-	58,636
Grants and entitlements	2,285,349	-	2,024,352	-	-	-	517,730	4,827,431
Delaware County Office of Services for the Aging (COSA)	316,316	-	-	-	-	-	-	316,316
Departmental earnings	6,847,536	-	-	-	-	-	-	6,847,536
Joint projects other municipalities	-	1,498,752	-	-	-	-	-	1,498,752
Pennsylvania contribution for pension and ad hoc	2,641,995	-	-	-	-	-	-	2,641,995
Volunteer firemen allocation	179,273	-	-	-	-	-	-	179,273
Other revenue	1,059,282	405	-	-	36,282	-	-	1,095,969
Sewer fund reimbursement	913,330	-	-	-	-	-	-	913,330
Total revenues	75,217,470	9,329,139	2,025,315	2,580,831	44,832	190,812	517,730	89,906,129
<b>EXPENDITURES</b>								
Current:								
General government	14,781,823	-	-	-	-	25,720	204	14,807,747
Public safety/including police and fire pension contribution	45,053,449	-	-	-	-	282,168	139,865	45,475,482
Sewer	-	8,983,765	-	-	238,661	-	-	9,222,426
Highways and streets	-	-	1,789,770	-	-	864,493	26,122	2,680,385
Health and sanitation	5,393,207	-	-	-	-	-	-	5,393,207
Community development	1,720,870	-	-	-	-	-	17,042	1,737,912
Street lights, electric, parking and public works	3,418,153	-	-	-	-	285,552	-	3,703,705
Leisure services, COSA and parks	3,229,217	-	-	-	-	11,853	-	3,241,070
Volunteer fire allocation	179,273	-	-	-	-	-	-	179,273
Municipal pension contribution	1,019,287	-	-	-	-	-	-	1,019,287
Library contribution	1,360,470	-	-	-	-	-	-	1,360,470
Debt service:								
Principal	-	-	-	1,787,000	-	-	-	1,787,000
Interest	-	-	-	674,266	-	-	-	674,266
Capital outlay:								
Highways and streets and sewers	-	-	-	-	-	2,333,299	-	2,333,299
Community development	-	-	-	-	-	-	411,570	411,570
Public safety	239,390	-	-	-	-	451,163	-	690,553
Departmental	-	-	-	-	-	511,098	-	511,098
Total expenditures	76,395,139	8,983,765	1,789,770	2,461,266	238,661	4,765,346	594,803	95,228,750
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,177,669)	345,374	235,545	119,565	(193,829)	(4,574,534)	(77,073)	(5,322,621)
<b>OTHER FINANCING SOURCES (USES) OF FUNDS</b>								
Operating transfers in	-	-	-	492,275	-	-	76,869	569,144
Operating transfers out	(76,869)	(492,275)	-	-	-	-	-	(569,144)
	(76,869)	(492,275)	-	492,275	-	-	76,869	-
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	(1,254,538)	(146,901)	235,545	611,840	(193,829)	(4,574,534)	(204)	(5,322,621)
<b>FUND BALANCE - BEGINNING</b>	8,215,121	2,332,199	422,466	309,696	744,798	12,308,023	3,460	24,335,763
<b>FUND BALANCE - ENDING</b>	\$ 6,960,583	\$ 2,185,298	\$ 658,011	\$ 921,536	\$ 550,969	\$ 7,733,489	\$ 3,256	\$ 19,013,142

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, 2018

Net change in fund balances - total governmental funds \$ (5,322,621)

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	\$ 3,946,520	
Depreciation expense	(1,769,066)	
Amortization expense	<u>24,137</u>	2,201,591

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. Proceeds of long term debt and related discounts and premiums are reported as other financing sources in the governmental statements, but increases liabilities in the government wide statements. In the current year, these amounts are:

Principal repayment	1,787,000
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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 and deferred outflows are reported as an expense in the Statement of Activities; net of pay as you go this period (21,096,417)

Pension expense is adjusted to reflect the changes in pension liability and deferred inflows and outflows relative to pension obligations 1,091,772

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. (358,100)

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 205,175

Changes in net position of governmental activities \$ (21,491,600)

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, 2018**

	<b>POLICE PENSION PLAN</b>	<b>MUNICIPAL EMPLOYEES PENSION PLAN</b>	<b>FIREFIGHTER'S PENSION PLAN</b>	<b>SELF INSURANCE TRUST FUND</b>	<b>TOTAL</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 2,029,313	\$ 1,854,176	\$ 1,038,049	\$ 420,200	\$ 5,341,738
Investments (at market value)	73,027,101	58,975,785	28,686,732	980,409	161,670,027
Interest receivable	-	113,593	-	-	113,593
Prepaid expense	-	2,633	6,225	-	8,858
Contribution receivable	60,712	-	30,834	-	91,546
Total assets	<u>75,117,126</u>	<u>60,946,187</u>	<u>29,761,840</u>	<u>1,400,609</u>	<u>167,225,762</u>
<b>Liabilities</b>					
Accounts payable	83,774	30,569	20,802	-	135,145
Escrow	-	-	-	1,400,609	1,400,609
	<u>83,774</u>	<u>30,569</u>	<u>20,802</u>	<u>1,400,609</u>	<u>1,535,754</u>
<b>Fiduciary net position</b>					
Restricted	<u>\$ 75,033,352</u>	<u>\$ 60,915,618</u>	<u>\$ 29,741,038</u>	<u>\$ -</u>	<u>\$ 165,690,008</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, 2018

	POLICE PENSION PLAN	MUNICIPAL EMPLOYEES PENSION PLAN	FIREFIGHTER'S PENSION PLAN	SELF INSURANCE TRUST FUND	TOTAL
<b>Additions:</b>					
Contributions:					
State subsidies	\$ 1,208,572	\$ 946,246	\$ 487,176	\$ -	\$ 2,641,994
Employee contributions	836,447	761,528	416,389	-	2,014,364
Township contributions	4,518,161	73,041	1,144,360	-	5,735,562
Refund	-	-	3,585	-	3,585
Total contributions	6,563,180	1,780,815	2,051,510	-	10,395,505
Investment earnings (loss):					
Net depreciation in fair value of investments	(6,587,102)	(5,361,643)	(2,549,904)	-	(14,498,649)
Investment earnings	1,839,814	1,666,459	888,010	-	4,394,283
Less: investment expense	(268,511)	(284,653)	(115,570)	-	(668,734)
Total investment earnings (loss)	(5,015,799)	(3,979,837)	(1,777,464)	-	(10,773,100)
Total additions	1,547,381	(2,199,022)	274,046	-	(377,595)
<b>Deductions:</b>					
Pension benefits	5,388,608	3,771,312	1,133,984	-	10,293,904
Other services and charges	70,151	68,967	24,936	-	164,054
Total deductions	5,458,759	3,840,279	1,158,920	-	10,457,958
Change in net position	(3,911,378)	(6,039,301)	(884,874)	-	(10,835,553)
Fiduciary net position - beginning of the year	78,944,730	66,954,919	30,625,912	-	176,525,561
Fiduciary net position - end of the year	<u>\$ 75,033,352</u>	<u>\$ 60,915,618</u>	<u>\$ 29,741,038</u>	<u>\$ -</u>	<u>\$ 165,690,008</u>

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

COMPONENT UNIT

UPPER DARBY TOWNSHIP AND SELLERS MEMORIAL FREE PUBLIC LIBRARY

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

**Assets**

Cash and cash equivalents	\$ 198,860
Investments	34,554
Accounts receivable	746
Prepaid insurance	13,553
Prepaid expenses	23,581
Capital assets (net of accumulated depreciation)	
Land and non-depreciable historical site	464,384
Buildings and improvements	249,750
Furniture and equipment	35,037
Library books and materials	431,782
Total capital assets	<u>1,180,953</u>
Total assets	<u>\$ 1,452,247</u>

**Liabilities**

Accounts payable and accrued liabilities	\$ 40,471
Accrued payroll and related expenses	16,040
Accrued compensated absences	41,615
Total liabilities	<u>98,126</u>

**Net Assets**

Unrestricted	
Without donor restrictions	1,319,567
Board designated	34,554
Total net assets	<u>1,354,121</u>
Total liabilities and net assets	<u>\$ 1,452,247</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, 2018

	<u>WITHOUT DONOR RESTRICTIONS</u>
Revenues, gains and other support:	
Upper Darby Township support:	
Contribution	\$ 1,360,470
Sellers Trust Fund	13,752
Total Upper Darby Township support	<u>1,374,222</u>
Revenues from operations	
Fines	17,623
Copier / computer / miscellaneous	50,094
Total revenues from operations	<u>67,718</u>
Other revenues	
Investment income	
Dividend income	1,177
Interest income	385
Unrealized gain on investments	263
Total other revenues	<u>1,825</u>
Grants and donations	
Commonwealth of Pennsylvania	245,447
County of Delaware Aid	5,834
Fundraising / endowments / gifts	9,377
Total grants and donations	<u>260,658</u>
Total revenues, gains and other support	<u>1,704,422</u>
Expenses	
Program	
Personnel	1,281,122
Library services	58,589
Support	
Facilities and equipment	121,371
Other supporting services	113,924
Pension	16,924
Depreciation	122,085
Total operating expenses	<u>1,714,014</u>
Change in net assets	(9,592)
Net assets - beginning of year	1,363,713
Net assets - end of year	<u>\$ 1,354,121</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, 2018

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 68,685
Receipts from intergovernmental support	1,611,751
Donation received from intergovernmental support	13,752
Miscellaneous cash income	9,377
Payments to suppliers	(292,167)
Payments to employees	(1,343,516)
Net cash provided by operating activities	<u>67,882</u>

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

Purchases of capital assets	<u>(110,541)</u>
Net cash used by capital and related financing activities	<u>(110,541)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest and dividends income	1,562
Investment expenses	<u>(1,102)</u>
Net cash provided by investing activities	<u>460</u>

Net decrease in cash and cash equivalents	(42,199)
Cash and cash equivalents January 1,	<u>241,059</u>
Cash and cash equivalents December 31,	<u>\$ 198,860</u>

**Reconciliation of changes in net assets to net cash provided by operating activities:**

Change in net assets - non-inclusive of investment income	\$ (11,154)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation expense	122,085
Unrealized gain on investments	(263)
(Increase) decrease in accounts receivable	967
(Increase) decrease in prepaid items	(5,209)
Increase (decrease) in accounts payable and accrued expenses	6,927
Increase (decrease) in accrued payroll and related expenses	(31,025)
Increase (decrease) in accrued compensated absences	<u>(14,446)</u>
Total adjustments	<u>79,036</u>
Net cash provided by operating activities	<u>\$ 67,882</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, 2018**

**Assets**

Cash	\$ 7,843
Due from Upper Darby Township	8,310
Total assets	<u>\$ 16,153</u>

**Liabilities**

Accounts payable	\$ -
Deferred revenue	-
Total liabilities	<u>-</u>

**Net assets**

Without donor restriction	16,153
Total liabilities and net assets	<u>\$ 16,153</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 ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b><u>Without Donor Restrictions</u></b>
<b>Unrestricted revenues, gains and other support</b>	
Revenues and other additions	
Contributions	\$ 14,410
Grant income	65,730
Interest income	23
Total unrestricted revenues, gains and other support	<u>80,163</u>
<b>Expenses</b>	
Program expenses	<u>88,566</u>
Total expenses	<u>88,566</u>
Change in unrestricted net assets	<u>(8,403)</u>
Change in net assets	(8,403)
Net assets - beginning of the year	24,556
Net assets - end of the year	<u><u>\$ 16,153</u></u>

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

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

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (8,403)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
(Increase) decrease in:	
Accounts receivable	-
Increase (decrease) in:	
Accounts payable and accrued expense	-
Deferred revenue	-
Net cash used by operating activities	<u>(8,403)</u>

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

**CASH FLOWS FROM INVESTING ACTIVITIES**

Net decrease in cash and cash equivalents	(8,403)
Cash and cash equivalents January 1,	<u>16,246</u>
Cash and cash equivalents December 31,	<u>\$ 7,843</u>

**Supplemental Disclosure**

Income taxes paid	\$ -
Interest paid	\$ -

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



**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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.

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: Upper Darby Township Sellers Memorial Free Public Library, and the Upper Darby Weed and Seed, Inc. 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.

**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 funds. 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

THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

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

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), Community Development Grants, and Upper Darby Football Bowl, (shown in these financial statements as Non-Major Governmental Funds).

Debt Service Funds: The General Debt Service Fund is used to account for accumulation of resources for and the payment of general long-term debt principal and interest.

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 and Upper Darby Township Weed and Seed, Inc., Center for Family Safety 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.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**Fiduciary Trust Funds**

Trust and Fiduciary Funds: The Township operates one Trust Fund: A 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: Community Development Grants, and Upper Darby Football Bowl.

**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.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

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. Employees may accumulate unused sick leave to a maximum of 280 days upon retirement to be paid for one-half of the accumulated time.

Management considers compensated absences when budgeting salaries and benefits and always budgets at the gross salary levels to assure unpaid vacation, sick pay, and other employee amounts considered compensated resources to pay compensated absences when they occur. These compensated absences for accumulated vacation or sick pay are recorded as expenditures in governmental funds when paid. Non-uniform employees of the Township receive compensation for unused sick leave for each year at the beginning of the next calendar year. This amount, \$41,504 is shown as a current liability in the General Fund, \$5,935 as a current liability in the Sewer Rental Fund, and \$4,796 as a current liability in the Highway Aid Fund, part of the Accrued Payroll and Related Costs on the Balance Sheet – Governmental Funds. As of December 31, 2018, the long-term liability for accrued vacation leave and accrued compensation time was \$3,759,473. Accrued sick leave is included within the total OPEB liability at year end. (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.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

Annual budgets for those funds with legally adopted budgets are prepared in the basis of accounting utilized by the respective funds. The Township's Home Rule Charter allows the Mayor of the Township to transfer part or all of any unencumbered appropriation balance among line items within a department; and upon written request of the Mayor allows Council by ordinance to transfer part or all of any unencumbered appropriation balance from one department, office or agency to another. Certain supplemental budgetary appropriations were performed during the period as reflected in the Budget to Actual Schedule relative to the General Fund.

The following presents those areas which incurred an excess of expenditures over appropriations for the year ended December 31, 2018 as follows:

		Expenditures over Legally Adopted Budget
General Fund		
Health and Sanitation	\$	57,206
Debt Service Fund		
Principal	\$	445,000

The funds had sufficient revenue and respective fund balances to allow for the excess expenditures in this area.

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, 2018

**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 11). This is non-depreciable property due to its historical classification.

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

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

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

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

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

**I. Long-term Debt**

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**J. Equity Classifications**

*Government-wide Statements*

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

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

*Fund Statements*

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

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

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

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

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

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

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**K. Receivables**

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

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

Deferred outflows of resources include such items as:

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

Deferred inflows of resources include such items as:

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

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

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

The Township considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents and are shown on these statements accordingly.

Township investments consist of certificates of deposit with original maturities in excess of three months. Pursuant to the Fair Value measurement, valuation inputs are assumptions that market



THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

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

participants use in pricing an asset. Fair Value measurement is presented within three levels according to the following hierarchy:

- Level 1—representing quoted prices in active markets.
- Level 2—representing other than quoted prices where the value can be derived from active market data such as quoted prices for similar assets or liabilities in active markets; or quoted prices for similar assets or liabilities in inactive markets; or other than quoted prices that are active in other areas.
- Level 3—representing unobservable inputs for an asset or liability; governments may use their own data to develop unobservable inputs if there is no information available without undue cost and effort.

The Township's investments are all considered to be Level 1 in the Fair Value hierarchy and consist of the following:

Self-insurance fiduciary fund	\$ 980,409
Police pension fund	\$ 73,027,101
Municipal employees pension plan	\$ 58,975,785
Firefighters's pension plan	\$ 28,686,732

**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, 2018, the aggregate bank balance of bank deposits included in cash and cash equivalents of the primary government (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 \$18,932,596 (\$938,473 as restricted cash and cash equivalents) of which \$1,250,000 is insured by the federal depository insurance (FDIC). Therefore, included in bank deposits is the remaining \$17,714,931 collateralized as noted above pursuant to Act 72. The bank deposits for the component units totaled \$206,703 of which \$250,000 is 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 \$4,876,689 in the General Fund; \$31,424 in the Sewer Rental Fund; \$560,017 in the Special Sewer Rental Fund; and \$12,151,551 in Capital Project Funds. The PLGIT investment portfolios are invested in full faith and credit obligations of the Commonwealth of Pennsylvania and its agencies,

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

instrumentalities and political subdivisions. Collateralization requirements of Act No. 72, when required for deposits in excess of insurance limits are followed with respect to pooling, custody and type of collateral. Of the PLGIT investments noted above, \$250,000 is insured by the FDIC.

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

Police Pension Plan

*Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the Plan's deposits may not be returned. At December 31, 2018 the carrying amount and the balance of the Plan's deposits in cash and cash alternatives totaled \$982,735 and was held with Ameritrade of which \$250,000 was covered by FDIC insurance. Cash and cash equivalents within the police pension plan statement include \$1,046,578 of mutual funds that considered to be cash equivalent.

*Investments*

Investments are reported at fair market value. Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at measurement date. 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 at current exchange rates. 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. Plan investments at year end are as follows:

IShares Tips Bond ETF	\$ 4,187,772
Vanguard Mid Cap Index Fund	4,312,598
Vanguard International Bond Index	4,149,257
Vanguard Small Cap Index Fund	4,221,964
Vanguard Total Bond Market Index Fund	10,596,951
Vanguard Growth ETF	12,382,539
Vanguard Value ETF	12,701,274
Vanguard All World Ex US ETF	18,388,248
	<u>\$ 70,940,603</u>

Investments in each of the above noted funds exceeded more than 5% of the plan net position at December 31, 2018.

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, 2018. 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 TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

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

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 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, 2018:

Asset Class	Target Allocation
Equities	70.00%
Fixed Income	27.00%
Cash	3.00%

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 by asset class (expected returns net of 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 approximately 7.25 percent per year. The annual rate of return on the pension plan investments, net of investment expense, was actually -6.44%. The net blended rate representing the real rate of return, inclusive of inflation and net of plan expenses was 4.05%.

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.

Asset Class	Long-Term Expected Real Rate of Return
Equities	11.96%
Fixed Income	1.35%
Cash	-0.31%
Total Gross Blended Return	4.40%
Less: Plan Expenses	0.35%
Total Net Blended Return	4.05%

THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

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

Municipal Employee 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, 2018, the carrying amount and the balance of the Plan's deposits in cash and cash alternatives totaled \$1,854,176 and were held with PNC Investment 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. Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at measurement date. 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.

At December 31, 2018, the Plan did not hold any one investment in excess of 5% of the Plan's net position (\$3,045,781):

Corporate bonds	\$ 4,101,927
Mutual fixed	14,823,166
Equities	34,850,872
US Treasury and asset backed mortgages	5,102,511
Other Fixed	97,309
	<u>\$ 60,829,961</u>

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

THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

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

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -5.7%. 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, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	60.00%
International Equity	Within equity
Fixed Income	38.00%
Cash	2.00%
Real Estate	0.00%

The long-term rate of return on assets is expected to be as follows:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	5.4-6.4%
International Equity	5.5-6.5%
Fixed Income	1.3-3.3%
Cash	0-1.0%
Real estate	4.5-5.5%

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

Following is the fair value of investments at December 31, 2018:

Investments			
Mutual funds	\$	14,823,166	n/a
Equities		34,850,872	n/a
Fixed income including treasury bonds and asset backed securities			
A1		280,053	1 to 10
A2		440,133	1 to 10
A3		741,708	2 to 10
AA1		39,503	6 to 6
AA2		236,761	1 to 7
AA3		129,690	1 to 5
AAA		4,852,545	2 to 9
BAA1		839,463	1 to 11
BAA2		678,143	2 to 10
BAA3		527,775	1 to 10
Not rated		535,973	12 to 27
	\$	<u>58,975,785</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, 2018, the carrying amount and the balance of the Plan's deposits in cash and cash equivalents totaled \$1,038,049, of which \$515,184 was held with Ameritrade and \$522,866 was held with Schwab, of which \$500,000 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 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.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

CBIZ/InR, through Ameritrade, at December 31, 2018, held plan assets in investments as follows:

Investments at fair value:	
Vanguard Mid Cap Index Fund	\$ 1,008,023
Ishares TIPS Bond Fund	765,803
Vanguard Small Cap Index Fund	986,889
Vanguard International Bond Index Fund	759,012
Vanguard Total Bond Market Index Fund *	1,936,605
Vanguard US Large Cap Growth Index Fund *	2,894,677
Vanguard US Large Cap Value Index Fund *	2,969,060
Vanguard Intermediate Term Corp Bond Fund	382,482
Vanguard All World Ex US ETF Index Fund *	4,386,893
	<u>\$ 16,089,444</u>

Wealth Management Services held plan assets in investments at December 31, 2018 as follows:

Bonds*	\$ 2,988,399
Structured	930,314
Common Stocks and Exchange*	7,891,951
Gov't obligations	786,624
	<u>\$ 12,597,288</u>

(\* - Indicates an investment of five percent or more of the plan net position at December 31, 2018)

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, 2018. 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 CBIZ/InR through Ameritrade are registered in the name of the Plan, thus they are not subject to credit risk. Investments managed by Wealth Management Services are held by a counterparty. Although the account itself is in the Plan name, the individual investments are held in the name of the nominee. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. Generally, the longer the maturity of an investment, the greater sensitivity of its fair value to changes in market interest rates. The Board has no formal policy that limits investment maturities as a means of managing its exposure to interest rate risk. The Board has, however, adopted a long-term investment policy to weigh the chances and duration of investment losses against the long-term potential for appreciation of assets. Investments in mutual funds and certain investment pools are excluded from this requirement.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic and International Equity	65.00%
Fixed Income	32.5%
Cash Equivalents	2.5%

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 by asset class (expected returns net of 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 result in a nominal return of 6.14 percent per year. The net blended rate representing the real rate of return, inclusive of inflation and net of plan expenses, was 3.89%. The assumed rates of return on plan investments (net of investment expenses) compounded annually for actuarial assumptions are 7.00%.

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>
Equity	5.53%
Fixed Income	1.35%
Cash	-0.34%
Total Gross Blended Return	4.19%
Less: Plan Expenses	0.30%
Total Net Blended Return	3.89%

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -5.30%. 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, 2018**

**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, 2018. A 2% discount was allowed if payment was made by March 31, 2018. 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 \$20.95 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 \$1,330,845 as of December 31, 2018. 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 - 2018 duplicate)	\$ 2,541,254
Prior year tax receivable (see following statement of real estate taxes-prior years)	1,894,898
	<u>4,436,152</u>
Less: Allowance for uncollectible accounts	<u>(1,330,845)</u>
	<u>\$ 3,105,307</u>

Following are schedules detailing property taxes and their appropriation to the various funds for the year ended December 31, 2018, 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 - 2018 DUPLICATE

YEAR ENDED DECEMBER 31, 2018

	ASSESSED VALUATION	TOTAL TAX LEVY	GENERAL FUND	SINKING FUND
Tax rate in mills		20.95	20.00	0.95
Tax duplicate	\$ 2,682,070,560	\$ 56,189,378	\$ 53,641,411	\$ 2,547,967
Add: interim taxes prorated	<u>2,699,653</u>	<u>56,557</u>	<u>53,992</u>	<u>2,565</u>
Net tax duplicate	<u>\$ 2,684,770,213</u>	<u>56,245,935</u>	<u>53,695,403</u>	<u>2,550,532</u>
Deduct: taxes collected		52,788,167	50,394,432	2,393,735
Discounts allowed		<u>916,514</u>	<u>874,954</u>	<u>41,560</u>
Total deductions		<u>53,704,681</u>	<u>51,269,385</u>	<u>2,435,296</u>
<b>Taxes receivable for year ended December 31, 2018</b>		<u>\$ 2,541,254</u>	<u>\$ 2,426,018</u>	<u>\$ 115,236</u>
Penalty assessed at 10%		<u>\$ 254,125</u>	<u>\$ 242,602</u>	<u>\$ 11,524</u>

THE TOWNSHIP OF UPPER DARBY

STATEMENT OF REAL ESTATE TAXES - PRIOR YEARS

YEAR ENDED DECEMBER 31, 2018

	TOTAL	GENERAL FUND	SINKING FUND
Prior year 2017 duplicate taxes	\$ 2,510,138	\$ 2,393,165	\$ 116,973
Add: Penalties lienied and collected to February 28, 2018 (net)	251,014	239,317	11,697
Add: Interims	10,800	10,297	503
Deduct: Collections including penalties	<u>(401,169)</u>	<u>(382,474)</u>	<u>(18,695)</u>
Taxes returned to County Treasurer (\$2,155,256 plus 10% penalty of \$215,525)	<u>2,370,783</u>	<u>2,260,304</u>	<u>110,479</u>
Prior years returned and lienied balance January 1, 2018	1,880,190	1,758,166	122,024
Add: 2017 taxes returned to County Treasurer	2,370,783	2,260,304	110,479
Add: Interest and County adjustment	<u>232,963</u>	<u>222,107</u>	<u>10,856</u>
Sub-total	4,483,936	4,240,577	243,359
Deduct: Collections	<u>(2,589,038)</u>	<u>(2,422,563)</u>	<u>(166,475)</u>
<b>Prior years taxes receivable - December 31, 2018</b>	<u><u>\$ 1,894,898</u></u>	<u><u>\$ 1,818,014</u></u>	<u><u>\$ 76,884</u></u>

THE TOWNSHIP OF UPPER DARBY

TEN YEAR SUMMARY OF REAL ESTATE TAXES

YEARS 2008 TO 2017 INCLUSIVE

YEAR	TAX RATE IN MILLS	NET ASSESSED VALUATION	TAX LEVY	COLLECTIONS	RETURNED TO COUNTY TREASURER	PERCENTAGE OF CURRENT COLLECTIONS TO TAX LEVY
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%
2015	19.92	\$ 2,668,812,865	\$ 53,160,876	\$ 51,019,657	\$ 2,141,219	95.972%
2016	19.92	\$ 2,665,901,853	\$ 53,103,533	\$ 51,004,023	\$ 2,099,510	96.046%
2017	20.37	\$ 2,696,079,061	\$ 54,742,907	\$ 52,372,124	\$ 2,370,783	95.669%

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4. LONG-TERM DEBT**

Upper Darby Township currently has six bond issues outstanding, maturing between 2019 and 2037, for a total remaining indebtedness of \$18,600,000. 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 (.91 to 3.98%%) of interest through 2017. 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 2.332%.

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.

An additional general obligation bond was issued in 2016 in the amount of \$7,515,000. The bond issuance carries an interest rate of 4 percent with a maturity date of May 2037.

In 2017, the Township issued General Obligation Bonds in the amount of \$7,645,000, carrying a variable interest rate ranging from 2 to 4%, maturing in May 2037.

Following is an inclusive schedule of long-term liabilities at December 31, 2018, statement of bonded indebtedness for the year ended December 31, 2018, and a schedule of bond maturities for the years 2019 to 2037.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**STATEMENT OF BONDED INDEBTEDNESS AND OTHER LONG TERM DEBT  
YEAR ENDED DECEMBER 31, 2018**

	BOND/NOTE NUMBER	DATE OF ISSUE	FINAL MATURITY	INTEREST RATE	ORIGINAL AMOUNT ISSUED	OUTSTANDING JANUARY 1, 2018	(PAID)/ INCREASE DURING YEAR	OUTSTANDING DECEMBER 31, 2018
<b>Bonded Debt</b>								
<b>Created by Council</b>								
General Obligation Note	08	12/21/08	05/25/18	2.450%	\$ 3,495,000	\$ 567,000	\$ (567,000)	\$ -
General Obligation Note	09	10/25/11	12/25/20	2.332%	3,485,000	3,455,000	(5,000)	3,450,000
General Obligation Bonds	10	11/08/10	10/01/18	.52-2.50	5,235,000	720,000	(720,000)	-
General Obligation Bonds	12	05/15/12	07/15/18	.30-1.50%	3,035,000	485,000	(485,000)	-
General Obligation Bonds	16	11/21/16	05/01/37	4.000%	7,515,000	7,515,000	(5,000)	7,510,000
General Obligation Bonds	17	03/28/17	05/01/37	2.000%-4.000%	7,645,000	7,645,000	(5,000)	7,640,000
Total by Commissioners					<u>\$ 30,410,000</u>	<u>\$ 20,387,000</u>	<u>\$ (1,787,000)</u>	<u>18,600,000</u>
Other post-employment benefits (inclusive of sick time)								303,511,314
Net pension liability								53,702,787
Accrued vacation and compensated time.								3,759,473
Total long term debt								<u>\$ 379,573,574</u>

		Principal	Interest	Total
Year ending December 31,				
2019	\$	2,006,000	\$ 616,801	\$ 2,622,801
2020		2,059,000	570,192	2,629,192
2021		1,880,000	522,000	2,402,000
2022		600,000	484,950	1,084,950
2023		620,000	465,100	1,085,100
2024-2028		3,475,000	1,949,125	5,424,125
2029-2033		4,255,000	1,210,100	5,465,100
2034-2037		3,705,000	297,100	4,002,100
	\$	<u>18,600,000</u>	<u>\$ 6,115,368</u>	<u>\$ 24,715,368</u>

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

Long-term debt funds had been designated for use in funding capital acquisitions. Funds from the bond issuances, related interest and other operating transfers designated for capital projects are still available in the amount of \$8,187,300.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 6. ACCOUNTS RECEIVABLE**

The following is a schedule of the township accounts receivable as of December 31, 2018, inclusive of the property taxes as noted above in Note 3.

	General Fund	Sinking Fund	Sewer Fund	Sewer Rental Capital fund	Non Major Funds	Total
Real estate taxes	\$ 4,244,033	\$ 192,119	\$ -	\$ -	\$ -	\$ 4,436,152
Sewer rental fees	-	-	5,073,995	-	-	5,073,995
Ash and rubbish fees	4,034,890	-	-	-	-	4,034,890
County receivable	232,834	-	-	-	-	232,834
Grant receivables:						
County aid	89,168	-	-	-	-	89,168
HUD	94,884	-	-	-	-	94,884
COSA	50,116	-	-	-	-	50,116
PENDOT	33,509	-	-	-	-	33,509
Public safety	186,802	-	-	-	-	186,802
Community development	-	-	-	-	392,397	392,397
Cable franchise	338,902	-	-	-	-	338,902
Local service tax	148,050	-	-	-	-	148,050
Liquor license	23,350	-	-	-	-	23,350
Other	146,073	-	-	8,100	-	154,173
Less: allowance for doubtful accounts	(3,694,144)	(57,635)	(1,522,198)	-	-	(5,273,977)
	<u>\$ 5,928,467</u>	<u>\$ 134,484</u>	<u>\$ 3,551,797</u>	<u>\$ 8,100</u>	<u>\$ 392,397</u>	<u>\$ 10,015,245</u>

**ASH AND RUBBISH**

Ash and rubbish fees receivable for the years 1971 to 2018 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 \$1,405,677 outstanding from 2018 and \$3,668,318 outstanding from 2017 and prior years for a total of \$5,073,995. An allowance for uncollectible accounts has been established at 30 percent of the balance of fees owed as of December 31, 2018, in the amount of \$1,522,198. The sewer rental fees are recorded as revenue when collected. The receivable on the balance sheet represents the amount assessed and not available or collected as of the balance sheet date. Within the governmental fund financial statements and as with property taxes, sewer rental fees are recognized when they become both measurable and available. A reserve has been established, shown on the governmental fund financial statements as deferred revenue, for that portion of the outstanding sewer rental fees that are not anticipated to be measurable and available during the current period pursuant with the modified accrual basis of accounting. The government-wide financial statements do not include such a deferral as consistent with the accrual basis of accounting utilized in those statements. In addition, at balance sheet date, Upper Darby Township had receivables in the amount of \$346,469 due from other municipalities for sewer rental charges up to December 31, 2018.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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 receivables in this fund from another municipality for \$26,667.

**NOTE 8. FIXED ASSETS**

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance 01/01/18	Additions	Deletions	Balance 12/31/18
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land	\$ 4,637,840	\$ -	\$ -	\$ 4,637,840
Construction in progress	2,054,082	-	(2,054,082)	-
Total capital assets not being depreciated	6,691,922	-	(2,054,082)	4,637,840
Capital assets being depreciated:				
Land improvements	108,523	618,000	-	726,523
Building and building improvements	17,215,887	194,446	-	17,410,333
Infrastructure	25,109,453	3,991,844	-	29,101,297
Machinery and equipment	5,039,689	532,091	-	5,571,780
Vehicles	14,120,224	664,221	(69,098)	14,715,347
Total capital assets being depreciated	61,593,776	6,000,602	(69,098)	67,525,280
Total capital assets	68,285,698	6,000,602	(2,123,180)	72,163,120
Accumulated depreciation				
Land improvements	17,137	31,452	-	48,589
Building and building improvements	14,328,614	136,563	-	14,465,177
Infrastructure	13,741,705	664,242	-	14,405,947
Machinery and equipment	2,744,300	170,713	-	2,915,013
Vehicles	10,583,945	766,096	(69,098)	11,280,943
Total accumulated depreciation	41,415,701	1,769,066	(69,098)	43,115,669
Capital assets, net of depreciation	\$ 26,869,997	\$ 4,231,536	\$(2,054,082)	\$ 29,047,451



**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 8. FIXED ASSETS (continued)**

Depreciation allocations for the year ended December 31, 2018 are as follows:

Council	\$ 900
Administration	122,575
Police	282,856
Fire	284,871
L&I	4,865
Health	10,543
Sanitation	80,798
Sewer	102,777
Public works	544,673
Electric	157,661
Parking meter	3,093
Leisure services	80,578
Parks	28,504
COSA	3,839
General depreciation	60,533
	<u>\$ 1,769,066</u>

Construction in progress, when shown in the governmental funds, represents costs accumulated for projects not completed at year end. There was no construction in progress reported at December 31, 2018 nor contractual obligations on pending projects reported.

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

	Balance 01/01/18	Additions	Deletions	Balance 12/31/18
Capital assets not being depreciated:				
Land and non-depreciable historical site	\$ 464,384	\$ -	\$ -	\$ 464,384
Capital assets being depreciated:				
Buildings and improvements	508,015	9,170	-	517,185
Leasehold improvements	174,211	-	-	174,211
Furniture and equipment	581,576	7,578	-	589,154
Library books and material	1,028,275	93,794	(114,733)	1,007,336
Subtotal	2,756,461	110,542	(114,733)	2,752,270
Less: accumulated depreciation	(1,563,965)	(122,085)	114,733	(1,571,317)
Total	<u>\$ 1,192,496</u>	<u>\$ (11,543)</u>	<u>\$ -</u>	<u>\$ 1,180,953</u>

Depreciation for 2018 totaled \$122,085.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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:

	<u>AMOUNT DUE FROM OTHER FUNDS</u>	<u>AMOUNT DUE TO OTHER FUNDS</u>
General fund	\$ 602,987	\$ 2,523,891
Sewer rental fund	1,594,473	-
Highway aid fund	1,721	215,130
Debt Service Fund	907,697	-
Community Development funds	-	387,857
Capital Project funds	20,000	-
	<u>\$ 3,126,878</u>	<u>\$ 3,126,878</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.

Interfund transfers for the year ended December 31, 2018 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 76,869
Community Development Fund	76,869	-
Sewer Rental Fund	-	492,275
Debt Service Fund	492,275	-
	<u>\$ 569,144</u>	<u>\$ 569,144</u>

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

THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
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**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 <i>Passed through the Commonwealth of Pennsylvania</i> <i>HOME Program</i>
<b>U.S. Department of Health and Human Services</b> <i>Passed through Commonwealth of Pennsylvania</i> Special Programs for Aging Title III-C Special Programs for Aging Title III-Part C Nutrition
<b>U.S. Department of Homeland Security</b> Federal Emergency Management Agency SAFER Grant (Staffing for Adequate Fire and Emergency Response) Assistance for Fire Fighters Grant
<b>Department of Justice</b> <i>Passed through County of Delaware</i> 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 Highway Planning and Construction Grant

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, 2018 through December 31, 2018. 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 2018 including the December 2018 drawdown shown as part of the General Fund accounts receivable. Township labor, other than those directly related to specific HUD employees, is reimbursed by HUD as part of the entitlement revenue. This amount charged and received as part of the HUD entitlement is actually a reduction in expenses of other departments within the funds from which labor expenses were originally charged. This presentation was selected to better reflect actual HUD related expenditures and to properly reduce other expenditures accordingly. The HUD report itself shows specific program costs and revenue to balance sheet date.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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 8 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. Further, the Township holds various copier leases which vary in terms expiring from 2019 through 2023.

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 \$28,048 for the first five years with escalation amounts beginning thereafter.

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

2019	\$ 83,541
2020	78,108
2021	65,568
2022	65,568
2023	65,698
Thereafter	<u>374,375</u>
	<u>\$ 732,859</u>

**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.

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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. 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 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 with a minimum pension of \$400 per month. Pension provisions include death and disability provisions.

**Fire:**

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

**Municipal:**

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

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 15. RETIREMENT COMMITMENTS (continued)**

*General provisions*

The Township received on behalf of the plans \$2,641,994 in Commonwealth funds pursuant to Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, which were distributed as follows:

	<u>State Aid</u>	<u>Township Contribution</u>	<u>Minimum Municipal Obligation</u>
Police	\$ 1,208,572	\$ 4,518,161	\$5,726,733
Fire	487,176	1,144,360	1,631,536
Municipal	946,246	73,041	1,019,287
	<u>\$ 2,641,994</u>	<u>\$ 5,735,562</u>	<u>\$8,377,556</u>

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

*Net pension liability*

<b>Police</b>	<b>Municipal</b>	<b>Fire</b>
\$26,660,376	\$17,094,102	\$9,948,309

Net pension expense for the period recognized in the government-wide statements totaled \$7,285,286.

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

	<b>Police</b>	<b>Municipal</b>	<b>Fire</b>
Inactive employees or beneficiaries currently receiving benefits	134	145	26
Inactive employees entitled to but not yet receiving benefits	2	15	-
Active employees	<u>129</u>	<u>210</u>	<u>52</u>
Total employees covered	<u>265</u>	<u>370</u>	<u>78</u>

Active membership of each of the plans contributed as follows for 2018:

	<u>Contribution</u>
Police	\$836,447
Municipal	\$761,528
Fire	\$416,389

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 15. RETIREMENT COMMITMENTS (continued)**

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 \$37,490,983.

Projected funding requirements for 2019 based on actuarial computations of minimum municipal obligations are as follows:

Police	\$4,975,380
Fire	2,128,047
Municipal	<u>1,062,470</u>
	<u>\$8,165,897</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 fair market value

Fire - Assets are valued at fair market value.

Municipal - Assets are valued at fair market value.

*Net Pension Liability of the Township*

*Police*

The components of the net pension liability of the Township at December 31, 2018 were as follows:

Total pension liability	\$ 101,693,728
Plan fiduciary net position	<u>(75,033,352)</u>
Township's net pension liability	<u>\$ 26,660,376</u>

Plan fiduciary net position as a percentage of the total pension liability: 73.78%

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 15. RETIREMENT COMMITMENTS (continued)**

*Actuarial assumptions*

The total pension liability was determined by an actuarial valuation as of January 1, 2017, 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 for valuation	7.25 percent per annum
Cost-of-living adjustment	3 percent per annum

The Plan's total pension liability as of December 31, 2018 was projected by the actuaries from January 1, 2017.

Mortality rates for healthy lives were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment with Scale AA projected to 2017.

*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 6.65 percent per year. However, the long term rate of return for funding purposes under Act 205 is 7.25 percent. The annual rate of return on the pension plan investments, net of investment expense, was actually -6.44%. The net blended rate representing the real rate of return, inclusive of inflation and net of plan expenses was 4.05%. Long term expected real rate of return was as follows:

Asset Class	Long-Term Expected Real Rate of Return
Equities	11.96%
Fixed Income	1.35%
Cash	-0.32%
Total Gross Blended Return	4.40%
Less: Plan Expenses	0.35%
Total Net Blended Return	4.05%

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.

	SCHEDULE OF INVESTMENTS				
	2014	2015	2016	2017	2018
Annual money weighted Return on investments	7.52%	-1.07%	8.12%	16.65%	-6.44%



**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 15. RETIREMENT COMMITMENTS (continued)**

*Discount rate*

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

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

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

	<b>1% Decrease 6.25%</b>	<b>Current Rate 7.25%</b>	<b>1% Increase 8.25%</b>
Net pension liability	\$38,441,778	\$26,660,376	\$ 16,739,582

For the year ended December 31, 2018, the Township recognized pension expense in its government wide statements for the Police pension in the amount of \$4,980,311. Actual Act 205 pension contribution as recognize in the governmental funds totaled \$5,726,733. At December 31, 2018, 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	\$ -	\$1,880,344
Changes in assumptions	1,133,700	4,606,550
Net difference between projected and actual investment earnings	5,763,585	-
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$6,897,285</u>	<u>\$6,486,894</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:

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 15. RETIREMENT COMMITMENTS (continued)**

Year ending December 31,	
2019	\$ 644,414
2020	\$ (955,123)
2021	\$ (287,612)
2022	\$1,008,712
2021	\$ -
Thereafter	\$ -

*Firefighters*

The components of the net pension liability of the Township at December 31, 2018 were as follows:

Total pension liability	\$ 39,689,347
Plan fiduciary net position	(29,741,038)
Township's net pension liability	<u>\$ 9,948,309</u>

Plan fiduciary net position as a percentage of the total pension liability 74.93%

*Actuarial assumptions*

The total pension liability was determined by an actuarial valuation as of January 1, 2017 projected to December 31, 2018, 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	7.00 percent per annum

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 7.00 percent per year. For the year ended December 31, 2018, the net blended rate representing the real rate of return, inclusive of inflation and net of plan expenses, was 3.89%. Long term expected real rate of return was as follows:

THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 15. RETIREMENT COMMITMENTS (continued)

Asset Class	Long-Term Expected Real Rate of Return
Equities	5.53%
Fixed Income	1.35%
Cash	-0.34%
Total Gross Blended Return	4.19%
Less: Plan Expenses	0.30%
Total Net Blended Return	3.89%

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.

	SCHEDULE OF INVESTMENT RETURNS				
	2014	2015	2016	2017	2018
Annual money-weighted rate of return net of investment expense	5.57%	-1.19%	7.56%	15.10%	-5.30%

*Discount rate*

The discount rate used to measure the total pension liability was 7.00% 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 6.00%	Current Rate 7.00%	1% Increase 8.00%
Net pension liability	\$ 14,516,342	\$ 9,948,309	\$ 6,032,622

For the year ended December 31, 2018, the Township recognized pension expense in its government wide statements for the Firefighters pension in the amount of \$ 1,418,882. Actual Act 205 pension contribution as recognize in the governmental funds totaled \$1,631,536.

**THE TOWNSHIP OF UPPER DARBY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 15. RETIREMENT COMMITMENTS** (continued)

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to the Firefighters pension as follows:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Difference between expected and actual experience	\$ -	\$ 704,617
Changes in assumptions	663,680	-
Net difference between projected and actual investment earnings	2,399,338	-
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$ 3,063,018</u>	<u>\$ 704,617</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 ending December 31,	
2019	\$ 763,841
2020	\$ 386,699
2021	\$ 380,214
2022	\$ 851,657
2023	\$ (16,852)
Thereafter	\$ (7,158)

*Municipal Employees*

The components of the net pension liability of the Township at December 31, 2018 were as follows:

Total pension liability	\$ 78,009,720
Plan fiduciary net position	(60,915,618)
Township's net pension liability	<u>\$ 17,094,102</u>

Plan fiduciary net position as a percentage of the total pension liability 78.09%

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 15. RETIREMENT COMMITMENTS (continued)**

*Actuarial assumptions*

The total pension liability was determined by an actuarial valuation as of January 1, 2017 and rolled forward to December 31, 2018, 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	7.5 percent per annum

Mortality rates for healthy lives were based on 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	0-1.0%
Real estate	4.5-5.5%

**SCHEDULE OF INVESTMENT RETURNS**

	2014	2015	2016	2017	2018
Annual money-weighted rate of return net of investment expense	8.33%	-0.71%	4.63%	15.94%	-5.70%

*Discount rate*

The discount rate used to measure the total pension liability was 7.5% 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 7.5%.

THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 15. RETIREMENT COMMITMENTS** (continued)

*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 6.50%	Current Rate 7.50%	1% Increase 8.50%
Net Pension Liability	\$28,295,956	\$17,094,102	\$6,735,265

For the year ended December 31, 2018, the Township recognized pension expense in its government wide statements for the Municipal Employees pension in the amount of \$886,433. Actual Act 205 pension contribution as recognize in the governmental funds totaled \$1,019,287.

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to the Municipal Employees pension as follows:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Difference between expected and actual experience	\$ -	\$ 4,290,332
Changes in assumptions	3,375,086	-
Net difference between projected and actual investment earnings	6,287,500	-
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$ 9,662,586</u>	<u>\$ 4,290,332</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 ending December 31,	
2019	\$ 2,086,564
2020	\$ 1,210,209
2021	\$ 755,396
2022	\$ 1,625,763
2023	\$ (152,392)
Thereafter	\$ (153,286)

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 16. 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 does not have a qualified, irrevocable OPEB Trust. As such, as noted above, the policy is to pay its share of retiree benefits as they come due ("pay as you go").

The Township's annual other postemployment benefit (OPEB) cost (expense), referred to as the Actuarially Determined Contribution (ADC) is calculated pursuant to GASB 75 based on the five-year average historical contributions as a percentage of ADC or the covered payroll.

The ADC for the year ended December 31, 2017 is \$5,155,258. The ADC for the year ended December 31, 2018 is \$9,492,405.

GASB No. 45, subsequently replaced by GASB No. 75, 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).

The OPEB expense for the year is the service cost plus interest cost and recognition of deferred outflows related to the changes in actuarial assumptions. The following show the components of the annual OPEB expense for the year, the amount actually contributed to the Plan, and the changes in the Township's OPEB obligation:

Annual OPEB cost (expense)	\$ 26,431,990
Contributions made (pay as you go)	<u>(4,489,182)</u>
Increase in net OPEB obligation	21,942,808
Actuarial adjustment /change in assumptions	<u>(28,138,352)</u>
Net OPEB obligation at January 1, 2018	<u>309,706,858</u>
Net OPEB obligation at December 31, 2018	<u>\$ 303,511,314</u>

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 16. OTHER POST EMPLOYMENT BENEFITS (continued)**

<b>Fiscal year Ended</b>	<b>Actuarially Determined Contribution</b>	<b>Actuarially Determined Historical Contribution</b>	<b>Contribution Deficiency</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
December 31, 2009	\$ 21,016,627	\$ 4,952,858	\$ 16,063,769	n/a	n/a
December 31, 2010	\$ 19,852,104	\$ 3,077,800	\$ 16,774,304	n/a	n/a
December 31, 2011	\$ 20,707,976	\$ 3,385,579	\$ 17,322,397	n/a	n/a
December 31, 2012	\$ 20,787,230	\$ 4,382,649	\$ 16,404,581	n/a	n/a
December 31, 2013	\$ 22,232,345	\$ 5,002,420	\$ 17,229,925	n/a	n/a
December 31, 2014	\$ 23,069,235	\$ 5,452,638	\$ 17,616,597	n/a	n/a
December 31, 2015	\$ 24,189,411	\$ 5,199,967	\$ 18,989,444	n/a	n/a
December 31, 2016	\$ 23,899,171	\$ 6,599,347	\$ 17,299,824	\$ 29,177,102	22.62%
December 31, 2017	\$ 5,155,258	\$ 5,119,112	\$ 36,146	\$ 28,055,390	18.25%
December 31, 2018	\$ 9,492,405	\$ 5,104,639	\$ 4,387,766	\$ 29,388,021	17.37%

The following is based upon the January 1, 2017 actuarial valuation and is unaudited:

Total OPEB Liability	\$ 303,511,314
Fiduciary net position	-
	<u>\$ 303,511,314</u>
Funded ratio (actuarial value of plan assets)	0%

Participant data is as follows:

a. Retirees with life insurance	195
b. Retirees and covered spouses with healthcare	348
c. Active plan members	394

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to the Other Post-Employment Benefits as follows:

	<b><i>Deferred Outflows of Resources</i></b>	<b><i>Deferred Inflows of Resources</i></b>
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	20,457,254	23,626,645
Net difference between projected and actual investment earnings	-	-
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$ 20,457,254</u>	<u>\$ 23,626,645</u>



**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 16. OTHER POST EMPLOYMENT BENEFITS (continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the other post-employment benefits will be recognized in the Township's pension expense as follows:

Year ending December 31,		
2019	\$	116,288
2020	\$	116,288
2021	\$	116,288
2022	\$	116,288
2023	\$	116,288
Thereafter	\$	(3,750,831)

The discount rate used to measure the total OPEB liability for 2018 was 3.65%.

*Sensitivity of the net pension liability to changes in the discount/ healthcare trend rates*

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

	1% Decrease 2.65%	Current Rate 3.65%	1% Increase 4.65%
Net OPEB Liability	\$ 369,099,719	\$ 303,511,314	\$ 253,056,253

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

	1% Decrease 2.65%	Current Rate 3.65%	1% Increase 4.65%
Net OPEB Liability	\$ 247,412,573	\$ 303,511,314	\$ 371,238,926

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, 2017
Actuarial cost method	Entry Age Normal
Healthcare Cost Trend	5%
Funding police	Pay as you go
Salary increase assumptions	4.75% for all assumptions
Discount rate	3.15%

**THE TOWNSHIP OF UPPER DARBY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 17. 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 10 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, 2018 is included herein as supplemental information.

**NOTE 18. 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 19. RESTATEMENT**

The beginning net position within these statements was restated for a change in accounting resulting in the determination of comp time as a long-term viable liability previously not recorded in the financial statements. This change resulted in an increase of \$3,199,738 to the beginning balance of long-term liabilities and a corresponding reduction in the beginning net position.

**NOTE 20. SUBSEQUENT EVENTS**

Management of the Township has evaluated subsequent events through June 20, 2019, 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, 2018**

	General Fund			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real estate taxes	\$ 53,634,900	\$ 53,634,900	\$ 53,213,493	\$ (421,407)
Local enabling act taxes	3,110,000	3,110,000	3,166,507	56,507
Licenses and permits	3,128,500	3,128,500	3,323,577	195,077
Fines and forfeits	595,000	595,000	611,666	16,666
Rent	238,000	238,000	222,717	(15,283)
Investment earnings	50,000	50,000	377,793	327,793
Public utility realty tax	60,000	60,000	58,636	(1,364)
Grants and entitlements	2,403,115	2,403,115	2,285,349	(117,766)
Delaware County Office of Services for the Aging (COSA)	305,000	305,000	316,316	11,316
Departmental earnings	6,851,500	6,851,500	6,847,536	(3,964)
Pennsylvania contribution for pension and ad hoc	2,587,773	2,587,773	2,641,995	54,222
Volunteer fireman allocation	235,000	235,000	179,273	(55,727)
Miscellaneous/refunds and reimbursements	660,000	660,000	1,059,282	399,282
Sewer fund reimbursement	1,000,000	1,000,000	913,330	(86,670)
Total revenues	74,858,788	74,858,788	75,217,470	358,682
<b>EXPENDITURES</b>				
General governmental	15,722,216	15,722,216	15,021,213	701,003
Public Safety	44,231,243	45,411,243	45,053,449	357,794
Health and sanitation	5,535,976	5,336,001	5,393,207	(57,206)
Community development	1,825,000	1,825,000	1,720,870	104,130
Electric, parking and public works	3,408,410	3,608,385	3,418,153	190,232
Leisure services, COSA and parks	3,465,815	3,465,815	3,229,217	236,598
Volunteer fire allocation	235,000	235,000	179,273	55,727
Municipal pension contribution	1,019,287	1,019,287	1,019,287	-
Library contribution	1,360,470	1,360,470	1,360,470	-
Total expenditures	76,803,417	77,983,417	76,395,139	1,588,278
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,944,629)</u>	<u>(3,124,629)</u>	<u>(1,177,669)</u>	<u>1,946,960</u>
<b>OTHER FINANCING SOURCES (USES) OF FUNDS:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(76,869)	76,869
Total other financing sources (uses) of funds, net	-	-	(76,869)	76,869
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	<u>\$ (1,944,629)</u>	<u>\$ (3,124,629)</u>	<u>(1,254,538)</u>	<u>\$ 2,023,829</u>
<b>FUND BALANCE - BEGINNING</b>			8,215,121	
<b>FUND BALANCE - ENDING</b>			<u>\$ 6,960,583</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, 2018

	Sewer Rental Fund			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Sewer rentals, penalties and interest	\$ 7,450,000	\$ 7,450,000	\$ 7,829,982	\$ 379,982
Investment earnings	500	500	-	(500)
Other revenue	-	-	405	405
Grants and entitlements	25,000	25,000	-	(25,000)
Joint projects other municipalities	1,738,967	1,738,967	1,498,752	(240,215)
Total revenues	9,214,467	9,214,467	9,329,139	114,672
<b>EXPENDITURES</b>				
Sewer	9,775,746	9,775,746	8,983,765	791,981
Total expenditures	9,775,746	9,775,746	8,983,765	791,981
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(561,279)	(561,279)	345,374	906,653
<b>OTHER FINANCING SOURCES (USES) OF FUNDS:</b>				
Operating transfers in	-	-	-	-
Operating transfers out--Debt Service fund	(492,275)	(492,275)	(492,275)	-
Total other financing sources (uses) of funds, net	(492,275)	(492,275)	(492,275)	-
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	\$ (1,053,554)	\$ (1,053,554)	(146,901)	\$ 906,653
<b>FUND BALANCE - BEGINNING</b>			2,332,199	
<b>FUND BALANCE - ENDING</b>			\$ 2,185,298	

**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, 2018**

	Highway Aid Fund			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Investment earnings	\$ 500	\$ 500	\$ 963	\$ 463
Grants and entitlements	1,979,470	1,979,470	2,024,352	44,882
Total revenues	1,979,970	1,979,970	2,025,315	45,345
<b>EXPENDITURES</b>				
Highways and streets	1,963,143	1,963,143	1,789,770	173,373
Total expenditures	1,963,143	1,963,143	1,789,770	173,373
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	16,827	16,827	235,545	218,718
<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>\$ 16,827</u>	<u>\$ 16,827</u>	235,545	<u>\$ 218,718</u>
<b>FUND BALANCE - BEGINNING</b>			422,466	
<b>FUND BALANCE - ENDING</b>			<u>\$ 658,011</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, 2018

	Debt Service Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget - Favorable (Unfavorable)
<b>REVENUES</b>				
Real estate taxes	\$ 2,345,041	\$ 2,345,041	\$ 2,580,831	\$ 235,790
Other revenue	-	-	-	-
Investment earnings	-	-	-	-
Total revenues	2,345,041	2,345,041	2,580,831	235,790
<b>EXPENDITURES</b>				
Principal	1,342,000	1,342,000	1,787,000	(445,000)
Interest	1,003,041	1,003,041	674,266	328,775
Total expenditures	2,345,041	2,345,041	2,461,266	(116,225)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	119,565	119,565
<b>OTHER FINANCING SOURCES (USES) OF FUNDS:</b>				
Operating transfers in	-	-	492,275	492,275
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	-	-	492,275	492,275
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	<u>\$ -</u>	<u>\$ -</u>	611,840	<u>\$ 611,840</u>
<b>FUND BALANCE - BEGINNING</b>			309,696	
<b>FUND BALANCE - ENDING</b>			<u>\$ 921,536</u>	

# REQUIRED SUPPLEMENTARY INFORMATION

## THE TOWNSHIP OF UPPER DARBY

DECEMBER 31, 2018  
(UNAUDITED)

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

#### POLICE PENSION

	2014	2015	2016	2017	2018
<i>Total Pension Liability</i>					
Service cost	\$ 3,189,543	\$ 3,349,022	\$ 3,666,355	\$ 3,655,606	\$ 3,829,248
Interest	5,987,854	6,367,532	6,951,797	7,212,605	7,650,631
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(4,040,837)	-	(2,733,364)	(45,695)
Changes in assumptions	-	8,907,859	-	249,081	(5,763,975)
Benefit payments	(4,401,917)	(4,460,947)	(4,493,295)	(5,043,907)	(5,388,607)
Net change in total pension liability	4,775,480	10,122,629	6,124,857	3,340,021	281,602
Total pension liability - beginning	77,049,139	81,824,619	91,947,248	98,072,105	101,412,126
Total pension liability - ending	<u>\$81,824,619</u>	<u>\$91,947,248</u>	<u>\$98,072,105</u>	<u>\$101,412,126</u>	<u>\$101,693,728</u>
<i>Plan Fiduciary Net Position</i>					
Contributions-township and state aid	\$ 4,843,478	\$ 5,012,337	\$ 4,538,737	\$ 4,711,803	\$ 5,726,733
Contributions-employee	743,812	777,447	859,918	754,436	836,447
Net investment income	4,086,233	(437,319)	5,161,225	11,309,664	(4,747,288)
Benefit payments	(4,401,917)	(4,460,947)	(4,493,295)	(5,043,907)	(5,388,607)
Administrative expense	(56,143)	(292,272)	(263,278)	(322,586)	(338,662)
Net change in fiduciary net position	5,215,463	599,246	5,803,307	11,409,410	(3,911,377)
Plan fiduciary net position - beginning	55,917,303	61,132,766	61,732,012	67,535,319	78,944,729
Plan fiduciary net position - ending	<u>\$61,132,766</u>	<u>\$61,732,012</u>	<u>\$67,535,319</u>	<u>\$ 78,944,729</u>	<u>\$ 75,033,352</u>
Upper Darby Township net pension liability	<u>\$20,691,853</u>	<u>\$30,215,236</u>	<u>\$30,536,786</u>	<u>\$ 22,467,397</u>	<u>\$ 26,660,376</u>
Plan fiduciary net position as a percentage of total pension liability	74.71%	67.14%	68.86%	77.85%	73.78%
Covered employee payroll	\$12,930,104	\$13,841,548	\$14,304,153	\$14,474,564	\$15,280,806
Net pension liability as a percentage of covered employee payroll	160.03%	218.29%	213.48%	155.22%	174.47%

#### SCHEDULE OF INVESTMENT RETURNS

	2014	2015	2016	2017	2018
Annual money-weighted rate of return on Plan investments					
net of investment expense	7.52%	-1.07%	8.12%	16.65%	-6.44%



# REQUIRED SUPPLEMENTARY INFORMATION

## THE TOWNSHIP OF UPPER DARBY

DECEMBER 31, 2018  
(UNAUDITED)

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

#### MUNICIPAL EMPLOYEES PENSION PLAN

	2014	2015	2016	2017	2018
<i>Total Pension Liability</i>					
Service cost	\$ 1,328,842	\$ 1,364,058	\$ 1,531,882	\$ 1,436,443	\$ 1,667,557
Interest	4,827,925	4,981,253	5,413,416	5,432,696	5,576,474
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(689,593)	(1,340,172)	(612,438)	(3,003,293)	(645,678)
Changes in assumptions	-	-	-	-	3,763,027
Benefit payments	(3,714,872)	(3,181,428)	(3,446,427)	(3,770,947)	(3,771,312)
Net change in total pension liability	1,752,302	1,823,712	2,886,433	94,899	6,590,068
Total pension liability - beginning	64,862,306	66,614,608	68,438,320	71,324,753	71,419,652
Total pension liability - ending	<u>\$ 66,614,608</u>	<u>\$ 68,438,320</u>	<u>\$ 71,324,753</u>	<u>\$ 71,419,652</u>	<u>\$ 78,009,720</u>
<i>Plan Fiduciary Net Position</i>					
Contributions-township and state aid	\$ 896,788	\$ 873,334	\$ 907,281	\$ 750,502	\$ 1,019,287
Contributions-employee	653,919	691,270	766,948	940,591	761,528
Net investment income	4,486,461	110,645	2,380,341	9,035,734	(3,979,837)
Benefit payments	(3,714,872)	(3,181,428)	(3,446,427)	(3,770,947)	(3,771,312)
Other	-	7,055	10,787	-	-
Administrative expense	(43,500)	(87,785)	(68,786)	(60,639)	(68,967)
Net change in fiduciary net position	2,278,796	(1,586,909)	550,144	6,895,241	(6,039,301)
Plan fiduciary net position - beginning	58,817,647	61,096,443	59,509,534	60,059,678	66,954,919
Plan fiduciary net position - ending	<u>\$ 61,096,443</u>	<u>\$ 59,509,534</u>	<u>\$ 60,059,678</u>	<u>\$ 66,954,919</u>	<u>\$ 60,915,618</u>
Upper Darby Township net pension liability	<u>\$ 5,518,165</u>	<u>\$ 8,928,786</u>	<u>\$ 11,265,075</u>	<u>\$ 4,464,733</u>	<u>\$ 17,094,102</u>
Plan fiduciary net position as a percentage of total pension liability	91.72%	86.95%	84.21%	93.75%	78.09%
Covered employee payroll	\$ 10,551,801	\$ 11,142,155	\$ 11,658,330	\$ 11,694,804	\$ 12,141,067
Township's net pension liability as a percentage of covered payroll	52.30%	86.95%	96.63%	38.18%	140.80%

#### SCHEDULE OF INVESTMENT RETURNS

	2014	2015	2016	2017	2018
Annual money-weighted rate of return net of investment expense	8.33%	-0.71%	4.63%	15.94%	-5.70%

# REQUIRED SUPPLEMENTARY INFORMATION

## THE TOWNSHIP OF UPPER DARBY

DECEMBER 31, 2018  
(UNAUDITED)

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

#### FIREFIGHTERS PENSION PLAN

	2014	2015	2016	2017	2018
<i>Total Pension Liability</i>					
Service cost	\$ 880,824	\$ 832,869	\$ 848,744	\$ 930,306	\$ 910,894
Interest	2,036,876	2,258,285	2,379,778	2,432,481	2,663,029
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(529)	(551,095)	(309,056)	119,120	(449,968)
Changes in assumptions	-	-	-	970,160	-
Benefit payments	(697,458)	(752,903)	(1,007,436)	(1,144,224)	(1,133,984)
Net change in total pension liability	2,219,713	1,787,156	1,912,030	3,307,843	1,989,971
Total pension liability - beginning	28,472,634	30,692,347	32,479,503	34,391,533	37,699,376
Total pension liability - ending	<u>\$ 30,692,347</u>	<u>\$ 32,479,503</u>	<u>\$ 34,391,533</u>	<u>\$ 37,699,376</u>	<u>\$ 39,689,347</u>
<i>Plan Fiduciary Net Position</i>					
Contributions - Township and state aid	\$ 1,069,622	\$ 1,125,538	\$ 1,515,976	\$ 1,586,677	\$ 1,631,536
Contributions - employee	357,305	367,743	394,308	365,555	416,389
Other income	-	-	-	191,293	3,585
Net investment income (loss)	1,163,102	(271,486)	1,750,732	3,767,421	(1,777,464)
Benefit payments	(697,458)	(752,903)	(1,007,436)	(1,144,224)	(1,133,984)
Administrative expense	(33,907)	(32,046)	(31,094)	(28,185)	(24,936)
Net change in fiduciary net position	1,858,664	436,846	2,622,486	4,738,537	(884,874)
Plan fiduciary net position - beginning	20,969,379	22,828,043	23,264,889	25,887,375	30,625,912
Plan fiduciary net position - ending	<u>\$ 22,828,043</u>	<u>\$ 23,264,889</u>	<u>\$ 25,887,375</u>	<u>\$ 30,625,912</u>	<u>\$ 29,741,038</u>
Upper Darby Township net pension liability	<u>\$ 7,864,304</u>	<u>\$ 9,214,614</u>	<u>\$ 8,504,158</u>	<u>\$ 7,073,464</u>	<u>\$ 9,948,309</u>
Plan fiduciary net position as a percentage of total pension liability	74.38%	71.63%	75.27%	81.24%	74.93%
Covered employee payroll	\$ 5,863,744	\$ 6,142,272	\$ 6,434,030	\$ 6,149,717	\$ 6,854,800

#### SCHEDULE OF INVESTMENT RETURNS

	2014	2015	2016	2017	2018
Annual money-weighted rate of return net of investment expense	5.57%	-1.19%	7.56%	15.10%	-5.30%

# REQUIRED SUPPLEMENTARY INFORMATION

## THE TOWNSHIP OF UPPER DARBY

### SCHEDULE OF EMPLOYER AND COMMONWEALTH OF PENNSYLVANIA CONTRIBUTIONS

DECEMBER 31, 2018

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

#### POLICE:

#### SCHEDULE OF TOWNSHIP CONTRIBUTIONS

	Actuarially determined contribution	Contributions in relation to actuarially determined contribution	Contribution excess (deficiency)	Covered employee payroll	Contributions as a percentage of covered payroll
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%
2016	\$4,538,737	\$4,538,737	\$ -	\$14,304,153	31.73%
2017	\$4,711,803	\$4,711,803	\$ -	\$14,474,564	32.55%
2018	\$5,726,733	\$5,726,733	\$ -	\$15,280,806	37.48%

#### FIRE:

	Actuarially determined contribution	Contributions in relation to actuarially determined contribution	Contribution excess (deficiency)	Covered employee payroll	Contributions as a percentage of covered payroll
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%
2016	\$1,305,775	\$1,305,775	\$ -	\$6,434,030	20.29%
2017	\$1,586,677	\$1,586,677	\$ -	\$6,149,717	25.80%
2018	\$1,631,536	\$1,631,536	\$ -	\$6,854,800	23.80%

**REQUIRED SUPPLEMENTARY INFORMATION**

**THE TOWNSHIP OF UPPER DARBY**

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

**DECEMBER 31, 2018**

**MUNICIPAL:**

	Actuarially determined contribution	Contributions in relation to actuarially determined contribution	Contribution excess (deficiency)	Covered employee payroll	Contributions as a percentage of covered payroll
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%
2016	\$907,281	\$907,281	\$ -	\$11,658,330	7.78%
2017	\$962,580	\$962,580	\$ -	\$11,694,804	8.23%
2018	\$1,019,287	\$1,019,287	\$ -	\$12,141,067	8.40%

# REQUIRED SUPPLEMENTARY INFORMATION

## THE TOWNSHIP OF UPPER DARBY

DECEMBER 31, 2018

### SCHEDULES OF CHANGES IN UPPER DARBY TOWNSHIP'S NET OPEB LIABILITIES

	2017	2018
Total OPEB Liability		
Service cost	\$ 13,637,039	\$ 16,640,334
Interest	9,647,103	9,675,368
Changes in benefit terms	-	-
Differences between expected and actual experience	-	-
Changes in assumptions	28,649,469	(27,406,607)
Benefit payments	(5,518,827)	(5,104,639)
Net change in total pension liability	46,414,784	(6,195,544)
Total pension liability--beginning	263,292,074	309,706,858
Total pension liability--ending	<u>\$ 309,706,858</u>	<u>\$303,511,314</u>
Plan Fiduciary Net Position		
Employer contribution	\$ 5,119,112	\$ 5,104,639
Net investment income	-	-
Benefit payments	(5,518,827)	(5,497,875)
Participant contributions	399,715	393,236
Administrative expense	-	-
Net change in fiduciary net position	-	-
Plan fiduciary net position--beginning	-	-
Plan fiduciary net position--ending	<u>\$ -</u>	<u>\$ -</u>

Fiscal year Ended	Actuarially Determined Contribution	Actuarially Determined Historical Contribution	Contribution Deficiency	Covered Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2009	\$ 21,016,627	\$ 4,952,858	\$ 16,063,769	n/a	n/a
December 31, 2010	\$ 19,852,104	\$ 3,077,800	\$ 16,774,304	n/a	n/a
December 31, 2011	\$ 20,707,976	\$ 3,385,579	\$ 17,322,397	n/a	n/a
December 31, 2012	\$ 20,787,230	\$ 4,382,649	\$ 16,404,581	n/a	n/a
December 31, 2013	\$ 22,232,345	\$ 5,002,420	\$ 17,229,925	n/a	n/a
December 31, 2014	\$ 23,069,235	\$ 5,452,638	\$ 17,616,597	n/a	n/a
December 31, 2015	\$ 24,189,411	\$ 5,199,967	\$ 18,989,444	n/a	n/a
December 31, 2016	\$ 23,899,171	\$ 6,599,347	\$ 17,299,824	\$ 29,177,102	22.62%
December 31, 2017	\$ 5,155,258	\$ 5,119,112	\$ 36,146	\$ 28,055,390	18.25%
December 31, 2018	\$ 26,431,990	\$ 5,104,639	\$ 21,327,351	\$ 29,388,021	17.37%

## **SUPPLEMENTAL INFORMATION**

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

**DECEMBER 31, 2018**

	COMMUNITY DEVELOPMENT GRANTS	UPPER DARBY FOOTBALL BOWL	TOTAL
<b>ASSETS</b>			
Cash	\$ -	\$ 3,256	\$ 3,256
Assessments receivable	-	-	-
Other receivables	-	-	-
Due from other funds	-	-	-
Grant receivable	392,397	-	392,397
Due from Commonwealth	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 392,397</u>	<u>\$ 3,256</u>	<u>\$ 395,653</u>
<b>Liabilities</b>			
Due to Sewer fund	\$ -	\$ -	\$ -
Due to Highway fund	-	-	-
Due to Local Weed and Seed	-	-	-
Due to Debt Service fund	-	-	-
Accounts payable	-	-	-
Due to other entities	-	-	-
Due to general fund	387,857	-	387,857
Due to Commonwealth	-	-	-
Unearned revenue	4,540	-	4,540
Total liabilities	<u>392,397</u>	<u>-</u>	<u>392,397</u>
<b>Fund Balance</b>			
Nonspendable	-	-	-
Restricted	-	-	-
Committed for:			
Debt service	-	-	-
Capital projects	-	-	-
Assigned	-	-	-
Unassigned	-	3,256	3,256
Total fund balance	<u>-</u>	<u>3,256</u>	<u>3,256</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 392,397</u>	<u>\$ 3,256</u>	<u>\$ 395,653</u>

**THE TOWNSHIP OF UPPER DARBY**

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

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	COMMUNITY DEVELOPMENT GRANTS	UPPER DARBY FOOTBALL BOWL	TOTAL
<b>REVENUES</b>			
Other grants and donations	\$ 358,375	\$ -	\$ 358,375
Federal grant	159,355	-	159,355
Investment earnings	-	-	-
State grant	-	-	-
Total revenues	517,730	-	517,730
<b>EXPENDITURES</b>			
Governmental expenditures	-	204	204
Public safety	139,865	-	139,865
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay			
Highways and streets and sewers	26,122	-	26,122
Community development	428,612	-	428,612
Public safety	-	-	-
Departmental	-	-	-
Total expenditures	594,599	204	594,803
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	(76,869)	(204)	(77,073)
<b>OTHER FINANCING SOURCES AND (USES) OF FUNDS</b>			
Operating transfer	76,869	-	76,869
Total other financing sources and (uses) of funds	76,869	-	76,869
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	(204)	(204)
<b>FUND BALANCE - BEGINNING</b>	-	3,460	3,460
<b>FUND BALANCE - ENDING</b>	\$ -	\$ 3,256	\$ 3,256



THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

BALANCE SHEET  
GENERAL FUND

DECEMBER 31, 2018

ASSETS

Cash and cash equivalents		\$ 9,268,240
Real estate taxes receivable		
Real estate taxes - current	\$ 2,426,019	
Less: Allowance for uncollectible accounts	(727,806)	
	<u>1,698,213</u>	
Real estate taxes - prior	1,818,014	
Less: Allowance for uncollectible accounts	(545,404)	
	<u>1,272,610</u>	
Total real estate taxes receivable		2,970,823
Other accounts receivable		2,957,644
Prepaid insurance		226,574
Due from other funds		602,987
<b>TOTAL ASSETS</b>		<u>16,026,268</u>
<b>Deferred outflows of resources</b>		-
Total assets and deferred outflows of resources		<u>\$ 16,026,268</u>

LIABILITIES AND FUND BALANCE

<b>Liabilities</b>		
Accounts payable	\$ 637,959	
Due to other funds	2,523,891	
Due to other entities	8,310	
Accrued payroll and related liabilities	1,190,345	
Escheate liability	2,281	
Escrow liability	451,200	
Unearned revenue	6,094	
Total liabilities	<u>4,820,080</u>	
<b>Deferred inflows of resources</b>		
Unavailable taxes and trash fees	4,245,605	
Total liabilities and deferred inflows of resources	<u>9,065,685</u>	
<b>Fund Balance</b>		
Nonspendable	226,574	
Restricted	-	
Committed for:		
Debt service	-	
Capital projects	-	
Assigned to 2019 appropriation	2,220,413	
Unassigned	4,513,596	
Total fund balance	<u>6,960,583</u>	
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<u>\$ 16,026,268</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, 2018

**REVENUES**

Taxes - Real Estate (net) \$ 53,213,493

**Local Enabling Act Taxes**

Mercantile tax	1,427,198
Business privilege tax	944,813
Local service tax	771,846
Mechanical devices and amusement admission taxes	22,650
	<u>3,166,507</u>

**Licenses and Permits**

Beverage (liquor license)	20,950
Health, plumbing, and housing	870,342
Streets	77,029
Licenses and inspection	852,640
Cable television	1,502,616
	<u>3,323,577</u>

**Fines - Forfeits Costs**

Upper Darby central courts	251,875
Police fines, violation, parking meter fines and drug forfeiture	359,791
	<u>611,666</u>

**Rents**

Rent of building and parking lots	222,717
	<u>222,717</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, 2018

**Grants and Gifts**

Delaware County Office of Services for the Aging (COSA)	316,316
Federal grant	1,427,315
State and miscellaneous grants	768,866
County highway aid	89,168
Public utility realty tax act	58,636
	<u>2,660,301</u>

**Departmental Earnings**

Garbage, refuse charges and recycling	5,239,254
Parking meters	636,139
Miscellaneous police	58,329
Other departmental revenue and miscellaneous revenue	836,718
HUD program income / loan recapture	77,096
	<u>6,847,536</u>
Total revenues	<u>70,045,797</u>

**OTHER REVENUE**

Interest income	377,793
Miscellaneous refunds and reimbursements	1,059,282
Municipal pension plans	2,641,995
Volunteer fire allocation	179,273
Sewer fund transfer	913,330
Total other revenue	<u>5,171,673</u>

**TOTAL REVENUES**

75,217,470

THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

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

FOR THE YEAR ENDED DECEMBER 31, 2018

GOVERNMENTAL EXPENDITURES

GENERAL GOVERNMENT

Administration

Salaries	1,235,137
Materials and supplies	26,106
General expenses	175,347
Community event	6,344
Maintenance and repairs and computer	9,392
Court fees solicitor	266,153
HUD transfer	(4,360)
	<u>1,714,119</u>

Treasurer

Salaries	<u>7,500</u>
	<u>7,500</u>

Municipal Buildings

Salaries	1,101,273
Materials and supplies - general	42,090
Utility cost	114,178
Postage expense	93,539
Maintenance and repairs, computer administration	102,372
Drug alcohol testing	8,735
General expenses	177,033
HUD transfer	(899)
	<u>1,638,321</u>

Total general government 3,359,940

THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

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

FOR THE YEAR ENDED DECEMBER 31, 2018

PROTECTION TO PERSONS AND PROPERTY

Police Protection

Salaries	17,098,836
Materials, supplies and general expenses	218,690
Utilities	42,304
Vehicle operation and new vehicles	168,968
Insurance, social security tax	7,768,492
Communication expense	38,102
Maintenance and repairs and equipment	281,810
Police training and civil service	89,765
Computer maintenance and consulting	176,229
Pension plan contribution	5,726,733
	<u>31,609,929</u>

Fire

Salaries	7,436,004
Materials, supplies, and general expenses	239,132
Fire truck repairs	29,744
Utilities and hydrants	195,205
Communication expense	13,045
Insurance, social security tax and workers' compensation	2,504,525
Contribution volunteer fire companies	905,248
Pension contribution	1,631,536
	<u>12,954,439</u>

Building Regulation Planning and Zoning

Salaries	723,240
Materials and supplies	10,881
General expenses	35,621
HUD transfer	(41,271)
	<u>728,471</u>

Total protection to persons and property	<u>45,292,839</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, 2018**

**HEALTH AND SANITATION**

**General Health Services**

Salaries	461,609
Materials and supplies	10,071
Communication expense	5,884
General expenses	58,640
	<u>536,204</u>

**Sanitation Collection and Disposal**

Salaries	3,163,044
Materials and supplies	8,593
Landfill fees	1,259,454
General expenses	36,046
Recycling	155,820
Lien fees	212,201
Communication expense	21,845
	<u>4,857,003</u>

Total health and sanitation	<u>5,393,207</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, 2018

GENERAL SERVICES, STREET LIGHTS AND HIGHWAY

Electrical Department

Salaries	420,962
Materials and supplies	13,385
General expenses	1,134
Maintenance and repairs, traffic lights and lighting	609,505
HUD transfer	(13,960)
	<u>1,031,026</u>

Department of Public Works

Salaries	512,114
Materials and supplies	44,416
General expenses	80,321
Vehicle operating expense, repairs and parts	951,632
Maintenance and equipment and construction repairs	389,964
HUD transfer	(11,197)
	<u>1,967,250</u>

Parking Meter

Salaries	365,456
Materials and supplies	54,421
	<u>419,877</u>

Total general services, street lights and highway	<u>3,418,153</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, 2018**

**DEPARTMENT OF LEISURE SERVICES**

**General Recreation Services**

Salaries	931,375
Materials and supplies	117,009
Summer stage royalties	60,566
Professional services	124,352
General expenses	137,838
	<u>1,371,140</u>

**Parks and Playgrounds**

Salaries	1,138,188
Materials and supplies	103,930
Maintenance and repairs	85,647
Utilities	92,595
Major equipment replacement and construction	10,125
General expenses	45,279
	<u>1,475,764</u>

Total department of leisure services	<u>2,846,904</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, 2018**

**Miscellaneous Expenditures**

Social security taxes	736,979
Volunteer fire allocation	179,273
Insurance premiums and workers' compensation claims	10,484,782
Grants and program activity, HUD, COSA and County Aid	2,103,183
Municipal pension contribution	1,019,287
Refunds, contingencies and miscellaneous	200,122
Library contribution	<u>1,360,470</u>

Total miscellaneous expenditures	<u>16,084,096</u>
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<b>TOTAL EXPENDITURES</b>	<u><b>76,395,139</b></u>
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<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,177,669)</b>
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**OTHER FINANCING SOURCES (USES) OF FUNDS**

Operating transfer	<u>(76,869)</u>
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<b>TOTAL OTHER FINANCING USES OF FUNDS</b>	<u><b>(76,869)</b></u>
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<b>DEFICIT OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS</b>	<b>(1,254,538)</b>
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<b>FUND BALANCE - BEGINNING</b>	<u><b>8,215,121</b></u>
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<b>FUND BALANCE - ENDING</b>	<u><u><b>\$ 6,960,583</b></u></u>
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**THE TOWNSHIP OF UPPER DARBY**

**STATEMENT OF SEWER ASSESSMENTS  
SEWER RENTAL FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Current Assessments**

Original bills	\$ 7,555,849
Less: Collections face	<u>6,150,172</u>

**BALANCE 2018 SEWER FUND ASSESSMENTS  
RECEIVABLE AT DECEMBER 31, 2018**

\$ 1,405,677

**Delinquent and Liened Assessments**

Beginning balance	\$ 3,486,664
Add: 2017 assessments unpaid at January 1, 2018	<u>1,336,025</u>

Less: Collections face - net adjustment 1,154,371

**BALANCE PRIOR YEARS AT DECEMBER 31, 2018**

\$ 3,668,318

UPPER DARBY TOWNSHIP AND SELLERS MEMORIAL FREE PUBLIC LIBRARY

SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

SUPPLEMENTAL INFORMATION

FUNCTIONAL EXPENSE	PERSONNEL	LIBRARY SERVICES	FACILITIES AND EQUIPMENT	OTHER SUPPORTING SERVICES	PENSION	DEPRECIATION	TOTAL 2018
Audio visual	\$ -	\$ 9,240	\$ -	\$ -	\$ -	\$ -	\$ 9,240
Books / periodicals	-	16,727	-	-	-	-	16,727
Cable	-	-	-	4,151	-	-	4,151
Depreciation	-	-	-	-	-	122,085	122,085
Dues and memberships	-	-	-	6,189	-	-	6,189
Fundraising	-	-	-	3,445	-	-	3,445
Furniture / fixtures and copier	-	-	12,112	-	-	-	12,112
Health insurance	107,973	-	-	-	-	-	107,973
Insurance	-	-	-	20,324	-	-	20,324
Legal and accounting	-	-	-	12,900	-	-	12,900
Library supplies	-	15,681	-	17,667	-	-	33,348
Miscellaneous	-	-	-	3,196	-	-	3,196
Office supplies	-	-	-	10,819	-	-	10,819
Payroll	1,048,611	-	-	-	-	-	1,048,611
Payroll processing fee	-	-	-	6,146	-	-	6,146
Payroll taxes and expense	124,537	-	-	-	-	-	124,537
Pension expense	-	-	-	-	16,924	-	16,924
Penalty and late payments of overdue books	-	-	-	-	-	-	-
Postage	-	-	-	2,541	-	-	2,541
Professional development	-	-	-	1,367	-	-	1,367
Professional services	-	-	-	16,926	-	-	16,926
Programs	-	16,941	-	-	-	-	16,941
Rent	-	-	49,272	-	-	-	49,272
Repairs and maintenance	-	-	17,086	-	-	-	17,086
Telephone	-	-	-	6,735	-	-	6,735
Travel	-	-	-	1,518	-	-	1,518
Utilities	-	-	42,901	-	-	-	42,901
TOTAL	\$ 1,281,122	\$ 58,589	\$ 121,371	\$ 113,924	\$ 16,924	\$ 122,085	\$ 1,714,014

**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, 2018**

	<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)	\$ 291,937	\$ 311,937	\$ -	\$ 291,937	\$ 311,937
Township of Upper Darby and program income	333,878	144,614	-	333,878	144,614
Total revenues	<u>625,815</u>	<u>456,551</u>	<u>-</u>	<u>625,815</u>	<u>456,551</u>
<b>EXPENDITURES</b>					
Personnel	346,740	204,684	-	346,740	204,684
Fringe	77,575	90,983	-	77,575	90,983
Occupancy**	134,000	128,779	-	134,000	128,779
Communications	23,500	-	-	23,500	-
Transportation	40,000	32,105	-	40,000	32,105
Contract services	4,000	-	-	4,000	-
Other expenses	-	-	-	-	-
Deli meals	-	-	-	-	-
Total expenditures	<u>625,815</u>	<u>456,551</u>	<u>-</u>	<u>625,815</u>	<u>456,551</u>
<b>EXCESS OF REVENUES OVER (UNDER) 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

SUPPLEMENTAL INFORMATION

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, 2018

		<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>109,305</u>
		-
Program year 2013 funds received		1,625,461
Total funds applied to prior year	\$ 1,621,772	
	2013 <u>3,689</u>	<u>1,625,461</u>
Total program year 2013 funds held by recipient		<u>\$ -</u>
Total program year 2013 funds available for disposition		<u>\$ -</u>

COMMUNITY DEVELOPMENT BLOCK 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, 2018

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/18	EXPENDITURES CUMULATIVE 12/31/18	QUESTIONED COSTS 12/31/18
1. Fair housing outreach	\$ 5,000	\$ -	\$ 5,000	\$ -
2. Progressive team patrol	216,949	-	216,949	-
3. Street resurfacing	1,000	-	-	-
4. Code enforcement low/mod	100,000	-	100,000	-
5. OCHR emergency	125,000	-	125,000	-
6.. First time homebuyers	50,000	-	50,000	-
7. Renovations to Firehouse Westchester Pike	-	-	-	-
8. Renovations to Cardington Stonehurst Firehouse	24,630	-	24,630	-
9. Replacement of various street signs	11,333	-	11,333	-
10. Code enforcement slum/blight	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	-
14. Capital Improvements CAA Shelter	49,944	-	49,944	-
15. Sellers Halls Renovations	-	-	-	-
16. Comprehensive Plan *	116,694	3,689	116,694	-
17. Accessibility Upgrade	29,984	-	29,884	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP	200,000	-	201,079	-
Administrative	100,000	-	100,000	-
Subtotal	1,076,235	3,689	1,076,214	-
Contingencies and/or local option activities*	-	-	-	-
TOTAL	\$ 1,076,235	\$ 3,689	\$ 1,076,214	\$ -

\* Rebudget during fiscal year

THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

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, 2018

	<u>GRANT AMOUNT</u>
Total program year 2014 funds	\$1,446,286
Less: Total program year 2014 funds drawdown by recipient	<u>1,446,286</u>
Program funds still available to program year 2014	-
Program income applicable to program year 2014	<u>100,257</u>
Program year 2014 funds received	1,546,543
Total funds applied to prior year	<u>\$ 1,546,543</u>
	<u>1,546,543</u>
Total program year 2014 funds held by recipient	<u>\$ -</u>
Total program year 2014 funds available for disposition	<u>\$ -</u>

COMMUNITY DEVELOPMENT BLOCK 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, 2018

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/18	EXPENDITURES CUMULATIVE 12/31/18	QUESTIONED COSTS 12/31/18
1. Fair housing outreach	\$ 1,871	\$ -	\$ 1,871	\$ -
2. Progressive team patrol	216,943	-	216,943	-
3. Street resurfacing	311,731	-	311,731	-
4. Code enforcement low/mod	99,994	-	99,994	-
5. OOHR emergency	84,354	-	84,354	-
6.. First time homebuyers	80,290	-	80,290	-
7. Cobbs Creek Interceptor Sewer Cast Pipe	327,134	-	327,134	-
8. Construction of Salt Bin 6810 Montgomery	61,441	-	61,441	-
9. Update Intersection Pedestrian Signals/LED	200,000	-	200,000	-
10. Code enforcement slum/blight *	8,024	-	8,024	-
11. Façade Marquee Improvement 7000 Terminal	14,672	-	14,672	-
12. Reconstruction retaining wall at Watkins Ave	-	-	-	-
13. Drainage improvements 6800 Montgomery Ave*	34,814	-	34,814	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP***	448,816	-	448,816	-
Administrative*	112,666	-	112,666	-
Subtotal	2,002,750	-	2,002,750	-
Contingencies and/or local option activities*	-	-	-	-
TOTAL	\$ 2,002,750	\$ -	\$ 2,002,750	\$ -



THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

PROGRAM YEAR 2015 - CDBG NO. B-15-MC-42-0015

STATEMENT OF SOURCE AND STATUS OF FUNDS  
FOR THE PERIOD OCTOBER 1, 2015 THROUGH DECEMBER 31, 2018

		<u>GRANT AMOUNT</u>
Total program year 2015 funds		\$1,424,124
Less: Total program year 2015 funds drawdown by recipient		<u>1,424,124</u>
Program funds still available to program year 2015		-
Program income applicable to program year 2015		<u>78,518</u>
Program year 2015 funds received		<u>-</u> 1,502,642
Total funds applied:		
	Prior years \$ 1,502,286	
	2013 <u>356</u>	
		<u>1,502,642</u>
Total program year 2015 funds held by recipient		<u>\$ -</u>
Total program year 2015 funds available for disposition		<u>\$ -</u>

COMMUNITY DEVELOPMENT BLOCK 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, 2018

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/18	EXPENDITURES CUMULATIVE 12/31/18	QUESTIONED COSTS 12/31/18
1. Fair housing outreach	\$ 6,090	\$ -	\$ 6,090	\$ -
2. Progressive team patrol	213,618	-	213,618	-
3. Street resurfacing	201,251	-	201,251	-
4. Code enforcement low/mod	100,006	-	100,006	-
5. OOH emergency	75,000	-	73,016	-
6.. First time homebuyers	161,306	-	161,306	-
7. Cobbs Creek Interceptor Sewer Cast Pipe*	25,324	356	25,324	-
8. 69th Street Pedestrian Crosswalk and Bus Lane Reconstruction	3,025	-	3,025	-
9. New LED street lights	205,529	-	179,112	-
10. PAL LED lights	4,469	-	4,469	-
Rehabilitation loans/grants				
Neighborhood improvement HICCP	250,000	-	197,512	-
Administrative	127,207	-	127,207	-
Subtotal	1,372,825	356	1,291,936	-
Contingencies and/or local option activities	-	-	-	-
TOTAL	\$ 1,372,825	\$ 356	\$ 1,291,936	\$ -

THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

PROGRAM YEAR 2016 - CDBG NO. B-16-MC-42-0015

STATEMENT OF SOURCE AND STATUS OF FUNDS  
FOR THE PERIOD OCTOBER 1, 2016 THROUGH DECEMBER 31, 2018

	<u>GRANT AMOUNT</u>
Total program year 2016 funds	\$1,419,229
Less: Total program year 2016 funds drawdown by recipient	<u>1,419,229</u>
Program funds still available to program year 2016	-
Program income applicable to program year 2016	<u>54,136</u>
Program year 2016 funds received	1,473,365
Total funds applied:	
Prior year \$	701,859
2016	237,470
2017	<u>534,036</u>
	<u>1,473,365</u>
Total program year 2016 funds held by recipient	<u>\$ -</u>
Total program year 2016 funds available for disposition	<u>\$ -</u>

**SUPPLEMENTAL INFORMATION**

**THE TOWNSHIP OF UPPER DARBY  
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS-CDBG NO. B-13-MC-42-0015  
PROGRAM YEAR 2016 - PROGRAM YEAR PERIOD OCTOBER 1, 2016 TO SEPTEMBER 30, 2017  
STATEMENT OF PROGRAM COSTS  
FOR THE PERIOD: OCTOBER 1, 2016 THROUGH DECEMBER 31, 2018**

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/18	EXPENDITURES CUMULATIVE 12/31/18	QUESTIONED COSTS 12/31/18
1. Fair housing outreach*	\$ 4,463	\$ 2,421	\$ 4,463	\$ -
2. Long Lane beautification*	5,202	5,020	5,202	-
3. Street resurfacing*	149,333	-	149,333	-
4. Code enforcement low/mod	100,000	14,942	100,000	-
5. OOHR emergency	172,227	-	172,227	-
6.. First time homebuyers	100,000	1,475	100,000	-
7. LED retrofit for Watkins	34,730	-	34,730	-
8. Public services CAADC*	-	-	-	-
9. Shared rides for seniors*	123	-	123	-
10.Reconstruction of parking lot 6810 Montgomery*	20,879	-	20,879	-
11.Multi-cultural Community Family Services	15,000	7,091	15,000	-
12. Fire headquarters entrance improvements	15,000	3,925	3,925	-
13 Garrett Road streetscape improvements*	15,693	15,693	15,693	-
14. Upper Darby Community Outreach Corp	15,000	8,970	14,520	-
15. CAA Shelter	80,000	40,000	80,000	-
Rehabilitation loans/grants	-	-	-	-
Neighborhood improvement HICCP	450,000	137,932	333,499	-
Administrative	183,346	-	183,346	-
Subtotal	1,360,996	237,469	1,232,940	-
Contingencies and/or local option activities	226,389	-	-	-
<b>TOTAL</b>	<b>\$ 1,587,385</b>	<b>\$ 237,469</b>	<b>\$ 1,232,940</b>	<b>\$ -</b>

\* Rebudget during fiscal year

THE TOWNSHIP OF UPPER DARBY

SUPPLEMENTAL INFORMATION

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

PROGRAM YEAR 2017 - CDBG NO. B-15-MC-43-0015

STATEMENT OF SOURCE AND STATUS OF FUNDS  
FOR THE PERIOD OCTOBER 1, 2017 THROUGH DECEMBER 31, 2018

		<u>GRANT AMOUNT</u>
Total program year 2017 funds		\$1,471,534
Less: Total program year 2017 funds drawdown by recipient		<u>539,028</u>
Program funds still available to program year 2017		932,506
Program income applicable to program year 2017		<u>-</u>
Program year 2017 funds received		539,028
Total funds applied:		
	2017 \$ 455,167	
	2018 <u>83,861</u>	
		<u>539,028</u>
Total program year 2015 funds held by recipient		<u>\$ -</u>
Total program year 2015 funds available for disposition		<u>\$ -</u>

**SUPPLEMENTAL INFORMATION**

**THE TOWNSHIP OF UPPER DARBY  
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS-CDBG NO. B-13-MC-43-0015  
PROGRAM YEAR 2017- PROGRAM YEAR PERIOD OCTOBER 1, 2017 TO SEPTEMBER 30, 2018  
STATEMENT OF PROGRAM COSTS  
FOR THE PERIOD: OCTOBER 1, 2017 THROUGH DECEMBER 31, 2018**

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/18	EXPENDITURES CUMULATIVE 12/31/18	QUESTIONED COSTS 12/31/18
1. Fair housing outreach*	\$ 5,074	\$ 1,927	\$ 1,927	\$ -
2. Reconstruction of RCP Storm Sewer Culvert*	2,294	2,294	2,294	-
3. Street resurfacing*	432,032	261,376	261,376	-
4. Code enforcement low/mod	70,000	67,282	67,282	-
5. OOHR priority rehabilitation	125,000	84,055	125,000	-
6.. First time homebuyers	75,000	186,654	220,829	-
7. Reconstruction Chatham Ave sanitary sewer manhole	100,000	158	158	-
8. ADA compliant elevator at public safety building	25,000	-	-	-
9. Replacement of generator at public safety building	75,000	-	-	-
10.Cobbs Creek interceptor sewer cast in place pipe	150,000	-	-	-
11.Multi-cultural Community Family Services*	15,000	4,560	4,560	-
12. Fire headquarters entrance improvements	-	-	-	-
13. Garrett Road streetscape improvements	50,000	8,132	8,132	-
14. Upper Darby Community Outreach Corp	15,000	-	-	-
15. CAA Shelter	14,000	14,000	14,000	-
16. 69th Street Light Poles	75,000	70,417	70,417	-
Rehabilitation loans/grants	-	-	-	-
Neighborhood improvement HICCP*	416,105	119,527	119,527	-
Administrative*	191,005	168,821	191,005	-
Subtotal	1,835,510	989,203	1,086,507	-
Contingencies and/or local option activities	15,000	-	-	-
TOTAL	<u>\$ 1,850,510</u>	<u>\$ 989,203</u>	<u>\$ 1,086,507</u>	<u>\$ -</u>

\* Rebudget during fiscal year

**THE TOWNSHIP OF UPPER DARBY**

**SUPPLEMENTAL INFORMATION**

**COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

**PROGRAM YEAR 2018 - CDBG NO. B-15-MC-44-0015**

**STATEMENT OF SOURCE AND STATUS OF FUNDS  
FOR THE PERIOD OCTOBER 1, 2018 THROUGH DECEMBER 31, 2018**

	<u>GRANT AMOUNT</u>
Total program year 2018 funds	\$1,603,573
Less: Total program year 2018 funds drawdown by recipient	<u>-</u>
Program funds still available to program year 2018	1,603,573
Program income applicable to program year 2018	<u>-</u>
Program year 2018 funds received	-
Total funds applied:	<u>\$ -</u>
	<u>-</u>
Total program year 2018 funds held by recipient	<u>\$ -</u>
Total program year 2018 funds available for disposition	<u>\$ -</u>

SUPPLEMENTAL INFORMATION

THE TOWNSHIP OF UPPER DARBY  
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS-CDBG NO. B-13-MC-44-0015  
PROGRAM YEAR 2018- PROGRAM YEAR PERIOD OCTOBER 1, 2018 TO SEPTEMBER 30, 2019  
STATEMENT OF PROGRAM COSTS  
FOR THE PERIOD: OCTOBER 1, 2018 THROUGH DECEMBER 31, 2018

PROGRAM ACTIVITY AND RELATED PROJECTS	AUTHORIZED COSTS	EXPENDITURES PERIOD ENDED 12/31/18	EXPENDITURES CUMULATIVE 12/31/18	QUESTIONED COSTS 12/31/18
1. Fair housing outreach	\$ 5,000	\$ -	\$ -	\$ -
3. Street resurfacing	150,000	-	-	-
4. Code enforcement low/mod	75,000	-	-	-
5. OOH priority rehabilitation	100,000	32,681	32,681	-
6.. First time homebuyers	120,000	-	-	-
7. Reconstruction Chatham Ave sanitary sewer manhole	50,000	-	-	-
8. Park Improvements	95,000	-	-	-
9. Replacement of generator at public safety building	150,000	-	-	-
10.Cobbs Creek interceptor sewer cast in place pipe	100,000	-	-	-
11.Multi-cultural Community Family Services*	30,000	-	-	-
13 Garrett Road streetscape improvements	50,000	-	-	-
15. CAA Shelter	50,000	-	-	-
Rehabilitation loans/grants				-
Neighborhood improvement HICCP	475,000	15,313	15,313	-
Administrative	150,000	35,866	35,866	-
Subtotal				-
Contingencies and/or local option activities	3,573	-	-	-
TOTAL	<u>\$ 1,603,573</u>	<u>\$ 83,860</u>	<u>\$ 83,860</u>	<u>\$ -</u>