

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

*Year Ended December 31, 2020*

## **INTRODUCTORY SECTION**

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DELAWARE COUNTY, PENNSYLVANIA**  
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## **FINANCIAL SECTION**

## ***Independent Auditors' Report***

To the Honorable Township Mayor  
and Members of Council  
Township of Upper Darby  
Delaware County, 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, Delaware County, Pennsylvania (the Township), as of and for the year ended December 31, 2020, 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***

Township 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.

### ***Auditors' 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. 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.

To the Honorable Township Mayor  
and Members of Council  
Township of Upper Darby  
Delaware County, Pennsylvania

### ***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 as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

### ***Emphasis of Matter***

For the year ended December 31, 2020, Upper Darby Township adopted new accounting guidance, implementing Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 14, budgetary comparison information on pages 70 through 72, pension plan information on pages 73 through 84 and post-employment benefits other than pension plan information on pages 85 and 86, 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.

To the Honorable Township Mayor  
and Members of Council  
Township of Upper Darby  
Delaware County, Pennsylvania

*Other Information*

The combining fund statements and schedules on pages 87 through 90, budgetary comparison information for the debt service fund and highway aid fund on pages 91 and 92, and summary of real estate taxes on page 93 is the responsibility of management and was derived from and relates 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 accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Limerick, Pennsylvania  
March 1, 2022

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2020

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The discussion and analysis contained herein of Upper Darby Township's financial performance provides an overview of the Township's financial activities for the fiscal year ending December 31, 2020. This information needs to be read in conjunction with the Township's financial statements.

### **FINANCIAL HIGHLIGHTS**

The Township's net position decreased by \$8,829,308 as a result of this year's operations. Net position for governmental activities decreased from (\$333,394,608) to (\$342,223,916). The large negative net position is driven primarily by significant liabilities related to both pension and other postemployment benefit liabilities.

In 2020, the Townships statement of activities reflected a decrease of \$8,829,308 in net position. In 2019, the Townships statement of activities reflected a decrease of \$13,082,128. The difference, an improvement of \$4,252,820 over the prior year, appears to be largely due to a decrease in other postemployment benefit activity in the current year. See table 2 for more comparative information on 2020 and 2019.

The General Fund reported a positive fund balance of \$2,258,215 this year compared to a fund balance of \$6,052,525 last year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The Township's annual financial report consists of several sections. Taken together, they provide a comprehensive financial look at the Township. The components of the report include an independent auditors' report, management's discussion and analysis, government-wide financial statements, fund financial statements and notes to the basic financial statements. This report also contains other required and supplementary information in addition to the basic financial statements.

The independent auditors' report briefly describes the audit engagement and also renders an opinion as to the material components of the Township's financial position. The management's discussion and analysis (MD&A), prepared by the Township's management, provides a narrative introduction and overview that users of the financial statements need in order to interpret the basic financial statements. The MD&A also provides an analysis of key data that is presented in the basic financial statements. It also addresses any other currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

The basic financial statements include the statement of net position, statement of activities, fund financial statements and the notes to the basic financial statements. Statements of net position and activities focus on entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the Township.

- The *statement of net position* focuses on resources available for future operations. This statement presents a view of the assets the Township owns, the liabilities it owes and the net difference.
- The *statement of activities* focuses on gross and net costs of Township programs and the extent to which programs rely on taxes and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by other sources.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2020

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- *Fund financial statements* focus separately on major Governmental Funds and Fiduciary Funds. Governmental Funds statements follow the more traditional presentation of financial statements. The Township's major Governmental Funds are represented in their own columns, and the remaining funds are combined into a column titled "Nonmajor Governmental Funds." Statements for the Township's Fiduciary Funds follow the Governmental Funds and include net position, revenues, expenses and changes in net position. Fiduciary Funds are used to account for resources held for the benefit of parties outside of the government, i.e., Employee Pension Funds. Fiduciary Funds are not reflected in the government-wide statements because the Township cannot use these assets to finance its operations.
- The *notes to the basic financial statements* provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Township's financial condition.

Other required supplementary information consisting of budgetary comparison schedules, schedules of changes in net pension liability and related ratios for all pension plans, schedule of employer contributions for all pension plans, schedule of investment returns for all pension plans, and schedule of changes in the Township's total OPEB liability and related ratios are provided.

Other supplementary information consisting of the balance sheet and statement of revenues, expenditures and changes in fund balances for Nonmajor Governmental Funds, and budgetary comparison schedules are also provided.

### **REPORTING THE TOWNSHIP AS A WHOLE**

The analysis of the Township as a whole begins with the statement of net position.

Is the Township as a whole better off or worse off as a result of the year's activities? The statement of net position and the statement of activities report information about the Township as a whole and about its activities in a way that helps to answer this question. We divide the Township into two kinds of activities:

- **Governmental Activities**: These are the Township's basic services and are reported in this category. They include general administration, police, public works, code enforcement and parks and recreation. Real estate taxes, fees and charges and grants finance most of these activities.
- **Component Unit**: The Township includes separate legal entities in its report, the Upper Darby Township and Sellers Memorial Free Public Library and the Upper Darby Township Weed and Seed, Inc., Center for Family Safety. Although legally separate, these component units are important because the Township is financially accountable for them. Separate audited financial statements are issued and available for the Library.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2020

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Statement of Net Position**

The following tables reflect the condensed statements of net position.

**Table 1**  
**Condensed Statement of Net Position**  
**December 31, 2020 and 2019**

	Governmental Activities		Variance
	12/31/2020	12/31/2019	
<b>ASSETS</b>			
Current and other assets	\$ 21,281,594	\$ 25,050,178	\$ (3,768,584)
Capital assets	31,841,338	32,056,042	(214,704)
<b>TOTAL ASSETS</b>	<u>53,122,932</u>	<u>57,106,220</u>	<u>(3,983,288)</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources, pension and OPEB activity	27,444,830	34,037,504	(6,592,674)
<b>LIABILITIES</b>			
Current and other liabilities	3,897,193	2,987,123	910,070
Long-term liabilities	346,934,506	347,920,051	(985,545)
<b>TOTAL LIABILITIES</b>	<u>350,831,699</u>	<u>350,907,174</u>	<u>(75,475)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources, pension and OPEB activity	71,959,979	73,626,896	(1,666,917)
Deferred amount on refunding of debt	-	4,262	(4,262)
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>71,959,979</u>	<u>73,631,158</u>	<u>(1,671,179)</u>
<b>NET POSITION</b>			
Net investment in capital assets	18,223,424	18,654,237	(430,813)
Restricted	2,502,335	2,056,193	446,142
Unrestricted	(362,949,675)	(354,105,038)	(8,844,637)
<b>TOTAL NET POSITION</b>	<u>\$ (342,223,916)</u>	<u>\$ (333,394,608)</u>	<u>\$ (8,829,308)</u>

For more detailed information, see the statement of net position on page 15 of the annual financial report.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2020

**Statement of Activities**

The following tables reflect the revenues and expenses for the current period.

**Table 2**  
**Changes in Net Position**  
**Year Ended December 31, 2020 and 2019**

	Governmental Activities		Variance
	12/31/2020	12/31/2019	
<b>REVENUES</b>			
Program revenues			
Charges for services	\$ 16,473,679	\$ 18,179,591	\$ (1,705,912)
Operating grants and contributions	3,436,432	5,876,913	(2,440,481)
General revenues			
Taxes	59,994,441	60,171,868	(177,427)
Other	3,059,602	3,656,703	(597,101)
<b>TOTAL REVENUES</b>	<u>82,964,154</u>	<u>87,885,075</u>	<u>(4,920,921)</u>
<b>EXPENSES</b>			
General administration	13,969,428	15,320,510	(1,351,082)
Public safety	41,849,456	45,475,714	(3,626,258)
Sewers	7,827,969	8,093,372	(265,403)
Highways and streets	2,233,047	2,357,046	(123,999)
Health and sanitation	6,691,167	6,380,634	310,533
Community development	1,062,767	1,514,789	(452,022)
Street lights, electric, parking	3,365,707	3,554,469	(188,762)
Leisure services and parks	2,572,312	3,339,281	(766,969)
Library contributions	1,436,316	1,401,284	35,032
Interest on long-term debt	661,852	591,854	69,998
Post employment benefits	10,062,908	12,877,717	(2,814,809)
Non-allocated depreciation	60,533	60,533	-
<b>TOTAL EXPENSES</b>	<u>91,793,462</u>	<u>100,967,203</u>	<u>(9,173,741)</u>
CHANGE IN NET POSITION	(8,829,308)	(13,082,128)	\$ <u>4,252,820</u>
NET POSITION, BEGINNING OF YEAR	<u>(333,394,608)</u>	<u>(320,312,480)</u>	
NET POSITION, END OF YEAR	\$ <u>(342,223,916)</u>	\$ <u>(333,394,608)</u>	

For more detailed information, see the statement of activities on page 16 of the annual financial report.

**TOWNSHIP OF UPPER DARBY,  
 DELAWARE COUNTY, PENNSYLVANIA**  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
 YEAR ENDED DECEMBER 31, 2020

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

Budgetary adjustments and supplemental appropriations in 2020 were not material. Transfers and/or adjustments to the budget are made as a result of unanticipated expenditures and/or revenues.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

Upper Darby Township's investment in capital assets for its governmental activities as of December 31, 2020, totals \$31,841,338. The Township's investment in capital assets includes automobiles, trucks, infrastructure improvements and equipment.

**Figure A-1**  
**Capital Assets (Net of Depreciation, in Thousands of Dollars)**

	<u>Governmental Activities</u>
Land	\$ 4,638
Construction in progress	39
Buildings and improvements	3,179
Land improvements	2,324
Machinery and equipment	1,020
Vehicles	4,420
Infrastructure	<u>16,221</u>
TOTAL	<u>\$ 31,841</u>

Property, plant, system infrastructure and equipment of the Township are depreciated using the straight-line method.

Additional information on the Township's capital assets can be found in Notes A and E to the financial statements.

**Debt**

At year-end 2020, the Township had \$346,503,956 (see Figure A-2) in outstanding debt. The debt service due within one year on general obligation bonds and notes is \$1,880,000. This debt also includes \$27,766,006 in net pension liability and \$300,847,780 in net OPEB liability.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2020

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**Figure A-2**  
**Outstanding Long-Term Liabilities**

General obligation bonds and notes	\$ <u>14,535,000</u>
Compensated absences	\$ <u>3,355,170</u>
Net pension liabilities	\$ <u>27,766,006</u>
Total OPEB liabilities	\$ <u>300,847,780</u>

**ECONOMIC FACTORS IMPACTING FUTURE BUDGETS**

In November 2019, Barbarann Keffer was elected Mayor of Upper Darby Township after serving on Council for the previous six years. Mayor Keffer assumed this role in January 2020, and has quickly undertaken a multi-faceted revitalization program for the Township, with specific focus on (1) improved administrative management and internal controls, (2) significant expansion of Township participation in various grant programs, (3) long-term capital planning, with the issuance of G.O. Bonds to provide funding, (4) an initiative to address the Township's unfunded post employment benefits liability, (5) reformation of the workers' compensation program and other Township insurances, (6) restructured and modernized fees, and (7) the advent of new initiatives. Despite the continued impacts of pandemic, progress on all of these initiatives has continued through 2021 including and highlighted by the renovation of Municipal Lot #1 and the progress made on various other projects such as the planned installment of new roofs and solar panels on the Municipal Building and the Senior Center as well as the construction of Upper Darby's first ever Community Center.

As embodied in Upper Darby's new motto, "The World In One Place", Mayor Keffer's program of revitalization, which also includes measures of reform and reinvestment, looks to leverage the Township's diverse and multicultural population as we grow Upper Darby into an economically and culturally vibrant, transit-connected, inner ring suburb of Philadelphia. Nowhere is this more clear than in Upper Darby's return to an in-person International Festival in October 2021 which featured thousands of residents enjoying music, food, and a multitude of cultures from around the world. It should also be noted that Upper Darby's population grew in the most recent census to an estimated 85,681, amounting to an increase of nearly 3.5%.

Under Mayor Keffer's leadership, her Administration is putting plans and systems in place to significantly grow and diversify municipal revenue streams while overhauling and improving the internal controls that collect and manage those revenues. This commitment is underscored by the Mayor's decision to, for the first time ever, dedicate a full-time employee as the Director of Community and Economic Development, and to begin collecting the township share of the Realty Transfer Tax which has the potential to generate millions in revenue, and by the plan to engage a well respected professional accounting firm to oversee day to day operations of the Township. Along with these accomplishments, there are other substantial opportunities for growth and reinvestment still remaining in Upper Darby, including but not limited to the following:

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2020

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- (1) The Mayor and her Administration are restructuring management operations across the Township, updating and modernizing fee schedules, launching cost control measures, and improving the collections effort concerning monies owed to Upper Darby. The Mayor and her Administration are also developing and implementing prudent budgetary expense reforms in order to ensure the availability of sufficient funds, should the Township be faced with unexpected and costly events. To that end, we are reviewing relationships with all of the Township's professional service providers, including our insurance carriers, in search of common sense cost controls and restructuring. We are undertaking these measures with the goal of providing tax relief for property owners and growing our commercial tax base. To guide and measure the success of these projects, all such endeavors will feature a metrics/data-driven approach never before utilized in Upper Darby. The Mayor and her Administration continue to review and implement recommendations put forward by EConsult Solutions Inc. in the Strategic Management Planning Program Report produced as part of the PA Department of Community and Economic Development's STMP program. These recommendations included the implementation of a Realty Transfer Tax which was approved by Council for 2022 as well as a major technological upgrade in the Finance department to better budget, track, and analyze the Township revenues and expenditures.
- (2) The Administration is continuing to seek additional grant funding from multiple sources. In 2021 they were awarded Federal, State, County, and private grants to defray the costs of park improvements, purchase of sanitation vehicles, investment in fire safety apparatus, implementation of additional public safety programs, and more. Internal controls continue to be improved to ensure the maximum awarded grant revenue will be drawn down and utilized. In addition, the Township was allocated American Rescue Plan funds to help address the significant impact of the COVID-19 pandemic on the community. The Administration put together a detailed plan with both short term investments in small businesses, first responders, and nonprofits, as well as long term investments in sewer and stormwater infrastructure as well as open space acquisition and park improvement.
- (3) The Mayor and her Administration have continued to make progress on a five-year Capital Improvement Plan, at a total cost of approximately \$30 million, for which funds were raised by the issuance of G.O. Bonds in three successive tranches. These infrastructure benefits are critical as we seek to attract new business and residents alike. There are current plans in place to work alongside the Township Council in order to allocate the second \$10 million in the near future. This Capital Plan will fund various projects across all departments and divisions and it is the goal of the Administration to have the second tranche highlighted by the construction of the Community Center.
- (4) The Township currently has an unfunded post employment benefits liability in excess of \$300 million. We will soon be opening a new bank account with an initial funding of \$525,750, drawn from interest earned on deposited bond funds, to be applied toward this liability. The Mayor and her Administration are developing plans to move a designated percentage of all new revenues to defray this liability, above and beyond the Township's minimum municipal obligation. This is a first of its kind effort to address an inherited long term problem. It underlines the Mayor's commitment to the overall fiscal strength and sustainability of the community.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2020

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- (5) The Township will continue to explore different avenues to limit the rise in expenditures due to contractual wage increases as well as increases in health, property, and workers' compensation insurance. Insurance, as a broad category, accounts for 15-20% of Upper Darby's budget. That is why the Mayor has directed her administration to undertake a review and cost comparison aimed at ensuring the best coverages while also saving the municipality significant money. This process is underway and is being replicated with professional service providers across the government.
- (6) The Administration, in 2020, adjusted the parking and food establishment inspection fee schedules to reflect current costs and created a fee-based Fire Safety Inspection Program and an Abatement Schedule that did not previously exist. This was the first time some of these fees had been updated in more than 2 decades. These updates and initiatives represent significant revenues left on the table in the past that will now be collected and used to reinvest in the Upper Darby community. The implementation and improvement of these initiatives continues at a steady pace.
- (7) The Township implemented several new initiatives, such as property maintenance inspection/ticketing and commercial fire inspections. The Township is also exploring the evaluation of all Township real estate (held both as facilities and as investment property). This last program includes the restacking of all Township facilities, the review and restructuring of all leases, and hold/sell analyses of all investment properties. The administration has also engaged a well-qualified third party to pursue collections of delinquent business privilege and mercantile taxes as well as improving collections of residents taxes as well as sewer and trash fees. All these new and significant sources of revenue are aimed at reinvesting and revitalizing the community.

The Mayor, her Administration, and the Township Council are all dedicated to delivering high quality services for the residents of Upper Darby Township. As referenced above, the Mayor is pursuing multiple avenues to grow Upper Darby's tax base, increase its revenue streams, and pursue prudent cost controls, thereby allowing the Township to augment its service offerings and improve its infrastructure in order to enhance the quality of life for its residents.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors, customers and creditors with a general overview of the Township's finances and to show the Township's accountability for the funds it receives and disburses. 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.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020

	Primary	Component Units	
	Government	UD Township and Sellers Memorial Library	Weed and Seed, Inc. Center for Family Safety
	Governmental Activities		
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,916,944	\$ 325,922	\$ 40,057
Investments	1,023,829	37,167	-
Receivables			
Real estate taxes	3,489,667	-	-
Other	7,389,474	713	-
Due from other entities	-	-	8,310
Prepaid items	88,193	24,650	-
Due from other governmental agencies	373,487	-	-
Capital assets			
Non depreciable capital assets	4,676,746	464,384	-
Depreciable capital assets	27,164,592	644,591	-
<b>TOTAL ASSETS</b>	<b>53,122,932</b>	<b>1,497,427</b>	<b>48,367</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources, pension activity	9,167,865	-	-
Deferred outflows of resources, OPEB activity	18,276,965	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>27,444,830</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>80,567,762</b>	<b>1,497,427</b>	<b>48,367</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	2,227,745	65,789	-
Other liabilities	1,661,138	-	-
Due to other entities	8,310	-	-
Long-term liabilities			
Portion due or payable within one year			
Bonds and notes payable	1,880,000	-	-
Portion due or payable after one year			
Bonds and notes payable, non-current	13,085,550	-	-
Compensated absences	3,355,170	84,794	-
Total OPEB liability	300,847,780	-	-
Net pension liability	27,766,006	-	-
<b>TOTAL LIABILITIES</b>	<b>350,831,699</b>	<b>150,583</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources, pension activity	23,395,469	-	-
Deferred inflows of resources, OPEB activity	48,564,510	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>71,959,979</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>			
Net investment in capital assets	18,223,424	-	-
Restricted	2,502,335	37,167	-
Unrestricted	(362,949,675)	1,309,677	48,367
<b>TOTAL NET POSITION</b>	<b>\$ (342,223,916)</b>	<b>\$ 1,346,844</b>	<b>\$ 48,367</b>

See accompanying notes to the basic financial statements.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**

**STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>			
General government	\$ 13,969,428	\$ 180,465	\$ -
Public safety	41,849,456	1,816,784	-
Sewer	7,827,969	7,894,666	-
Highway and streets	2,233,047	-	2,103,773
Health and sanitation	6,691,167	5,863,011	-
Community development	1,062,767	23,350	986,425
Street lights, electric, parking and public works	3,365,707	305,184	-
Leisure services, COSA and parks	2,572,312	390,219	346,234
Library contributions	1,436,316	-	-
Interest of long-term debt	661,852	-	-
Other postemployment benefits	10,062,908	-	-
Non-allocated depreciation	60,533	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>91,793,462</b>	<b>16,473,679</b>	<b>3,436,432</b>
<b>COMPONENT UNITS</b>			
UD Township and Sellers Memorial Library	1,927,582	85,289	1,839,808
Weed and Seed Center for Family Safety	687	-	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>1,928,269</b>	<b>85,289</b>	<b>1,839,808</b>
	<b>\$ 93,721,731</b>	<b>\$ 16,558,968</b>	<b>\$ 5,276,240</b>

**GENERAL REVENUES**

- Taxes
  - Property taxes
  - Local enabling taxes
- Cable television franchise fees
- Joint project sewers
- Investment earnings
- Refunds and reimbursements and miscellaneous revenue
- Gain (loss) on disposition of capital assets

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION AT BEGINNING OF YEAR

NET POSITION AT END OF YEAR

*See accompanying notes to the basic financial statements.*

Net (Expense) Revenue and  
Changes in Net Position

Capital Grants and Contributions	Component Units		
	Primary Government Governmental Activities	UD Township Sellers Memorial Library	Weed and Seed, Inc. Center for Family Safety
\$ -	\$ (13,788,963)	\$ -	\$ -
-	(40,032,672)	-	-
-	66,697	-	-
-	(129,274)	-	-
-	(828,156)	-	-
-	(52,992)	-	-
-	(3,060,523)	-	-
-	(1,835,859)	-	-
-	(1,436,316)	-	-
-	(661,852)	-	-
-	(10,062,908)	-	-
-	(60,533)	-	-
-	(71,883,351)	-	-
-	-	(2,485)	-
-	-	-	(687)
-	-	(2,485)	(687)
\$ -	(71,883,351)	(2,485)	(687)
	57,047,913	-	-
	2,946,528	-	-
	1,149,881	-	-
	1,159,873	-	-
	52,857	2,692	41
	860,593	-	-
	(163,602)	-	-
	63,054,043	2,692	41
	(8,829,308)	207	(646)
	(333,394,608)	1,346,637	49,013
	\$ (342,223,916)	\$ 1,346,844	\$ 48,367

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

	<u>General Fund</u>	<u>Capital Project Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,620,562	\$ 1,428,426
Investments	1,023,829	-
Receivables		
Real estate taxes	3,322,355	-
Sewer assessments	-	-
Trash	1,965,260	-
Other	935,826	-
Due from other funds	2,233,457	20,000
Due from other governments	-	-
Prepaid items	88,193	-
	<u>                    </u>	<u>                    </u>
TOTAL ASSETS	<u>\$ 15,189,482</u>	<u>\$ 1,448,426</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 1,303,735	\$ 100,790
Accrued payroll and related costs	1,615,880	-
Due to other governments or entities	8,310	-
Due to other funds	5,226,675	-
Escrow	306,093	-
	<u>                    </u>	<u>                    </u>
TOTAL LIABILITIES	<u>8,460,693</u>	<u>100,790</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - taxes, sewer fees and trash fees	4,470,574	-
	<u>                    </u>	<u>                    </u>
 <b>FUND BALANCES</b>		
Nonspendable	88,193	-
Restricted	-	1,347,636
Assigned	-	-
Unassigned	2,170,022	-
	<u>                    </u>	<u>                    </u>
TOTAL FUND BALANCES	<u>2,258,215</u>	<u>1,347,636</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
	<u>\$ 15,189,482</u>	<u>\$ 1,448,426</u>

*See accompanying notes to the basic financial statements.*

Debt Service Fund	Sewer Rental Fund	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ 20,506	\$ 1,847,450	\$ 8,916,944
-	-	-	1,023,829
167,312	-	-	3,489,667
-	4,114,991	-	4,114,991
-	-	-	1,965,260
-	-	373,397	1,309,223
907,698	4,297,256	1,721	7,460,132
-	346,820	26,667	373,487
-	-	-	88,193
<u>\$ 1,075,010</u>	<u>\$ 8,779,573</u>	<u>\$ 2,249,235</u>	<u>\$ 28,741,726</u>
\$ -	\$ 515,553	\$ 19,806	\$ 1,939,884
-	9,360	17,666	1,642,906
-	-	-	8,310
-	1,433,553	799,904	7,460,132
-	-	-	306,093
<u>-</u>	<u>1,958,466</u>	<u>837,376</u>	<u>11,357,325</u>
<u>167,313</u>	<u>4,050,541</u>	<u>-</u>	<u>8,688,428</u>
-	-	-	88,193
907,697	-	1,594,638	3,849,971
-	2,770,566	110,105	2,880,671
-	-	(292,884)	1,877,138
<u>907,697</u>	<u>2,770,566</u>	<u>1,411,859</u>	<u>8,695,973</u>
<u>\$ 1,075,010</u>	<u>\$ 8,779,573</u>	<u>\$ 2,249,235</u>	<u>\$ 28,741,726</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2020

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TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 8,695,973
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resource and, therefore, are not reported in the funds.	31,841,338
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.	8,688,428
Deferred outflows and inflows of resources related to the pension plans will not be paid or received in the current period and, therefore, are not reported in the funds.	(14,227,604)
Deferred outflows and inflows of resources related to OPEB that will not be paid or received in the current period and, therefore, are not reported in the funds.	(30,287,545)
Long-term liabilities are not due and payable in the current period and therefore are not reported in as liabilities in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at December 31, 2020 are as follows:	
Bonds and notes payable, net of bond discounts and premiums	(14,965,550)
Net pension liability	(27,766,006)
Total OPEB liability	(300,847,780)
Compensated absences	<u>(3,355,170)</u>
TOTAL NET POSITION, GOVERNMENTAL ACTIVITIES (PAGE 16)	<u>\$ (342,223,916)</u>

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>	<u>Capital Project Fund</u>
REVENUES		
Taxes and assessments		
Property	\$ 53,249,985	\$ -
Sewer rentals/penalties and interest	-	-
Local enabling act taxes	2,957,499	-
Licenses and permits	2,709,275	-
Fines	433,399	-
Rent	166,020	-
Investment earnings	30,476	19,567
Intergovernmental	630,758	-
Delaware County Office of Services for the Aging (COSA)	285,687	-
Departmental earnings	6,900,410	-
Joint projects with other municipalities	-	-
Pennsylvania contribution for pension and ad hoc	2,875,519	-
Volunteer firemen allocation	202,254	-
Other revenue	551,478	-
TOTAL REVENUES	<u>70,992,760</u>	<u>19,567</u>
EXPENDITURES		
General government	13,520,019	173,711
Public Safety	46,387,558	1,256,337
Sewer	-	-
Highways and streets	-	723,983
Health and sanitation	6,693,744	106,425
Community development	1,062,767	-
Street lights, electric, parking and public works	3,078,322	-
Leisure services, COSA and parks	2,396,707	4,632
Volunteer fire allocation	194,949	-
Municipal pension contribution	2,032,743	-
Library contribution	1,436,316	-
Debt service		
Principal	-	-
Interest	34,450	-
TOTAL EXPENDITURES	<u>76,837,575</u>	<u>2,265,088</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,844,815)</u>	<u>(2,245,521)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	2,116,617	-
Transfers out	(151,696)	-
Proceeds from sale of capital assets	85,584	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,050,505</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(3,794,310)	(2,245,521)
FUND BALANCES AT BEGINNING OF YEAR	<u>6,052,525</u>	<u>3,593,157</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,258,215</u>	<u>\$ 1,347,636</u>

*See accompanying notes to the basic financial statements.*

Debt Service Fund	Sewer Rental Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 2,509,380	\$ -	\$ -	\$ 55,759,365
-	7,731,569	-	7,731,569
-	-	-	2,957,499
-	-	-	2,709,275
-	-	-	433,399
-	-	-	166,020
-	164	2,650	52,857
-	-	2,711,870	3,342,628
-	-	-	285,687
-	-	-	6,900,410
-	1,159,873	-	1,159,873
-	-	-	2,875,519
-	-	-	202,254
-	-	23,237	574,715
<u>2,509,380</u>	<u>8,891,606</u>	<u>2,737,757</u>	<u>85,151,070</u>
-	-	-	13,693,730
-	-	174,596	47,818,491
-	7,713,733	114,236	7,827,969
-	-	1,570,328	2,294,311
-	-	7,475	6,807,644
-	-	-	1,062,767
-	-	-	3,078,322
-	-	-	2,401,339
-	-	-	194,949
-	-	-	2,032,743
-	-	-	1,436,316
2,059,000	-	-	2,059,000
602,076	-	-	636,526
<u>2,661,076</u>	<u>7,713,733</u>	<u>1,866,635</u>	<u>91,344,107</u>
<u>(151,696)</u>	<u>1,177,873</u>	<u>871,122</u>	<u>(6,193,037)</u>
151,696	-	-	2,268,313
-	(1,433,553)	(683,064)	(2,268,313)
-	-	-	85,584
<u>151,696</u>	<u>(1,433,553)</u>	<u>(683,064)</u>	<u>85,584</u>
-	(255,680)	188,058	(6,107,453)
<u>907,697</u>	<u>3,026,246</u>	<u>1,223,801</u>	<u>14,803,426</u>
<u>\$ 907,697</u>	<u>\$ 2,770,566</u>	<u>\$ 1,411,859</u>	<u>\$ 8,695,973</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO  
THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

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NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (6,107,453)

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period. 34,482

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net assets. (249,186)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,428,799

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt uses current financial resources. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 2,033,674

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

Compensated absences 350,271  
Net pension expense 5,306,743  
Net OPEB expense (11,626,638)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (8,829,308)

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2020

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	<u>Pension Trust Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 7,656,298
Investments (at market value)	213,867,276
Interest receivable	110,440
Prepaid expense	2,817
Contribution receivable	<u>107,091</u>
TOTAL ASSETS	<u>221,743,922</u>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Benefits payable	<u>122,316</u>
<b>NET POSITION</b>	
Restricted for pensions	<u>\$ 221,621,606</u>

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2020

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Employee	\$ 8,611,881
Employer	1,817,334
TOTAL CONTRIBUTIONS	<u>10,429,215</u>
Investment income	
Net appreciation in fair value of investments	23,457,033
Investment earnings	4,331,311
TOTAL INVESTMENT EARNINGS	<u>27,788,344</u>
Less investment expense	(448,986)
NET INVESTMENT EARNINGS	<u>27,339,358</u>
TOTAL ADDITIONS	<u>37,768,573</u>
DEDUCTIONS	
Benefit payments	13,078,353
Administrative expenses	413,447
TOTAL DEDUCTIONS	<u>13,491,800</u>
CHANGE IN NET POSITION	24,276,773
NET POSITION - BEGINNING	<u>197,344,833</u>
NET POSITION - ENDING	<u>\$ 221,621,606</u>

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting principles and practices followed by the Township of Upper Darby, Delaware County, Pennsylvania (the "Township") are presented below to assist the reader in understanding the financial statements and the accompanying notes. Accounting principles and practices are presented in conformity with generally accepted accounting principles. The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**Financial Reporting Entity**

The Township operates under a Home Rule Charter with an elective governing body inclusive of an eleven person Council and an elected Mayor. The financial statements include all funds of the Township. The criteria used in determining whether an agency, board, commission, department, or other organizational entity are included in the financial statements are (1) financial interdependency, (2) selection of governing authority, (3) designation of management, (4) ability to significantly influence operations, (5) accountability for fiscal matters, and (6) scope of service.

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 discretely presented 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.

**Basis of Presentation**

***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. The Township, however, does not have any proprietary funds (business-type activities). Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

***Fund Financial Statements***

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

Funds are organized as major funds or non-major funds within the governmental and fiduciary statements. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least ten percent (10%) of the corresponding total for all funds of that category or type and;

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent (5%) of the corresponding total for all governmental and proprietary funds combined.

***Governmental Funds***

The governmental funds of the Township are described as follows:

**The General Fund** is the primary operating fund of the Township and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** are utilized to account for proceeds of specific revenue sources used to finance specific activities as required by law or administrative regulation. The following funds are accounted for as Special Revenue Funds: Sewer Rental and Highway Aid (major funds), as well as the Community Development Grants and Upper Darby Football Bowl (non-major funds).

**Debt Service Funds** are utilized to account for the accumulation of funds to be utilized for certain debt service payments.

**Capital Projects Funds** 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. The following funds are accounted for as capital projects funds: Sewer Rental Capital and Capital Projects funds.

***Discretely Presented Component Units***

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 component units of the Township, are non-profit corporations 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 financial information. Complete financial statements of the Upper Darby Township and Sellers Memorial Free Public Library is available independently of these financial statements.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Other Fund Types***

The Township also reports the following fund types:

**Pension Trust Funds** provide pension benefits upon permanent disability or normal retirement age to municipal employees covered under the plan, as administered by the Township. The Township maintains three pension plans, the Police Pension Plan, the Municipal Employees Pension Plan, and the Firefighters' Pension Plan.

***Major Funds***

The Township reports the following major governmental funds:

- General
- Sewer Rental
- Debt Service
- Capital Projects

***Non-Major Funds***

The Township reports the following non-major funds:

- Community Development Grants
- Highway Aid
- Sewer Rental Capital
- Upper Darby Football Bowl

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting**

The governmental-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Fiduciary fund financial statements also report using this same focus and basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Township considers revenues to be available if they are collected within 60 days of the end of the year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue susceptible to accrual include real estate taxes, cable television franchise fee, Act 511 taxes, sewer rental revenue, and intergovernmental revenues.

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

**Pension Trust Funds**

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due in accordance with Pennsylvania Act 205, as amended by Act 189. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to / deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates in the Wall Street Journal.

**TOWNSHIP OF UPPER DARBY,  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The pension plan financial statements for the plans administered by the Township and required disclosures under applicable accounting policy guidelines are combined and separately disclosed in the financial statements. Separate plan financial statements have been prepared by pension consultants (unaudited) and are available upon request by Plan participants. These separate financial statements were used as the basis for our statements and adjusted, as necessary.

Investment expenses consist of investment management, custodial fees, and other significant investment related costs. Administrative expenses consist of consulting, actuarial, legal and accounting services, along with other significant administrative costs. The above expenditures are considered allowable pension plan expenditures and are charged to the plans specifically and funded with plan assets.

Post-employment benefits including health care and other benefits during normal employment are not funded by the plans. Accordingly, any reserve or the accounting for these types of costs has not been made to the Plan's financial statements.

**Accounting and Financial Reporting for Postemployment Benefits Plans Other Than Pensions**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to / deductions from the OPEB plan's net position have been determined based on actuarially determined amounts. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. See Note M for full disclosures.

**Budgetary Data**

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described above.

Budgets are legally adopted for the following funds: General, Sewer Rental, Highway Aid, and Debt Service. The budgetary comparison schedules for these funds are reported in accordance with accounting principles generally accepted in the United States of America.

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.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Encumbrances**

Encumbrance accounting is used in the governmental fund financial statements, and is utilized for budgetary control purposes and accountability. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Excess appropriations lapse at the end of the fiscal year. The Township recognized no outstanding encumbrances at December 31, 2019. Subsequent year appropriations provide the authority to complete committed transactions.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and reported revenues and expenses. Accordingly, actual results could differ from estimates.

**Cash and Cash Equivalents**

The Township considers all highly liquid investments purchased with an original maturity of three months or less cash equivalents.

**Investments**

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. 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.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Township follows GASB Statement No. 40, Deposit and Investment Risk Disclosures, and bases its fair value accounting and reporting on ASC Section 820, Fair Value Measurements which establishes a framework for measuring fair value and expands disclosure about fair value measurement. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities;

*Level 2* - Inputs to the valuation methodology are inputs other than quoted market prices that are observable for the asset or liability;

*Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods of measurement may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Township believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The inputs or methods used to value investments are not necessarily an indication of the risk associated with investing in those securities.

**TOWNSHIP OF UPPER DARBY,  
 DELAWARE COUNTY, PENNSYLVANIA**  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property Taxes**

Taxes are levied in February. Property taxes paid on or before March 31 are subject to a discount while payments received after June 1 are subject to a penalty.

**Capital Assets and Depreciation**

All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

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 defines capital assets as assets with an initial, individual cost equal to or greater than \$5,000.

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 capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Category</u>	<u>Useful Life</u>
Land Improvements	10-40 years
Building and building improvements	10-40 years
Infrastructure	15-50 years
Machinery and equipment	3-15 years
Vehicles	3-25 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the various funds upon acquisition. Capital assets for component units are accounted for the same as in the government-wide statements.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Compensated Absences**

It is the Township's policy to permit employees to accumulate earned, but unused vacation and sick pay benefits. Township's employees earn sick and vacation leave which may either be taken or accumulated, up to certain amounts, until paid upon retirement or termination. Earned vacation for municipal employees is allowed to be carried up to two years in addition to the current year's 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.

For all governmental funds, this liability reflects amounts attributable to employee services already rendered, the amount due and payable to currently terminating employees only. Compensated absences for fully vested employees are accrued when incurred in the government-wide financial statements. The Township reports the liability as current or non-current, based on expected termination date.

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the term of the respective bonds using a method that approximates the effective interest method. Amortization is included as part of interest expense.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**Deferred Outflows/Inflows of Resources**

Deferred outflows of resources are defined as consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows increase net position, similar to assets and deferred inflows decrease net position, similar to liabilities.

**Deferred Outflows**

The deferred outflow of resources for pension and OPEB are reported in the government-wide statement of net position. The deferred outflows related to pension activity result from changes in assumptions and differences between expected and actual experience. The deferred outflow related to OPEB activity results from changes in assumptions.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Deferred Inflows***

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from taxes and other receipts.

The deferred inflow of resources for pension and OPEB are reported in the government-wide statement of net position. The deferred inflow of resources related to pension activity results from differences between expected and actual experience, changes in assumptions, and the differences between projected and actual earnings on pension plan investments. The deferred inflow of resources related to OPEB activity results from differences between expected and actual experience and changes in assumptions.

**Net Position / Fund Balance Classification**

***Government-Wide Statements***

Net Position is 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 any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted - Consists of balances with constraints placed on the use whether by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - All other balances that do not meet the definition of "restricted" or "net investment in capital assets."

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Statements***

Governmental fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned as defined by Governmental Accounting Standards Board (GASB) Statement No. 54., *Fund Balance Reporting and Governmental Fund Type Definitions*,) (See Note N).

- a. Nonspendable - amounts that cannot be spent because they are either (1) not in spendable form, or (2) legally or contractually required to be maintained intact.
- b. Restricted - amounts that have constraints placed on the use of resources either externally such as by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- c. Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of governments highest level of decision making authority, normally the Township Council and the Mayor.
- d. Assigned - amounts constrained by the government's intent, to be used for specific purposes, but are neither restricted nor committed. Intended use is established by the Board or an official to which the Board has delegated the authority to assign amounts for specific purposes.
- e. Unassigned - fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Deposits**

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that in the event of a bank failure the Township's deposits may not be returned or the Township will not be able to recover collateral securities in the possession of an outside party. The Township 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; no deposits were exposed to custodial credit risk as of December 31, 2020. Pension trust deposits are governed by Title 20 of the Pennsylvania Consolidated Statutes, Chapter 73 Municipalities Investments, Section 7302.

***Primary Government***

As of December 31, 2020, the carrying amount of the primary government's deposits was \$8,916,944 and the bank balance was \$10,121,651, of which \$1,139,362 is insured by the federal depository insurance (FDIC). Therefore, included in bank deposits is the remaining \$8,982,289 collateralized as noted above pursuant to Act 72.

Deposits in state investment pools are in the PLGIT program, which are funds similar to mutual funds. GASB Statement No. 3, Paragraph 69, provides that certain types of cash and investments, such as cash investments in a State Treasurer's investment pool or mutual fund, cannot be assigned a credit risk category because the government does not own specific securities. Therefore, the PLGIT cash deposits totaling \$4,170,086 included in these statements will not be assigned a credit risk category. These assets maintain a stable net asset value of \$1 per share. As of December 31, 2020, the Township's deposits in the state investment pool were rated AAAM by Standard & Poor's.

***Pension Trust Funds***

As of December 31, 2020, the carrying amount and bank balance of the Pension Trust Funds deposits was \$7,656,298, of which \$500,000 was insured by the Federal Depository Insurance Corporation. The remaining bank balance of \$7,156,298 was exposed to credit risk because it was uninsured and collateralized in accordance with Act 72.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Township formal investment policy states that there should be no direct investments in foreign securities, however, the manager may invest in companies with extensive global or U.S. operations which happen to be domiciled or maintain a legal residence outside the United States. The securities of such issuers included in the portfolio will be freely in U.S. markets. Therefore, there will not be a foreign currency risk included in the valuation of the securities of issues held with the portfolio.

**Investments**

As of December 31, 2020, the Township had the following investments:

	Carrying Amount	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
FIDUCIARY FUNDS					
Domestic equity mutual funds	\$ 116,321,046	\$ 116,321,046	\$ -	\$ -	\$ -
Fixed income mutual funds	46,510,341	46,510,341	-	-	-
U.S. Treasury and federal agency bonds and notes	5,549,610	-	3,061,704	1,444,840	1,043,066
Corporate bonds	5,141,257	376,335	2,520,789	2,042,403	201,730
Domestic stocks	40,345,022	2,550,528	37,794,494	-	-
<b>TOTAL FIDUCIARY FUNDS</b>	<b>\$ 213,867,276</b>	<b>\$ 165,758,250</b>	<b>\$ 43,376,987</b>	<b>\$ 3,487,243</b>	<b>\$ 1,244,796</b>

The General Fund also had \$1,023,829 held in certificates of deposit. The certificates of deposit mature in 2021 and are valued at amortized cost.

**Fair Value Measurement** - The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Township's investments are all considered to be Level 1 investments with the exception of corporate bonds, private equity funds, and certificates of deposit. Corporate bonds and private equity funds are considered to be Level 2 investments valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

The Township's investments by fund consist of the following:

Police Pension Fund	\$ 100,466,651
Municipal Employees' Pension Fund	72,413,660
Firefighters' Pension Fund	<u>40,986,965</u>
Total Investments	<u>\$ 213,867,276</u>

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. The Township investment policy dictates that the manager will extend maturities at times when a shift to lower interest rates is expected and conversely shorten maturities in periods when higher interest rates are anticipated.

**Credit Risk** - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the investment of government funds as described in Note A. The Township's investment policy does not further limit its investment choices.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributable to the magnitude of the Township's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The Plan has a formal investment policy that addresses concentration of credit risk. This policy states that no more than 5% of the total stock portfolio valued at market may be invested in the common stock of any one corporation. Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. This does not apply to issues of the U.S. Treasury or other Federal Agencies.

As of December 31, 2020, the Township did not have more than 5% of the Township's investments in any one single issuer.

**Component Units**

The Upper Darby Township and Sellers Memorial Free Public Library carrying amount of bank deposits was \$325,922 and the bank balance was \$328,860, of which the \$272,232 is covered by the FDIC. All investments are in mutual funds with readily determinable fair values, based on quoted prices in active markets. The Library's investment is maintained in a mutual fund. As of December 31, 2020, the carrying value of the investments were \$37,167.

The Upper Darby Township Weed and Seed, Inc., Center for Family Safety carrying amount of bank deposits was \$40,057 and the bank balance was \$40,057, of which the entire balance is covered by the FDIC.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE C - ACCOUNTS RECEIVABLE**

The following is a schedule of the Township's accounts receivables as of December 31, 2020:

	General Fund	Debt Service Fund	Sewer Rental Fund	Sewer Rental Capital Fund	Non-major Funds	Total
Real estate taxes	\$ 4,746,223	\$ 239,018	\$ -	\$ -	\$ -	\$ 4,985,241
Sewer rental fees	-	-	5,878,559	-	-	5,878,559
Ash and rubbish fees	4,913,150	-	-	-	-	4,913,150
Grants receivable	127,517	-	-	-	373,397	500,914
Cable franchise	186,997	-	-	-	-	186,997
Local service tax	173,785	-	-	-	-	173,785
Other Municipalities	-	-	346,820	26,667	-	373,487
Other	447,526	-	-	-	-	447,526
Less: allowance for doubtful accounts	<u>(4,371,757)</u>	<u>(71,706)</u>	<u>(1,763,568)</u>	<u>-</u>	<u>-</u>	<u>(6,207,031)</u>
	<u>\$ 6,223,441</u>	<u>\$ 167,312</u>	<u>\$ 4,461,811</u>	<u>\$ 26,667</u>	<u>\$ 373,397</u>	<u>\$ 11,252,628</u>

***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, 2020. A 2% discount was allowed if payment was made by March 31, 2020. 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 \$21.38 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<sup>th</sup> of the subsequent year.

An allowance for uncollectible accounts has been established at 30 percent of the balance of taxes owned in the total funds (General fund and Sinking fund) in the amount of \$1,495,573 as of December 31, 2020. A reserve has been established, shown on the fund financial statements as deferred inflows, 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 which is consistent with the accrual basis of accounting.

***Ash and Rubbish***

Ash and rubbish fees receivable for the years 1971 to 2020 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.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE C - ACCOUNTS RECEIVABLE (Continued)**

***Sewer Rental***

Receivables from sewer rental fees include \$1,559,044 outstanding from 2020 and \$4,319,515 outstanding from 2019 and prior years for a total of \$5,878,559 as of December 31, 2020. An allowance for uncollectible accounts has been established at 30 percent of the balance of fees owed as of December 31, 2020, in the amount of \$1,763,568. 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 that current period pursuant with the modified accrual basis of accounting. In addition, at the balance sheet date, Upper Darby Township had receivables in the amount of \$346,820 for from other municipalities for sewer rental charges up to December 31, 2020.

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

**NOTE D - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

The following is a schedule of interfund receivables and payables at December 31, 2020:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 2,233,457	\$ 5,226,675
Sewer Rental Fund	4,297,256	1,433,553
Highway Aid Fund	1,721	133,623
Debt Service Fund	907,698	-
Community Development Funds	-	666,281
Capital Projects Funds	20,000	-
	<u>\$ 7,460,132</u>	<u>\$ 7,460,132</u>

These balances resulted from the time lag between the dates the (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.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
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DECEMBER 31, 2020

**NOTE D - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (Continued)**

The following is a schedule of interfund transfers at December 31, 2020:

Fund Transfer To	Fund Transferred From	Amount
Debt Service Fund	General Fund	\$ 151,696
General Fund	Highway Aid Fund	683,064
General Fund	Sewer Rental Fund	1,433,553
		<u>\$ 2,268,313</u>

During the year transfers are used to (1) move funds to the debt service fund to pay debt service principal and interest for the year and (2) move resources to support operations.

**NOTE E - CAPITAL ASSETS**

The following is a summary of capital asset activity for 2020:

	Balance December 31, 2019	Additions	Deletions	Balance December 31, 2020
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 4,637,840	\$ -	\$ -	\$ 4,637,840
Construction in progress	38,906	-	-	38,906
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>4,676,746</u>	<u>-</u>	<u>-</u>	<u>4,676,746</u>
Capital assets being depreciated				
Buildings and improvements	18,010,553	-	-	18,010,553
Land improvements	2,729,013	-	-	2,729,013
Machinery and equipment	3,858,750	243,982	-	4,102,732
Vehicles	15,556,871	1,274,095	(1,057,647)	15,773,319
Infrastructure	32,385,626	734,156	-	33,119,782
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>72,540,813</u>	<u>2,252,233</u>	<u>(1,057,647)</u>	<u>73,735,399</u>
Less accumulated depreciation for				
Buildings and improvements	(14,647,161)	(184,552)	-	(14,831,713)
Land improvements	(228,149)	(176,994)	-	(405,143)
Machinery and equipment	(2,815,921)	(266,914)	-	(3,082,835)
Vehicles	(11,432,202)	(729,691)	808,461	(11,353,432)
Infrastructure	(16,038,084)	(859,600)	-	(16,897,684)
TOTAL ACCUMULATED DEPRECIATION	<u>(45,161,517)</u>	<u>(2,217,751)</u>	<u>808,461</u>	<u>(46,570,807)</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	<u>\$ 32,056,042</u>	<u>\$ 34,482</u>	<u>\$ (249,186)</u>	<u>\$ 31,841,338</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE E - CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions as follows:

Council	\$ 899
Administration	227,275
Police	259,321
Fire	353,526
Licenses and inspections	10,589
Health	10,543
Sanitation	89,598
Sewer	109,898
Public Works	632,579
Electric	282,155
Parking meter	5,230
Leisure services	57,632
Parks	113,745
COSA	4,228
General	<u>60,533</u>
	<u>\$ 2,217,751</u>

***Component Unit***

A summary of changes in capital assets of Upper Darby Township and Sellers Memorial Library is as follows:

	Balance December 31, 2019	Additions	Deletions	Balance December 31, 2020
<b>COMPONENT UNITS</b>				
Capital assets not being depreciated				
Land and non-depreciable historical site	\$ 464,384	\$ -	\$ -	\$ 464,384
Capital assets being depreciated				
Buildings and improvements	530,325	1,010	-	531,335
Land improvements	174,211	-	-	174,211
Furniture and equipment	449,261	1,589	-	450,850
Library books and material	987,453	50,358	(113,400)	924,411
	<u>2,605,634</u>	<u>52,957</u>	<u>(113,400)</u>	<u>2,545,191</u>
Less accumulated depreciation for	<u>(1,434,632)</u>	<u>(114,984)</u>	<u>113,400</u>	<u>(1,436,216)</u>
	<u>\$ 1,171,002</u>	<u>\$ (62,027)</u>	<u>\$ -</u>	<u>\$ 1,108,975</u>

**TOWNSHIP OF UPPER DARBY,  
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**NOTE E - CAPITAL ASSETS (Continued)**

**Collenbrook Farm**

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, and 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 included in the Township’s capital assets.

**NOTE F - LONG-TERM DEBT**

Upper Darby Township currently has three bond and note issues outstanding, maturing between 2021 and 2037, for a total remaining indebtedness of \$14,535,000. Funds to repay bonded indebtedness (aside from that relative to the Sewer related remaining indebtedness) are derived through property taxes at the rate of 0.95 mills and are accounted for through the Debt Service Fund. Additional support is provided as needed through General Fund transfers.

The Township’s liability under general obligation bond and notes, supported by its full faith and credit which matures through 2037, is as follows:

<u>Date of Issue</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Amount</u>
November 21, 2016	General Obligation	4.00%	\$ 7,500,000 (a)
March 28, 2017	General Obligation	2.000-4.000%	<u>7,035,000 (b)</u>
			<u>\$ 14,535,000</u>

Additional information on the above borrowings is as follows:

- (a) In 2016 General Obligation Bond Series of 2016 was issued in the amount of \$7,515,000, carrying an interest rate of 4% with a maturity date of May 2037.
- (b) In 2017 General Obligation Bond Series of 2017 was issued in the amount of \$7,645,000 carrying variable interest rates ranging from 2 to 4%, maturing in May 2037.

**TOWNSHIP OF UPPER DARBY,  
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**NOTE F - LONG-TERM DEBT (Continued)**

Long-term liability activity is as follows:

	Balance December 31, 2019	Increase	Decrease	Balance December 31, 2020	Amount Due Within One Year
Governmental activities					
General obligation bonds	\$ 1,759,000	\$ -	\$ (1,759,000)	\$ -	\$ -
General obligation notes	14,835,000	-	(300,000)	14,535,000	1,880,000
Premiums on bonds and notes	457,459	-	(26,909)	430,550	-
Compensated absences	3,705,441	-	(350,271)	3,355,170	-
Net pension liability	42,024,834	-	(14,258,828)	27,766,006	-
Net OPEB liability	285,194,814	15,652,966	-	300,847,780	-
	<u>\$ 347,976,548</u>	<u>\$ 15,652,966</u>	<u>\$ (16,695,008)</u>	<u>\$ 346,934,506</u>	<u>\$ 1,880,000</u>

The Township's total scheduled annual debt service on the general obligation bonds and notes is as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
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	640,000	443,025	1,083,025
2025	665,000	418,500	1,083,500
2026-2030	3,770,000	1,661,000	5,431,000
2031-2035	4,490,000	834,500	5,324,500
2036-2037	1,870,000	75,600	1,945,600
	<u>\$ 14,535,000</u>	<u>\$ 4,904,675</u>	<u>\$ 19,439,675</u>

**NOTE G - OPERATING 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.

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**NOTE G - OPERATING LEASES (Continued)**

A property at 319 Watkins Avenue is leased for a period of five years through 2019, with another five years already approved through 2024, with an annual rent of \$27,600.

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.

The Township leases a property at 7260 West Chester Pike for their police vehicles. The lease runs through 2028 at \$33,600 a year.

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

For the year ended December 31, 2020, the Township incurred \$99,593 in expenses related to these leases.

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

<u>Year Ending December 31,</u>	
2021	\$ 99,593
2022	99,690
2023	102,518
2024	99,438
2025	71,838
Thereafter	<u>392,599</u>
	<u>\$ 865,676</u>

**NOTE H - RISK MANAGEMENT**

The Township is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the township carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**Health Care Coverage**

The Township contracts with a commercial insurance company to provide health care coverage to their employees. These contracts carry various co-pay amounts based on various union contracts or employee agreements and at employee's option, authorized payroll withholding to pay contributions for dependents or increased coverage.

**TOWNSHIP OF UPPER DARBY,  
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**NOTE H - RISK MANAGEMENT (Continued)**

**Workers' Compensation Coverage**

Upper Darby Township maintains self-insurance for Worker'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 the self-insurance fund, the Township maintains cash and certificates of deposit for such purposes.

**NOTE I - COMMITMENTS AND CONTINGENCIES**

The Township is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect on the financial position of the Township.

The Township has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

**TOWNSHIP OF UPPER DARBY,  
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**NOTE J - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)**

**Summary of Significant Accounting Policies** - Police Pension Plan investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value. Financial information of the Township’s Police Pension Plan is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due as required by the Act. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**Plan Description**

**Plan Administration** - The Township of Upper Darby Police Pension Plan is a single-employer defined benefit pension plan covering all members of the police force. The Plan is governed by a Board of Trustees that is responsible for the management of Plan assets. The Board of Trustees is comprised of three trustees, two appointed by the Mayor of the Township with the approval of Township Council and one appointed by the Police Wage Negotiation Committee.

**Plan Membership** - As of January 1, 2019, the date of the latest available actuarial valuation, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	148
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>115</u>
	<u><u>266</u></u>

**Benefits Provided** - The following is a summary of the Plan benefit provisions:

**Eligibility Requirements:**

- Normal retirement:    If hired before January 1, 2001, upon attaining a combination of age and service at least equal to 77.
- If hired on or after January 1, 2001, age 50 and the completion of 25 years of service.
- Members are required to retire when they reach age 60 unless they were employed as of January 1, 2017 and this would cause a failure to receive the full retirement pension.

**TOWNSHIP OF UPPER DARBY,  
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**NOTE J - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

Vesting: 100% after the completion of 12 years of vesting service, plus 2.5% per annum

Retirement Benefit: For members hired prior to January 1, 2001, each pension shall be equal to 62% of the member's monthly average salary from the Township during the highest 24 consecutive months of the last 60 months of service, minimum pension of \$400 per month.

For members hired on or after January 1, 2001, each pension shall be equal to 50% of the member's average salary from the Township during the final 36 consecutive months of service, minimum pension of \$400 per month. This pension shall be increased as the cost-of-living increases in an amount equal to the percentage increase in Consumer Price Index from the year in which the member last worked, provided that in no case shall the total pension benefit paid exceed 62% of the compensation used for computing the pension of 20% in total cost-of-living increases, whichever is lesser.

Survivor Benefit: If member has met age and service requirements – Spouse will receive \$1,200 per month for life and each surviving child will receive \$800 per month until age 18, or 23 if full-time student; if no spouse or child survives, \$75 per month will be payable to one named beneficiary for a period not to exceed 18 years provided that the beneficiary has an insurable interest under Pennsylvania law.

If member has not met age and service requirements – Surviving spouse will receive 120 payments of the pension the member would have been receiving had the member retired at time of death (or the balance of the 120 payments the member was receiving if the member dies after retiring) and thereafter the surviving spouse will receive 50% of such pension for the remainder of the spouse's lifetime; if no spouse or children survive, the remaining 120 payments will be paid to a named beneficiary, or to the member's estate, if there is no beneficiary.

Disability Benefit Service Related: Non-service-connect – An active member with at least 3 years of service who becomes permanently or temporarily unfit to perform all duties of a police officer on account of a non-service-connected disability is entitled to a person for the duration of the disability, calculated as 50% of his highest 12 months of compensation. Disability payments are offset by any Workers' Compensation payment received.

Service-connect – If the disability is permanent and service-connected, the benefit is 70% of the highest 12 months of compensation (prior to disability), with no offset on account of Workers' Compensation, except that the maximum disability benefit is that amount which, when added to Workers' Compensation, equals 100% of the highest 12 months of compensation the member was receiving in the year the disability occurred. In no event will the benefit be less than 50% compensation offset by any Social Security Disability benefit payable.

**TOWNSHIP OF UPPER DARBY,  
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**NOTE J - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

Post Retirement Adjustments: Beginning January 1, 2001, the pension benefits of all officers hired on or after that date shall receive an increase to their Normal Retirement Benefit equal to the percentage increase in the Consumer Price Index from the year in which the member last worked, provided, however, that in no case shall the total pension benefit paid exceed 62% of the compensation for computing retirement benefits or 24% of such compensation in total cost-of-living increases, whichever is lesser.

**Contributions** - Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the minimum municipal obligation (MMO), which is based on the plan's actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The Commonwealth provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer.

As a condition of participation, participants are required to make contributions to the plan. Covered employees are required by statute to contribute 6.5% of their compensation to the plan if hired before January 1, 2001, or 5% if hired subsequent to that date. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the plan.

In 2020, the MMO obligation for the Police Pension Plan was \$4,518,637, which was contributed by the Township at December 31, 2020.

Administrative costs, which may include, but are not limited to, investment management fees and actuarial services, are charged to the appropriate plan and funded through the MMO and/or plan earnings. On-behalf payments of fringe benefits and salaries for the Township's employees were recognized as revenues and expenditures during the year.

***Investments***

**Investment Policy** - The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due.

**TOWNSHIP OF UPPER DARBY,  
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**NOTE J - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

The following was the Board’s adopted asset allocation policy as of December 31, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>
Equities	70.00%
Fixed Income	27.00%
Cash	3.00%
	<u>100.00%</u>

**Concentrations** - The Township does not have more than 5% of the Plan’s investments in any one single issuer.

**Rate of Return** - For the year ended December 31, 2020, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 15.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability of the Township** - The components of the net pension liability of the Township at December 31, 2020, were as follows:

Total pension liability	\$ 114,230,202
Plan fiduciary net position	<u>(102,685,436)</u>
Net pension liability	<u>\$ 11,544,766</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>89.89%</u>

**Actuarial Assumptions** - An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2019. Update procedures were used to roll forward to the plan’s fiscal plan year ending December 31, 2020. This report was based upon the Plan’s actuarial assumptions, asset valuation method, and cost method as described below:

Inflation	2.50%
Salary increases	3.5% annual increase
Investment rate of return	7.25%

**TOWNSHIP OF UPPER DARBY,  
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**NOTE J - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

Mortality rates were based on the Pub-2010 Safety Amount-Weighted Mortality Tables projected from 2010 with Mortality Improvement Scale MP-2020.

Due to the size of the plan, there have been no experience studies used to determine plan assumptions.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan’s target asset allocation as of December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	11.96%
Fixed Income	1.35%
Cash	-0.31%
 Total net blended return	 4.05%

**TOWNSHIP OF UPPER DARBY,  
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**NOTE J - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based upon the Plan's current target investment allocation and the associated long-term expected investment returns for its asset classes, the Plan's long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability. This may result in future increased total and net pension liability. The actuary recommends that the governing body explore the costs of lowering the actuarial assumed investment rate of return going forward to be more consistent with the Plan's anticipated investment returns.

**Changes in the Net Pension Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at December 31, 2019	\$ 109,415,478	\$ 90,611,003	\$ 18,804,475
Changes for the year			
Service cost	4,208,914	-	4,208,914
Interest	7,685,231	-	7,685,231
Changes in assumption	(258,094)	-	(258,094)
Differences between expected and actual experience	3,248	-	3,248
Contributions			
Employer	-	4,518,637	(4,518,637)
Member	-	688,328	(688,328)
Net investment income	-	14,021,200	(14,021,200)
Benefit payments	(6,824,575)	(6,824,575)	-
Administrative expenses	-	(329,157)	329,157
Net changes	<u>4,814,724</u>	<u>12,074,433</u>	<u>(7,259,709)</u>
Balances at December 31, 2020	<u>\$ 114,230,202</u>	<u>\$ 102,685,436</u>	<u>\$ 11,544,766</u>

**TOWNSHIP OF UPPER DARBY,  
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**NOTE J - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 7.25% as well as what the net pension liability would be if it were calculated using a discount rate is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 25,436,852	\$ 11,544,766	\$ (42,928)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the year ended December 31, 2020, the Township recognized a pension expense of \$891,359 for the Police Pension Plan. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,599	\$ 237,848
Changes in assumptions	1,608,418	2,498,278
Net difference between projected and actual earnings on pension plan investments	-	9,467,270
	<u>\$ 1,611,017</u>	<u>\$ 12,203,396</u>

**TOWNSHIP OF UPPER DARBY,  
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**NOTE J - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

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

<u>Year Ending December 31,</u>	
2021	\$ (3,587,472)
2022	(2,291,148)
2023	(3,299,857)
2024	(1,413,391)
2025	(511)
Thereafter	-

**NOTE K - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN)**

**Non-Uniform Pension Plan**

**Summary of Significant Accounting Policies** - Non-uniform Pension Plan investments are carried at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets.

**Plan Description**

**Plan Administration** - The Upper Darby Township Municipal Employees Pension Plan is a single-employer defined benefit pension plan that covers are full-time, non-uniformed employees of the Township. The Plan is administered by independently of the Township with its own Board of Trustees. The Board is comprised of nine members, six elected by the Plan membership and three members of Upper Darby Township appointed by the Mayor.

**Plan Membership** - As of January 1, 2019, the date of the latest available actuarial valuation, the Non-Uniformed Pension Plan consisted of the following:

Inactive plan members currently receiving benefits	145
Inactive plan members entitled to but not yet receiving benefits	13
Active plan members	<u>209</u>
	<u>367</u>

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**NOTE K - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)**

**Benefits Provided** - Upper Darby Township Municipal Employees Pension Plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated at 2.50 percent of the member's highest 2-year average salary times the member's years of service. Plan members with 5 years of service are eligible to retire at age 60. The following is a summary of the Plan benefit provisions:

Eligibility Requirements:

- Normal retirement: Employees are eligible after 5 years of service, age 60. Township officials are eligible to commence receiving their retirement benefits are age 70 ½ years even if they have not retired.
- Early Retirement: Employees who leave Township with less than 5 years of service may withdraw his or her contributions, plus any accumulated interest.
- Vesting: 2.5% of member's highest 2-year average salary times the member's years of service.

Retirement Benefit: A month benefit, payable for life, equal to 2.5% (3.5% for management employees vested as of November 25, 2002) of 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 of 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.

Survivor Benefit: Death benefits for a member who dies with 5 years of service prior to retirement may be paid in a lump sum of the present value of the Member's accrued benefit at the time of death.

Disability Benefits: All plan members are eligible for disability benefits after 5 years of service if disabled while in service and unable to continue as a Township employee. Disability retirement benefits are equal to the accrued benefit at time of disability, actuarially reduced and payable immediately.

**Contributions** - An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs and benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the 2020 measurement period, the active member contribution rate was 6.0 percent of annual pay.

In 2020, the MMO obligation for the Non-Uniformed Pension Plan was \$2,032,743 which was contributed by the Township to the Plan as of December 2020.

**TOWNSHIP OF UPPER DARBY,  
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**NOTE K - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)**

***Investments***

**Investment Policy** - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

The following was the Committee's adopted asset allocation policy as of December 31, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
US / International Equity	60.00%
Fixed income	38.00%
Real estate/Alternative	0.00%
Cash	<u>2.00%</u>
	<u><u>100.00%</u></u>

**Concentrations** - If the pension plan held investments (other than those issued or explicitly guaranteed by the U.S government) in any one organization that represents 5 percent or more of the pension plan's fiduciary net position, the pension plan should disclose information required by paragraph 30b(b) of Statement 67.

**Rate of Return** - For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability of the Township** - The components of the net pension liability of the Township at December 31, 2020, were as follows:

Total pension liability	\$ 87,448,327
Plan fiduciary net position	<u>(75,875,574)</u>
Net pension liability	<u>\$ 11,572,753</u>
Plan fiduciary net position as a percentage of the total pension liability	<u><u>86.77%</u></u>

**TOWNSHIP OF UPPER DARBY,  
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**NOTE K - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)**

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation for the 2019 measurement period at January 1 and rolled-forward to December 31 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.50-4.75%
Investment rate of return	7.5%

Mortality rates were based on the PUB-2010 Mortality Tables projected forward with MP Scale for Males and Females.

Due to the size of the plan, there have been no experience studies used to determine plan assumptions.

The long-term expected rate of return on plan investments was 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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	5.4 - 6.4%
International equity	5.5 - 6.5%
Fixed income	1.3 - 3.3%
Real Estate	4.5 - 5.5%
Cash	0.0 - 1.0%

**TOWNSHIP OF UPPER DARBY,  
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**NOTE K - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that plan members contributions will be made at the current contribution rate and that Township contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at December 31, 2019	\$ 84,044,009	\$ 70,096,261	\$ 13,947,748
Changes for the year			
Service cost	1,716,306	-	1,716,306
Interest	6,263,543	-	6,263,543
Contributions			
Employer	-	1,015,252	(1,015,252)
State Aid	-	1,017,491	(1,017,491)
Member	-	739,882	(739,882)
Net investment income	-	7,636,934	(7,636,934)
Benefit payments	(4,575,531)	(4,575,531)	-
Administrative expenses	-	(54,715)	54,715
Net changes	<u>3,404,318</u>	<u>5,779,313</u>	<u>(2,374,995)</u>
Balances at December 31, 2020	<u>\$ 87,448,327</u>	<u>\$ 75,875,574</u>	<u>\$ 11,572,753</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 7.50% as well as what the net pension liability would be if it were calculated using a discount rate is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE K - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)**

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 24,515,002	\$ 11,572,753	\$ 246,826

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** - For the year ended December 31, 2020, the Township recognized pension expense of \$675,943. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,320,313	\$ 3,363,191
Changes in assumptions	3,322,268	-
Net difference between projected and actual earnings on pension plan investments	-	3,537,486
	<u>\$ 4,642,581</u>	<u>\$ 6,900,677</u>

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

<u>Year Ending December 31,</u>	
2021	\$ (904,709)
2022	(34,342)
2023	(1,812,498)
2024	(400,845)
2025	96,273
Thereafter	798,025

**TOWNSHIP OF UPPER DARBY,  
 DELAWARE COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2020

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**NOTE L - DEFINED BENEFIT PENSION PLAN (FIREFIGHTERS' PENSION PLAN)**

**Summary of Significant Accounting Policies** - Firefighters' Pension Plan investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value. Financial information of the Township's Police Pension Plan is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due as required by the Act. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

As of January 1, 2019, the date of the latest available actuarial valuation, the Firefighters' Defined Contribution Pension Plan consisted of the following:

Inactive plan members currently receiving benefits	27
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>52</u>
	<u>79</u>

**Benefits Provided** - The following is a summary of the Plan benefit provisions:

Eligibility Requirements:

Normal retirement: Age 53 and the completion of ten years of service.

Vesting: 100% after the completion of 12 years of vesting service; however, a participant shall be 100% vested at this normal retirement date.

Retirement Benefit: 2.5% of average applicable compensation multiplied by years of service. Applicable compensation equals the average of the highest three consecutive years of W-2 earnings from Upper Darby Township.

Survivor Benefit: Actuarial present value of participant's accrued benefit at death (automatic).

Disability Benefit Service Related: Service connected - Total and permanent disability as determined by the Plan Administrator allows for an unreduced retirement benefit calculated as at normal retirement, based on years of service at disability, payable immediately.

Non-service related - Same as service related.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE L - DEFINED BENEFIT PENSION PLAN (FIREFIGHTERS' PENSION PLAN) (Continued)**

Post Retirement Adjustments: Eligible participants who retired before January 1, 1996 received post-retirement benefit increases effective July 1, 2002 per act 64. This increase is offset by 65% of any previous benefit increases, per Act 64.

**Contributions** - Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the minimum municipal obligation (MMO), which is based on the plan's actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The Commonwealth provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer. In 2020, the MMO obligation for the Firefighters' Pension Plan was \$2,060,501 which was contributed by the Township to the Plan as of December 2020.

As a condition of participation, participants are required to make contributions to the plan. Covered employees are required by statute to contribute 6.0% of their compensation to the plan.

***Investments***

**Investment Policy** - The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The following was the Board's adopted asset allocation policy as of December 31, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
US Equity	52.50%
International equity	17.50%
Core fixed income	27.00%
Cash	3.00%
	<u>100.00%</u>

**Concentrations** - The Township does not have more than 5% of the Plan's investments in any one single issuer.

**Rate of Return** - For the year ended December 31, 2020, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 13.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWNSHIP OF UPPER DARBY,  
 DELAWARE COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2020

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**NOTE L - DEFINED BENEFIT PENSION PLAN (FIREFIGHTERS' PENSION PLAN) (Continued)**

**Net Pension Liability of the Township** - The components of the net pension liability of the Township at December 31, 2020 were as follows:

Total pension liability	\$ 47,709,083
Plan fiduciary net position	<u>(43,060,596)</u>
Net pension liability	<u>\$ 4,648,487</u>

**Actuarial Assumptions** - An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2019. Update procedures were used to roll forward to the plan's fiscal plan year ending December 31, 2020. This report was based upon the Plan's actuarial assumptions, asset valuation method, and cost method as described below:

Inflation	3.0%
Salary increases	4.75% annual increase
Investment rate of return	6.75%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	5.54%
International equity	6.42%
Fixed Income	1.35%
Cash	-0.31%

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE L - DEFINED BENEFIT PENSION PLAN (FIREFIGHTERS' PENSION PLAN) (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based upon the Plan's current target investment allocation and the associated long-term expected investment returns for its asset classes, the Plan's long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability. This may result in future increased total and net pension liability. The actuary recommends that the governing body explore the costs of lowering the actuarial assumed investment rate of return going forward to be more consistent with the Plan's anticipated investment returns.

**Changes in the Net Pension Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at December 31, 2019	\$ 45,910,180	\$ 36,637,569	\$ 9,272,611
Changes for the year			
Service cost	935,559	-	935,559
Interest	3,105,447	-	3,105,447
Differences between expected and actual experience	(563,856)	-	(563,856)
Contributions			
Employer	-	2,060,501	(2,060,501)
Member	-	389,125	(389,125)
Net investment income	-	5,681,224	(5,681,224)
Benefit payments	(1,678,247)	(1,678,247)	-
Administrative expenses	-	(29,576)	29,576
Net changes	<u>1,798,903</u>	<u>6,423,027</u>	<u>(4,624,124)</u>
Balances at December 31, 2020	<u>\$ 47,709,083</u>	<u>\$ 43,060,596</u>	<u>\$ 4,648,487</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE L - DEFINED BENEFIT PENSION PLAN (FIREFIGHTERS' PENSION PLAN) (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 6.75% as well as what the net pension liability would be if it were calculated using a discount rate is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 10,013,262	\$ 4,648,487	\$ (209,750)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the year ended December 31, 2020, the Township recognized a pension expense of \$749,141 for the Firefighters' Pension Plan. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,773,664	\$ 807,616
Changes in assumptions	1,140,603	-
Net difference between projected and actual earnings on pension plan investments	-	3,483,780
	<u>\$ 2,914,267</u>	<u>\$ 4,291,396</u>

**TOWNSHIP OF UPPER DARBY,  
 DELAWARE COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2020

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**NOTE L - DEFINED BENEFIT PENSION PLAN (FIREFIGHTERS' PENSION PLAN) (Continued)**

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

<u>Year Ending December 31,</u>	
2021	\$ (427,758)
2022	43,686
2023	(824,823)
2024	(168,234)

**NOTE M - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS**

The Township pays certain postemployment benefits for uniform and non-uniform municipal employees. This is a single employer plan, administered by the Township. Certain categories of members do not 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.

**Plan Descriptions and Benefits Provided**

***Benefit Provisions***

**Retirement Eligibility**

Police Officers - Officers hired prior to January 1, 2001 - May retire upon attaining a combination of age and service at least equal to the "Magic Number 77," provided that he has both attained age 50 and completed at least 20 years of service. Members are required to retire when they reach age 60 unless they were employed as of January 1, 2017 and this would cause a failure to receive the full retirement pension. Officers hired on or after January 1, 2001 - May retire upon the attainment of age 50 and the completion of 25 years of service. For early retirement, After 20 years of service, regardless of age, however healthcare coverage is not effective until the date that the officer would have qualified for normal retirement. Any officer who is permanently disabled from performing police work as a result of a service-connected disability shall receive full health coverage.

Firefighters - Age 53 with 10 years of service.

Non-Uniformed Employees - Age 60 with 10 years of service

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE M - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (Continued)**

Benefits Coverage - Includes the same medical, drug, dental and vision coverages as active employees.

**Plan Membership**

At January 1, 2019, plan membership consisted of the following:

Active employees	412
Retirees with life insurance	210
Retirees with covered spouses with healthcare	<u>234</u>
	<u>856</u>

**Funding Policy**

Retirees are not required to make contributions to the plan. The Township is accounting for these expenditures on a "pay-as-you-go" basis. The costs of administering the plans are paid by the Township.

**Assumptions**

An actuarial valuation of the total OPEB liability is performed biennially. The total OPEB liability was determined as part of an actuarial valuation at January 1, 2019. Update procedures were used to roll forward to the municipality's fiscal years ending December 31, 2020.

**Actuarial Cost Method** - Individual Entry Age Normal as a level percentage of payroll

**Discount Rate** - 3.25%

**Inflation** - 2.50%

**Salary Scale** - *Uniformed and Firefighters: Service Based, Non-Uniform: 3.50%*

**Health Care Cost Trend Rate** - 7.00% in Year 1, decreasing to an ultimate trend rate of 4.50% in Year 12.

**Mortality** - *Uniformed and Firefighters: Pub-2010 Public Safety Headcount-Weighted Mortality Tables (Employee, Retiree, and Disabled tables as applicable), with generational projection using Scale MP-2019.*

*Non-Uniformed: Pub-2010 General Employee Headcount-Weighted Mortality Tables (Employee, Retiree, and Disabled tables as applicable), with generational projection using Scale MP-2019.*

**TOWNSHIP OF UPPER DARBY,  
 DELAWARE COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2020

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**NOTE M - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (Continued)**

**Percent of Eligible Retirees Electing Coverage in Plan** - 100% of retirees (Uniformed and Firefighters) and 90% (Non-Uniformed) who are eligible to participate are assumed to do so.

**Actuarial Cost Method - Entry Age Normal** - Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Total OPEB liability, beginning	\$ 285,194,814
Changes for the year	
Service cost	12,557,473
Interest	9,571,710
Benefit payments	<u>(6,476,217)</u>
Net changes	<u>15,652,966</u>
Total OPEB liability, ending	<u>\$ 300,847,780</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE M - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (Continued)**

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.25 percent) or 1-percentage point higher (4.25 percent) than the current discount rate:

	1% Decrease (2.25%)	Current Discount Rate (3.25%)	1% Increase (4.25%)
Total OPEB liability	\$ 387,744,679	\$ 300,847,780	\$ 238,036,664

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	\$ 247,709,457	\$ 300,847,780	\$ 370,770,071

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2020, the Township recognized OPEB expense of \$18,102,855. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 32,497,789
Changes in assumptions	18,276,965	16,066,721
	\$ 18,276,965	\$ 48,564,510

**TOWNSHIP OF UPPER DARBY,  
 DELAWARE COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2020

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**NOTE M - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (Continued)**

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

Year Ending <u>December 31,</u>		\$	
2021		(4,026,328)	
2022		(4,026,328)	
2023		(4,026,328)	
2024		(6,946,574)	
2025		(5,089,489)	
Thereafter		(6,172,498)	

**NOTE N - FUND BALANCE CLASSIFICATIONS**

Fund Balance categories and classifications are based on the definitions as determined by GASB 54 (see definitions in Note A) as follows:

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Sewer Rental Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Fund balances						
Nonspendable	\$ 88,193	\$ -	\$ -	\$ -	\$ -	\$ 88,193
Restricted for						
Capital projects	-	1,347,636	-	-	-	1,347,636
Township road maintenance	-	-	-	-	1,594,638	1,594,638
Debt Service	-	-	907,697	-	-	907,697
Assigned	-	-	-	2,770,566	110,105	2,880,671
Unassigned	<u>2,170,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(292,884)</u>	<u>1,877,138</u>
<b>TOTAL FUND BALANCES</b>	<u>\$ 2,258,215</u>	<u>\$ 1,347,636</u>	<u>\$ 907,697</u>	<u>\$ 2,770,566</u>	<u>\$ 1,411,859</u>	<u>\$ 8,695,973</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**NOTE O - SUBSEQUENT EVENTS**

In January 2021, the Township issued a Tax and Revenue Anticipation Note, Series of 2021 in the amount of \$5,000,000. The proceeds of the Note are to be used for the purpose of providing funds for current expenses payable in the 2021 fiscal year in anticipation of the receipt of current taxes and other current revenues.

In April 2021, the Township issued General Obligation Bonds, Series of 2021 (Tax-Exempt) in the amount of \$9,165,000. The proceeds of the Bond are to be used to finance the acquisition of capital assets that will benefit the Township, consisting of furnishings, machinery, apparatus, fixtures, equipment or other assets normally classified as capital assets; and pay the costs and expenses of issuing the 2021 Bonds.

In April 2021, the Township issued General Obligation Bonds, Series A of 2021 (Federally Taxable) in the amount of \$13,630,000. The proceeds of the Bond are to be used to advance refund a portion of the Township's outstanding General Obligation Bonds, Series of 2016, advance refund a portion of the Township's outstanding General Obligation Bonds, Series of 2017; and pay the costs and expenses of issuing the 2021 Bonds.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Real estate taxes	\$ 55,028,569	\$ 55,028,569	\$ 53,249,985	\$ (1,778,584)
Business taxes	3,200,000	3,200,000	2,957,499	(242,501)
Licenses and permits	4,872,500	4,872,500	2,709,275	(2,163,225)
Fines	620,000	620,000	433,399	(186,601)
Rent	148,000	148,000	166,020	18,020
Investment earnings	155,000	155,000	30,476	(124,524)
Public utility realty tax	60,000	60,000	-	(60,000)
Intergovernmental	2,376,000	2,376,000	630,758	(1,745,242)
Delaware County Office of Services for the Aging (COSA)	300,695	300,695	285,687	(15,008)
Departmental charges	9,717,260	9,717,260	6,900,410	(2,816,850)
Pennsylvania contribution for pension and ad hoc	2,684,154	2,684,154	2,875,519	191,365
Volunteer fire allocation	235,000	235,000	202,254	(32,746)
Other	500,000	500,000	551,478	51,478
<b>TOTAL REVENUES</b>	<b>79,897,178</b>	<b>79,897,178</b>	<b>70,992,760</b>	<b>(8,904,418)</b>
<b>EXPENDITURES</b>				
General government	16,015,520	16,209,356	13,520,019	2,689,337
Public safety	46,700,565	47,284,408	46,387,558	896,850
Health and sanitation	6,532,310	6,532,310	6,693,744	(161,434)
Community Development	2,134,958	2,134,958	1,062,767	1,072,191
Street lights, electric, parking and public works	3,521,666	3,732,487	3,078,322	654,165
Leisure services, COSA and parks	3,646,202	3,646,202	2,396,707	1,249,495
Volunteer fire allocation	235,000	235,000	194,949	40,051
Municipal pension contribution	2,032,743	2,032,743	2,032,743	-
Library contribution	1,436,316	1,436,316	1,436,316	-
Debt service	50,000	50,000	34,450	15,550
<b>TOTAL EXPENDITURES</b>	<b>82,305,280</b>	<b>83,293,780</b>	<b>76,837,575</b>	<b>6,456,205</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(2,408,102)</b>	<b>(3,396,602)</b>	<b>(5,844,815)</b>	<b>(2,448,213)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,200,000	1,200,000	2,116,617	916,617
Transfers out	-	-	(151,696)	(151,696)
Proceeds from sale of capital assets	10,000	10,000	85,584	75,584
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,210,000</b>	<b>1,210,000</b>	<b>2,050,505</b>	<b>840,505</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,198,102)</b>	<b>(2,186,602)</b>	<b>(3,794,310)</b>	<b>(1,607,708)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>6,052,525</b>	<b>6,052,525</b>	<b>6,052,525</b>	<b>-</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 4,854,423</b>	<b>\$ 3,865,923</b>	<b>\$ 2,258,215</b>	<b>\$ (1,607,708)</b>

See accompanying notes to the budgetary comparison schedules.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
BUDGETARY COMPARISON SCHEDULE  
SEWER RENTAL FUND  
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Sewer rentals, penalties and interest	\$ 8,430,139	\$ 8,430,139	\$ 7,731,569	\$ (698,570)
Investment earnings	500	500	164	(336)
Grants and entitlements	25,000	25,000	-	(25,000)
Joint projects other municipalities	1,967,779	1,967,779	1,159,873	(807,906)
<b>TOTAL REVENUES</b>	<u>10,423,418</u>	<u>10,423,418</u>	<u>8,891,606</u>	<u>(1,531,812)</u>
<b>EXPENDITURES</b>				
Sewer	8,939,416	7,950,916	7,713,733	237,183
<b>TOTAL EXPENDITURES</b>	<u>8,939,416</u>	<u>7,950,916</u>	<u>7,713,733</u>	<u>237,183</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>1,484,002</u>	<u>2,472,502</u>	<u>1,177,873</u>	<u>(1,294,629)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers out	<u>(1,490,000)</u>	<u>(1,490,000)</u>	<u>(1,433,553)</u>	<u>56,447</u>
<b>NET CHANGE IN FUND BALANCES</b>	(5,998)	982,502	(255,680)	(1,238,182)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>3,026,246</u>	<u>3,026,246</u>	<u>3,026,246</u>	<u>-</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 3,020,248</u>	<u>\$ 4,008,748</u>	<u>\$ 2,770,566</u>	<u>\$ (1,238,182)</u>

See accompanying notes to the budgetary comparison schedules.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION -  
BUDGETARY COMPARISON SCHEDULES  
YEAR ENDED DECEMBER 31, 2020**

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**NOTE 1 - BUDGETARY INFORMATION**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is adopted for the General Fund, Sewer Rental Fund, Highway Aid Fund, and Debt Service Fund.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

- ❖ During August, Township management prepares a Capital Plan that is submitted to Township Council 30 days prior to submission of the Operating Budget.
- ❖ During September, Township management prepare an Operating Budget that is submitted to Township Council on or about October 1st – 90 days prior to the start of the next fiscal year.
  - Along with submission of the Operating Budget, the Mayor presents a Budget Message.
  - At the Township Council meeting wherein the Mayor presents her Budget Message:
    - Township Council sets dates for two Budget Hearings (spaced one week apart).
    - Township Council determines to publish, in one or more newspapers, the time and place where the hearings will take place (and where copies of the Budget and the Budget Message are made available to the public). Publication must occur two weeks prior to the first Hearing date.
- ❖ Following the second Hearing, Township Council must meet and adopt the Budget. Budget adoption must occur in time for subsequent Tax Levying and Appropriations Ordinances to be adopted by year-end.

**NOTE 2 - REVENUE AND EXPENSE VARIANCES**

To the extent that there were expenditures in excess of budget, they were funded by the available fund balance in the General Fund.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS - POLICE PENSION PLAN  
LAST TEN FISCAL YEARS\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL PENSION LIABILITY			
Service cost	\$ 4,208,914	\$ 4,069,721	\$ 3,829,248
Interest	7,685,231	7,321,920	7,650,631
Changes for experience	3,248	(285,059)	(45,695)
Changes of assumptions	(258,094)	2,551,487	(5,763,975)
Benefit payments, including refunds of member contributions	<u>(6,824,575)</u>	<u>(5,936,319)</u>	<u>(5,388,607)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	4,814,724	7,721,750	281,602
Total pension liability, beginning	<u>109,415,478</u>	<u>101,693,728</u>	<u>101,412,126</u>
TOTAL PENSION LIABILITY, ENDING	<u>\$ 114,230,202</u>	<u>\$ 109,415,478</u>	<u>\$ 101,693,728</u>
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 4,518,637	\$ 4,975,380	\$ 5,726,733
Contributions - member	688,328	843,661	836,447
Net investment income	14,021,200	16,022,504	(4,747,288)
Benefit payments, including refunds of member contributions	<u>(6,824,575)</u>	<u>(5,936,319)</u>	<u>(5,388,607)</u>
Administrative expense	<u>(329,157)</u>	<u>(327,575)</u>	<u>(338,662)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	12,074,433	15,577,651	(3,911,377)
Plan net position, beginning	<u>90,611,003</u>	<u>75,033,352</u>	<u>78,944,729</u>
PLAN NET POSITION, ENDING	<u>\$ 102,685,436</u>	<u>\$ 90,611,003</u>	<u>\$ 75,033,352</u>
TOWNSHIP'S NET PENSION LIABILITY	<u>\$ 11,544,766</u>	<u>\$ 18,804,475</u>	<u>\$ 26,660,376</u>
PLAN NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>89.89%</u>	<u>82.81%</u>	<u>73.78%</u>
COVERED PAYROLL	<u>\$ 15,172,803</u>	<u>\$ 14,927,595</u>	<u>\$ 15,280,806</u>
TOWNSHIP'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>76.09%</u>	<u>125.97%</u>	<u>174.47%</u>

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

*See accompanying notes to the required supplementary information.*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	3,655,606	\$ 3,666,355	\$ 3,349,022	\$ 3,189,543
	7,212,605	6,951,797	6,367,532	5,987,854
	(2,733,364)	-	(4,040,837)	-
	249,081	-	8,907,859	-
	<u>(5,043,907)</u>	<u>(4,493,295)</u>	<u>(4,460,947)</u>	<u>(4,401,917)</u>
	3,340,021	6,124,857	10,122,629	4,775,480
	<u>98,072,105</u>	<u>91,947,248</u>	<u>81,824,619</u>	<u>77,049,139</u>
\$	<u>101,412,126</u>	<u>98,072,105</u>	<u>91,947,248</u>	<u>81,824,619</u>
\$	4,711,803	\$ 4,538,737	\$ 5,012,337	\$ 4,843,478
	754,436	859,918	777,447	743,812
	11,309,664	5,161,225	(437,319)	4,086,233
	(5,043,907)	(4,493,295)	(4,460,947)	(4,401,917)
	<u>(322,586)</u>	<u>(263,278)</u>	<u>(292,272)</u>	<u>(56,143)</u>
	11,409,410	5,803,307	599,246	5,215,463
	<u>67,535,319</u>	<u>61,732,012</u>	<u>61,132,766</u>	<u>55,917,303</u>
\$	<u>78,944,729</u>	<u>67,535,319</u>	<u>61,732,012</u>	<u>61,132,766</u>
\$	<u>22,467,397</u>	<u>30,536,786</u>	<u>30,215,236</u>	<u>20,691,853</u>
	<u>77.85%</u>	<u>68.86%</u>	<u>67.14%</u>	<u>74.71%</u>
\$	<u>14,474,564</u>	<u>14,304,153</u>	<u>13,841,548</u>	<u>12,930,104</u>
	<u>155.22%</u>	<u>213.48%</u>	<u>218.29%</u>	<u>160.03%</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION PLAN  
LAST TEN FISCAL YEARS\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 4,518,637	\$ 4,975,380	\$ 5,726,733
Contributions made	<u>4,518,637</u>	<u>4,975,380</u>	<u>5,726,733</u>
Contribution deficiency (excess)	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>
Covered payroll	\$ <u>15,172,803</u>	\$ <u>14,927,595</u>	\$ <u>15,280,806</u>
Contributions as a percentage of covered payroll	<u>29.78%</u>	<u>33.33%</u>	<u>37.48%</u>

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

*See accompanying notes to the required supplementary information.*

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<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 4,711,803	\$ 4,538,737	\$ 5,012,337	\$ 4,843,478
<u>4,711,803</u>	<u>4,538,737</u>	<u>5,012,337</u>	<u>4,843,478</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
\$ <u><u>14,474,564</u></u>	\$ <u><u>14,304,153</u></u>	\$ <u><u>13,841,548</u></u>	\$ <u><u>12,930,104</u></u>
<u><u>32.55%</u></u>	<u><u>31.73%</u></u>	<u><u>36.21%</u></u>	<u><u>37.46%</u></u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION PLAN  
LAST TEN FISCAL YEARS\*

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	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	<u>15.45%</u>	<u>21.39%</u>	<u>-6.44%</u>

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

*See accompanying notes to the required supplementary information.*

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<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>16.65%</u>	<u>8.12%</u>	<u>-1.07%</u>	<u>7.52%</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION -  
POLICE PENSION PLAN  
YEAR ENDED DECEMBER 31, 2020

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**NOTE 1 - CHANGES SINCE THE PRIOR VALUATION**

Changes since the prior valuation include the mortality improvement scale was changed from MP-2019 to MP-2020.

**NOTE 2 - ACTUARIAL ASSUMPTIONS**

Actuarially determined contribution rates are calculated based on the plan's most recent available Act 205 actuarial valuation report.

The net pension liability for the Plan in the most recent actuarial valuation was determined using the following actuarial assumptions:

Actuarial Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Remaining Amortization Period	11 Years
Asset Valuation Method	Adjusted Market Value

***Actuarial Assumptions:***

Investment Rate of Return	7.25% Per Annum
Salary Increases	3.50% Per Annum, Including Inflation
Inflation	2.50% Per Annum
Cost-of-Living Adjustment	3.00% Per Annum

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabled annuitants were based on Pub-2010 Safety Amount - Weighted Mortality Tables projected from 2010 with Mortality Improvement Scale MP-2020.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS - MUNICIPAL EMPLOYEES' PENSION PLAN  
LAST TEN FISCAL YEARS\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL PENSION LIABILITY			
Service cost	\$ 1,716,306	\$ 1,734,361	\$ 1,667,557
Interest	6,263,543	6,009,012	5,576,474
Changes for experience	-	1,473,838	(645,678)
Changes of assumptions	-	913,344	3,763,027
Benefit payments, including refunds of member contributions	<u>(4,575,531)</u>	<u>(4,096,266)</u>	<u>(3,771,312)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	3,404,318	6,034,289	6,590,068
Total pension liability, beginning	<u>84,044,009</u>	<u>78,009,720</u>	<u>71,419,652</u>
TOTAL PENSION LIABILITY, ENDING	<u>\$ 87,448,327</u>	<u>\$ 84,044,009</u>	<u>\$ 78,009,720</u>
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 1,015,252	\$ 13,458	\$ 73,041
Contributions - state aid	1,017,491	1,049,012	946,246
Contributions - member	739,882	776,067	761,528
Other income	-	-	-
Net investment income	7,636,934	11,502,809	(3,979,837)
Benefit payments, including refunds of member contributions	<u>(4,575,531)</u>	<u>(4,096,266)</u>	<u>(3,771,312)</u>
Administrative expense	<u>(54,715)</u>	<u>(64,437)</u>	<u>(68,967)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	5,779,313	9,180,643	(6,039,301)
Plan net position, beginning	<u>70,096,261</u>	<u>60,915,618</u>	<u>66,954,919</u>
PLAN NET POSITION, ENDING	<u>\$ 75,875,574</u>	<u>\$ 70,096,261</u>	<u>\$ 60,915,618</u>
TOWNSHIP'S NET PENSION LIABILITY	<u>\$ 11,572,753</u>	<u>\$ 13,947,748</u>	<u>\$ 17,094,102</u>
PLAN NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>86.77%</u>	<u>83.40%</u>	<u>78.09%</u>
COVERED PAYROLL	<u>\$ 13,157,501</u>	<u>\$ 12,621,104</u>	<u>\$ 12,141,067</u>
TOWNSHIP'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>87.96%</u>	<u>110.51%</u>	<u>140.80%</u>

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

*See accompanying notes to the required supplementary information.*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	1,436,443	\$ 1,531,882	\$ 1,364,058	\$ 1,328,842
	5,432,696	5,413,416	4,981,253	4,827,925
	(3,003,293)	(612,438)	(1,340,172)	(699,869)
	-	-	-	-
	<u>(3,770,947)</u>	<u>(3,446,427)</u>	<u>(3,181,427)</u>	<u>(3,704,597)</u>
	94,899	2,886,433	1,823,712	1,752,301
	<u>71,324,753</u>	<u>68,438,320</u>	<u>66,614,608</u>	<u>64,862,307</u>
\$	<u><u>71,419,652</u></u>	<u><u>71,324,753</u></u>	<u><u>68,438,320</u></u>	<u><u>66,614,608</u></u>
\$	21,989	\$ 36,831	\$ 138,850	\$ 141,615
	940,591	870,450	734,484	755,173
	728,513	766,948	691,270	653,919
	-	10,787	7,055	-
	9,035,734	2,380,341	110,645	4,486,461
	<u>(3,770,947)</u>	<u>(3,446,427)</u>	<u>(3,181,428)</u>	<u>(3,714,872)</u>
	<u>(60,639)</u>	<u>(68,786)</u>	<u>(87,785)</u>	<u>(43,500)</u>
	6,895,241	550,144	(1,586,909)	2,278,796
	<u>60,059,678</u>	<u>59,509,534</u>	<u>61,096,443</u>	<u>58,817,647</u>
\$	<u><u>66,954,919</u></u>	<u><u>60,059,678</u></u>	<u><u>59,509,534</u></u>	<u><u>61,096,443</u></u>
\$	<u><u>4,464,733</u></u>	<u><u>11,265,075</u></u>	<u><u>8,928,786</u></u>	<u><u>5,518,165</u></u>
	<u>93.75%</u>	<u>84.21%</u>	<u>86.95%</u>	<u>91.72%</u>
\$	<u><u>11,694,804</u></u>	<u><u>11,658,330</u></u>	<u><u>11,142,155</u></u>	<u><u>10,551,801</u></u>
	<u>38.18%</u>	<u>96.63%</u>	<u>80.14%</u>	<u>52.30%</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
SCHEDULE OF PENSION CONTRIBUTIONS  
MUNICIPAL EMPLOYEES' PENSION PLAN  
LAST TEN FISCAL YEARS\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 2,032,743	\$ 1,062,470	\$ 1,019,287
Contributions made	<u>2,032,743</u>	<u>1,062,470</u>	<u>1,019,287</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ <u>13,157,501</u>	\$ <u>12,621,104</u>	\$ <u>12,141,067</u>
Contributions as a percentage of covered payroll	<u>15.45%</u>	<u>8.42%</u>	<u>8.40%</u>

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

*See accompanying notes to the required supplementary information.*

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<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 962,580	\$ 907,281	\$ 873,334	\$ 896,788
<u>962,580</u>	<u>907,281</u>	<u>873,334</u>	<u>896,788</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
\$ <u><u>11,694,804</u></u>	\$ <u><u>11,658,330</u></u>	\$ <u><u>11,142,155</u></u>	\$ <u><u>10,551,801</u></u>
<u><u>8.23%</u></u>	<u><u>7.78%</u></u>	<u><u>7.84%</u></u>	<u><u>8.50%</u></u>

**TOWNSHIP OF UPPER DARBY,  
 DELAWARE COUNTY, PENNSYLVANIA**  
 SCHEDULE OF PENSION PLAN INVESTMENT RETURNS  
 MUNICIPAL EMPLOYEES' PENSION PLAN  
 LAST TEN FISCAL YEARS\*

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	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	<u>11.29%</u>	<u>19.17%</u>	<u>-5.70%</u>

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

*See accompanying notes to the required supplementary information.*

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<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>15.94%</u>	<u>4.63%</u>	<u>-0.71%</u>	<u>8.33%</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION -  
MUNICIPAL EMPLOYEES' PENSION PLAN  
YEAR ENDED DECEMBER 31, 2020

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**NOTE 1 - CHANGES SINCE THE PRIOR VALUATION**

No changes since the prior valuation.

**NOTE 2 - ACTUARIAL ASSUMPTIONS**

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

The net pension liability for the Plan in the most recent actuarial valuation was determined using the following actuarial assumptions:

Actuarial Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar
Remaining Amortization Period	20 Years
Asset Valuation Method	Market Value

***Actuarial Assumptions:***

Investment Rate of Return	7.50%, Including Inflation and Expenses
Salary Increases	3.50 - 4.75%, Including Inflation
Inflation	2.25%
Assumed Retirement Age	Age 62 with 25 Years' Service or Age 65

Salary increases were based on a service-related table. Mortality rates for active members and retirees were based on PUB-2010 Mortality Tables projected forward with MP Scale for Males and Females.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS - FIREFIGHTERS' PENSION PLAN  
LAST TEN FISCAL YEARS\*

	2020	2019	2018
TOTAL PENSION LIABILITY			
Service cost	\$ 935,559	\$ 960,129	\$ 910,894
Interest	3,105,447	2,701,881	2,663,029
Differences (expected vs. actual)	(563,856)	2,616,887	-
Changes for experience	-	-	(449,968)
Changes of assumptions	-	1,185,147	-
Benefit payments, including refunds of member contributions	(1,678,247)	(1,243,211)	(1,133,984)
NET CHANGE IN TOTAL PENSION LIABILITY	1,798,903	6,220,833	1,989,971
Total pension liability, beginning	45,910,180	39,689,347	37,699,376
TOTAL PENSION LIABILITY, ENDING	<u>\$ 47,709,083</u>	<u>\$ 45,910,180</u>	<u>\$ 39,689,347</u>
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 2,060,501	\$ 2,128,047	\$ 1,631,536
Contributions - member	389,125	436,575	416,389
Other income	-	-	3,585
Net investment income	5,681,224	5,607,695	(1,777,464)
Benefit payments, including refunds of member contributions	(1,678,247)	(1,243,211)	(1,133,984)
Administrative expense	(29,576)	(32,575)	(24,936)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	6,423,027	6,896,531	(884,874)
Plan net position, beginning	36,637,569	29,741,038	30,625,912
PLAN NET POSITION, ENDING	<u>\$ 43,060,596</u>	<u>\$ 36,637,569</u>	<u>\$ 29,741,038</u>
TOWNSHIP'S NET PENSION LIABILITY	<u>\$ 4,648,487</u>	<u>\$ 9,272,611</u>	<u>\$ 9,948,309</u>
PLAN NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>90.26%</u>	<u>79.80%</u>	<u>74.93%</u>
COVERED PAYROLL	<u>\$ 7,565,378</u>	<u>\$ 7,226,128</u>	<u>\$ 6,854,800</u>
TOWNSHIP'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>61.44%</u>	<u>128.32%</u>	<u>145.13%</u>

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

*See accompanying notes to the required supplementary information.*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	930,306	\$ 848,744	\$ 832,869	\$ 880,824
	2,432,481	2,379,778	2,258,285	2,036,876
	-	-	-	-
	119,120	(309,056)	(551,095)	(529)
	970,160	-	-	-
	<u>(1,144,224)</u>	<u>(1,007,436)</u>	<u>(752,903)</u>	<u>(697,458)</u>
	3,307,843	1,912,030	1,787,156	2,219,713
	<u>34,391,533</u>	<u>32,479,503</u>	<u>30,692,347</u>	<u>28,472,634</u>
\$	<u><u>37,699,376</u></u>	<u><u>34,391,533</u></u>	<u><u>32,479,503</u></u>	<u><u>30,692,347</u></u>
\$	1,586,677	\$ 1,515,976	\$ 1,125,538	\$ 1,069,622
	365,555	394,308	367,743	357,305
	191,293	-	-	-
	3,767,421	1,750,732	(271,486)	1,163,102
	<u>(1,144,224)</u>	<u>(1,007,436)</u>	<u>(752,903)</u>	<u>(697,458)</u>
	<u>(28,185)</u>	<u>(31,094)</u>	<u>(32,046)</u>	<u>(33,907)</u>
	4,738,537	2,622,486	436,846	1,858,664
	<u>25,887,375</u>	<u>23,264,889</u>	<u>22,828,043</u>	<u>20,969,379</u>
\$	<u><u>30,625,912</u></u>	<u><u>25,887,375</u></u>	<u><u>23,264,889</u></u>	<u><u>22,828,043</u></u>
\$	<u><u>7,073,464</u></u>	<u><u>8,504,158</u></u>	<u><u>9,214,614</u></u>	<u><u>7,864,304</u></u>
	<u>81.24%</u>	<u>75.27%</u>	<u>71.63%</u>	<u>74.38%</u>
\$	<u><u>6,149,717</u></u>	<u><u>6,434,030</u></u>	<u><u>6,142,272</u></u>	<u><u>5,863,744</u></u>
	<u>115.02%</u>	<u>132.17%</u>	<u>150.02%</u>	<u>134.12%</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
SCHEDULE OF PENSION CONTRIBUTIONS  
FIREFIGHTERS' PENSION PLAN  
LAST TEN FISCAL YEARS\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 2,060,501	\$ 2,128,047	\$ 1,631,536
Contributions made	<u>2,060,501</u>	<u>2,128,047</u>	<u>1,631,536</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ <u>7,565,378</u>	\$ <u>7,226,128</u>	\$ <u>6,854,800</u>
Contributions as a percentage of covered payroll	<u>27.24%</u>	<u>29.45%</u>	<u>23.80%</u>

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

*See accompanying notes to the required supplementary information.*

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<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,586,677	\$ 1,305,775	\$ 1,125,538	\$ 1,069,622
<u>1,586,677</u>	<u>1,305,775</u>	<u>1,125,538</u>	<u>1,069,622</u>
\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>
\$ <u>6,149,717</u>	\$ <u>6,434,030</u>	\$ <u>6,142,272</u>	\$ <u>5,863,744</u>
<u>25.80%</u>	<u>20.29%</u>	<u>18.32%</u>	<u>18.24%</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
SCHEDULE OF PENSION PLAN INVESTMENT RETURNS  
FIREFIGHTERS' PENSION PLAN  
LAST TEN FISCAL YEARS\*

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	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	<u>13.60%</u>	<u>18.30%</u>	<u>-5.30%</u>

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

*See accompanying notes to the required supplementary information.*

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<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>15.10%</u>	<u>7.56%</u>	<u>-1.19%</u>	<u>5.57%</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION -  
FIREFIGHTERS' PENSION PLAN  
YEAR ENDED DECEMBER 31, 2020

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**NOTE 1 - CHANGES SINCE THE PRIOR VALUATION**

Changes since the prior valuation include a decrease in the amortization period from 9 to 8 years.

**NOTE 2 - ACTUARIAL ASSUMPTIONS**

The net pension liability for the Plan in the most recent actuarial valuation was determined using the following actuarial assumptions:

Actuarial Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Remaining Amortization Period	8 Years
Asset Valuation Method	Market Value

***Actuarial Assumptions:***

Investment Rate of Return	6.75%
Salary Increases	4.75%, Average, Including Inflation
Inflation	3%
Retirement Age	Age 60 and 10 Years of Service

Salary increases were based on a service-related table. Mortality rates for active members and retirees were based on RP-2000 Mortality Table (Blue Collar) projected with Scale AA.

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
SCHEDULE OF CHANGES IN THE TOWNSHIP'S TOTAL  
OPEB LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 12,557,473	\$ 12,784,036	\$ 16,640,334	\$ 13,637,039
Interest	9,571,710	9,886,919	9,675,368	9,647,103
Changes for experience	-	(42,512,515)	-	-
Changes of assumptions	-	7,341,705	(27,406,607)	28,649,469
Benefit payments, including refunds of member contributions	<u>(6,476,217)</u>	<u>(5,816,645)</u>	<u>(5,104,639)</u>	<u>(5,518,827)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	15,652,966	(18,316,500)	(6,195,544)	46,414,784
Total OPEB liability, beginning	<u>285,194,814</u>	<u>303,511,314</u>	<u>309,706,858</u>	<u>263,292,074</u>
TOTAL OPEB LIABILITY, ENDING	<u>\$ 300,847,780</u>	<u>\$ 285,194,814</u>	<u>\$ 303,511,314</u>	<u>\$ 309,706,858</u>
COVERED PAYROLL	<u>\$ 32,141,437</u>	<u>\$ 30,683,950</u>	<u>\$ 29,388,021</u>	<u>\$ 28,055,390</u>
TOWNSHIP'S TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>936.01%</u>	<u>929.46%</u>	<u>1032.77%</u>	<u>1103.91%</u>

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

*See accompanying notes to the required supplementary information.*

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION -  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
YEAR ENDED DECEMBER 31, 2020**

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**NOTE 1 - CHANGES SINCE THE PRIOR VALUATION**

No changes since the prior valuation.

**NOTE 2 - ACTUARIAL ASSUMPTIONS**

The actuarially determined contribution is calculated in accordance with the Township's funding and investment policy.

The net OPEB liability for the Plan in the most recent actuarial valuation was determined using the following actuarial assumptions:

Actuarial Valuation Date	January 1, 2019
Actuarial Cost Method	Individual Entry Age Normal as a Level Percentage of Payroll

***Actuarial Assumptions:***

Discount Rate	3.25%
Inflation	2.50%
Healthcare Cost Trend Rate	7.00% in Year 1, Decreasing to an Ultimate Trend Rate of 4.50% in Year 12.
Salary Scale	<i>Uniformed and Firefighters:</i> Service Based <i>Non-Uniformed:</i> 3.50%
Mortality	<i>Uniformed and Firefighters:</i> Pub-2010 Public Safety Headcount-Weighted Mortality Tables (Employee, Retiree, and Disabled Tables as Applicable), with Generational Projection Using Scale MP-2019. <i>Non-Uniformed:</i> Pub-2010 General Employee Headcount-Weighted Mortality Tables (Employee, Retiree, and Disabled Tables as Applicable), with Generational Projection Using Scale MP-2019.

## **SUPPLEMENTARY INFORMATION**

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**

COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

	<u>Highway Aid Fund</u>	<u>Sewer Rental Capital Fund</u>	<u>Community Grants</u>
<b>ASSETS</b>			
Cash, cash equivalents	\$ 1,744,206	\$ 100,188	\$ -
Receivables			
Intergovernmental	-	-	373,397
Due from other funds	1,721	-	-
Due from other governments	-	26,667	-
	<u>1,745,927</u>	<u>126,855</u>	<u>373,397</u>
<b>TOTAL ASSETS</b>			
	<u>\$ 1,745,927</u>	<u>\$ 126,855</u>	<u>\$ 373,397</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 19,806	\$ -
Accrued payroll and related costs	17,666	-	-
Due to other funds	133,623	-	666,281
	<u>151,289</u>	<u>19,806</u>	<u>666,281</u>
<b>TOTAL LIABILITIES</b>			
	<u>151,289</u>	<u>19,806</u>	<u>666,281</u>
<b>FUND BALANCES</b>			
Restricted	1,594,638	-	-
Assigned	-	107,049	-
Unassigned	-	-	(292,884)
	<u>1,594,638</u>	<u>107,049</u>	<u>(292,884)</u>
<b>TOTAL FUND BALANCES</b>			
	<u>1,594,638</u>	<u>107,049</u>	<u>(292,884)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
	<u>\$ 1,745,927</u>	<u>\$ 126,855</u>	<u>\$ 373,397</u>

See accompanying notes to the basic financial statements.

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<u>Upper Darby Football Bowl</u>	<u>Total Nonmajor Funds</u>
\$ 3,056	\$ 1,847,450
-	373,397
-	1,721
-	<u>26,667</u>
\$ <u>3,056</u>	\$ <u>2,249,235</u>
\$ -	\$ 19,806
-	17,666
-	799,904
-	<u>837,376</u>
-	1,594,638
3,056	110,105
-	(292,884)
<u>3,056</u>	<u>1,411,859</u>
\$ <u>3,056</u>	\$ <u>2,249,235</u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2020

	<u>Highway Aid Fund</u>	<u>Sewer Rental Capital Fund</u>	<u>Community Grants</u>
<b>REVENUES</b>			
Intergovernmental	\$ 2,697,669	\$ -	\$ 14,201
Investment earnings	1,865	785	-
Other	-	23,237	-
TOTAL REVENUES	<u>2,699,534</u>	<u>24,022</u>	<u>14,201</u>
<b>EXPENDITURES</b>			
Public Safety	-	-	174,596
Sewer	-	114,236	-
Highways and streets	1,570,328	-	-
Community and economic development	-	-	7,475
TOTAL EXPENDITURES	<u>1,570,328</u>	<u>114,236</u>	<u>182,071</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,129,206</u>	<u>(90,214)</u>	<u>(167,870)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(683,064)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	446,142	(90,214)	(167,870)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,148,496</u>	<u>197,263</u>	<u>(125,014)</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,594,638</u>	<u>\$ 107,049</u>	<u>\$ (292,884)</u>

See accompanying notes to the basic financial statements.

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<u>Upper Darby Football Bowl</u>	<u>Total Nonmajor Funds</u>
\$ -	\$ 2,711,870
-	2,650
-	<u>23,237</u>
<u>-</u>	<u>2,737,757</u>
-	174,596
-	114,236
-	1,570,328
-	<u>7,475</u>
<u>-</u>	<u>1,866,635</u>
-	871,122
-	<u>(683,064)</u>
-	188,058
<u>3,056</u>	<u>1,223,801</u>
\$ <u><u>3,056</u></u>	\$ <u><u>1,411,859</u></u>

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
COMBINING STATEMENT OF NET POSITION -  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2020

	Pension Trust Funds			
	Police Pension Fund	Municipal Employees' Pension Fund	Firefighters' Pension Plan	Total Pension Trust Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,312,717	\$ 3,269,950	\$ 2,073,631	\$ 7,656,298
Investments (at market value)	100,466,651	72,413,660	40,986,965	213,867,276
Interest receivable	-	110,440	-	110,440
Prepaid expenses	-	2,817	-	2,817
Contribution receivable	-	107,091	-	107,091
<b>TOTAL ASSETS</b>	<b>102,779,368</b>	<b>75,903,958</b>	<b>43,060,596</b>	<b>221,743,922</b>
<b>LIABILITIES</b>				
Accounts payable	93,932	28,384	-	122,316
<b>NET POSITION</b>				
Restricted for pensions	\$ 102,685,436	\$ 75,875,574	\$ 43,060,596	\$ 221,621,606

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
COMBINING STATEMENT OF CHANGES IN NET POSITION -  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2020

	Police Pension Fund	Municipal Employees' Pension Fund	Firefighters' Pension Plan	Total Pension Trust Funds
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 4,518,637	\$ 2,032,743	\$ 2,060,501	\$ 8,611,881
Employee	688,328	739,882	389,124	1,817,334
TOTAL CONTRIBUTIONS	<u>5,206,965</u>	<u>2,772,625</u>	<u>2,449,625</u>	<u>10,429,215</u>
Investment earnings (loss)				
Net change in fair value of investments	12,163,630	6,436,008	4,857,395	23,457,033
Investment earnings	1,857,570	1,534,168	939,573	4,331,311
TOTAL INVESTMENT INCOME	<u>14,021,200</u>	<u>7,970,176</u>	<u>5,796,968</u>	<u>27,788,344</u>
Less investment expense	-	(333,242)	(115,744)	(448,986)
NET INVESTMENT EARNINGS	<u>14,021,200</u>	<u>7,636,934</u>	<u>5,681,224</u>	<u>27,339,358</u>
TOTAL ADDITIONS	<u>19,228,165</u>	<u>10,409,559</u>	<u>8,130,849</u>	<u>37,768,573</u>
<b>DEDUCTIONS</b>				
Benefit payments	6,824,575	4,575,531	1,678,247	13,078,353
Administrative expenses	329,157	54,715	29,575	413,447
TOTAL DEDUCTIONS	<u>7,153,732</u>	<u>4,630,246</u>	<u>1,707,822</u>	<u>13,491,800</u>
CHANGE IN NET POSITION	12,074,433	5,779,313	6,423,027	24,276,773
NET POSITION - BEGINNING	<u>90,611,003</u>	<u>70,096,261</u>	<u>36,637,569</u>	<u>197,344,833</u>
NET POSITION - ENDING	<u>\$ 102,685,436</u>	<u>\$ 75,875,574</u>	<u>\$ 43,060,596</u>	<u>\$ 221,621,606</u>

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ -	\$ -	\$ 2,509,380	\$ 2,509,380
EXPENDITURES				
Principal	2,006,000	2,006,000	2,059,000	(53,000)
Interest	1,003,041	1,003,041	602,076	400,965
TOTAL EXPENDITURES	<u>3,009,041</u>	<u>3,009,041</u>	<u>2,661,076</u>	<u>347,965</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(3,009,041)</u>	<u>(3,009,041)</u>	<u>(151,696)</u>	<u>2,161,415</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	151,696	-
NET CHANGE IN FUND BALANCES	(3,009,041)	(3,009,041)	-	2,161,415
FUND BALANCES AT BEGINNING OF YEAR	<u>907,697</u>	<u>907,697</u>	<u>907,697</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ (2,101,344)</u>	<u>\$ (2,101,344)</u>	<u>\$ 907,697</u>	<u>\$ 2,161,415</u>

*See accompanying notes to the budgetary comparison schedules.*

**TOWNSHIP OF UPPER DARBY,  
DELAWARE COUNTY, PENNSYLVANIA**  
BUDGETARY COMPARISON SCHEDULE  
HIGHWAY AID FUND  
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 500	\$ 500	\$ 1,865	\$ 1,365
Grants and entitlements	2,195,320	2,195,320	2,697,669	502,349
TOTAL REVENUES	<u>2,195,820</u>	<u>2,195,820</u>	<u>2,699,534</u>	<u>503,714</u>
EXPENDITURES				
Highway and streets	2,195,820	2,195,820	1,570,328	625,492
TOTAL EXPENDITURES	<u>2,195,820</u>	<u>2,195,820</u>	<u>1,570,328</u>	<u>625,492</u>
NET CHANGE IN FUND BALANCES	-	-	446,142	446,142
FUND BALANCES AT BEGINNING OF YEAR	<u>1,148,496</u>	<u>1,148,496</u>	<u>1,148,496</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,148,496</u>	<u>\$ 1,148,496</u>	<u>\$ 1,594,638</u>	<u>\$ 446,142</u>

*See accompanying notes to the budgetary comparison schedules.*

**TOWNSHIP OF UPPER DARBY,  
 DELAWARE COUNTY, PENNSYLVANIA**  
 TEN YEAR SUMMARY OF REAL ESTATE TAXES  
 YEAR ENDED DECEMBER 31, 2020

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<u>YEAR</u>	<u>TAX RATE IN MILS</u>	<u>NET ASSESSED VALUATION</u>	<u>TAX LEVY</u>	<u>COLLECTIONS</u>	<u>PERCENTAGE OF CURRENT COLLECTIONS TO TAX LEVY</u>
2011	15.94	\$ 2,686,345,670	\$ 42,814,279	\$ 41,178,742	96.180%
2012	16.79	2,679,747,596	44,992,932	43,217,570	96.054%
2013	17.94	2,677,717,414	48,004,974	45,843,640	95.498%
2014	18.93	2,949,305,129	50,744,893	48,722,196	96.014%
2015	19.92	2,668,812,865	53,160,876	51,019,657	95.972%
2016	19.92	2,665,901,853	53,103,533	51,004,023	96.046%
2017	20.37	2,696,079,061	54,742,907	52,372,124	95.669%
2018	20.95	2,682,070,560	56,189,378	52,788,167	93.947%
2019	20.95	2,702,176,667	56,610,601	54,861,411	96.910%
2020	21.38	2,644,946,050	56,548,947	55,868,990	98.798%