

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020



UPPER ALLEN TOWNSHIP
CUMBERLAND COUNTY PENNSYLVANIA

UPPER ALLEN TOWNSHIP, PENNSYLVANIA

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2020

BOARD OF COMMISSIONERS

Kenneth M. Martin, PhD, President

Richard A. Castranio, Jr., Vice President

Virginia M. Anderson

James G. Cochran

Jeffrey M. Walter

TREASURER

Dennis Zerbe

PREPARED BY:

Louis Fazekas
Township Manager

Scott W. Fraser
Asst. Township Manager
(Township Manager January 1, 2021)

Laurel I. Yohe
Accounting manager

SPECIAL ACKNOWLEDGEMENTS

MaherDuessel
Auditor

Finance Department
Upper Allen Township

UPPER ALLEN TOWNSHIP, PENNSYLVANIA
ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED DECEMBER 31, 2020

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INTRODUCTORY SECTION

COMMISSIONERS of UPPER ALLEN TOWNSHIP
CUMBERLAND COUNTY
100 GETTYSBURG PIKE
MECHANICSBURG, PA 17055-5698

BOARD OF COMMISSIONERS:
KENNETH M. MARTIN, President
RICHARD A. CASTRANIO, JR., Vice President
GINNIE M. ANDERSON, Assistant Secretary
JAMES G. COCHRAN, Assistant Secretary
JEFFREY M. WALTER, Assistant Secretary

TOWNSHIP MANAGER:
Scott W. Fraser

TELEPHONE: (717) 766-0756
FAX: (717) 796-9833
WEB PAGE: www.uatwp.org

August 26, 2021

To the Citizens and Board of Commissioners of the Township of Upper Allen, Pennsylvania:

The Annual Financial Report (AFR) of the Upper Allen Township (Township), Cumberland County, Pennsylvania, for the year ending December 31, 2020 is submitted herewith. This report is prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

The financial statements herein were prepared by Township management, which is responsible for both the accuracy of the data presentation and the completeness and fairness of this report taken as a whole. To provide a reasonable basis for making these representations, management of the Township has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Township's financial statements in conformity with GAAP. Because internal controls should not outweigh their benefits, the Township's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free of material misstatement. The data presented, we believe, is accurate in all material aspects; all disclosures necessary to enable the reader to acquire the maximum understanding of the Township's financial activity have been provided.

The Township's financial statements have been audited by Maher Duessel, CPA's, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Township are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Township's financial statements for the year ended December 31, 2020 are fairly presented, in all material respects, in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in

conjunction with it. The Township's MD&A can be found immediately following the report of the independent auditor.

Reporting Entity and Services Offered

The report includes all the funds under the auspices of the Township Board of Commissioners. Other agencies containing the name Upper Allen in the agency title are financially and legally independent entities and are not included in this report. The agency not meeting the criteria for inclusion in the Township's report is the Upper Allen Fire Department.

The Upper Allen Township Authority is an operating authority for the Township's stormwater systems and is included in the Township's financial statements as a blended component unit.

The Township provides a full range of municipal services. The public safety program includes police, building inspection, planning, zoning, community development, and sewer service. Highway programs include street sweeping, snow removal, traffic signalization and street markings, storm sewer maintenance, and essential highway construction and maintenance. Independent contractors provide refuse, recycling, and streetlight services through the Township. The Township owns and maintains numerous community and neighborhood parks and nature areas.

Additional services provided to the Township through outside contracts include an active recreation program provided by Mechanicsburg Area Parks and Recreation; Cumberland County planning, land development and zoning review services; certain tax collection services provided by the Cumberland County Tax Collection Bureau; and the benefits of membership in the Capital Region Council of Governments.

Summary of the Local Economy

The Township is located within the Harrisburg metropolitan statistical area. The area is noted as a government, transportation, medical services, finance, and tourist center. It is surrounded by some of the nation's most productive farmland.

Currently, the predominant Township land use is residential, giving the Township a suburban atmosphere. Of all land suitable for development, 45.98% is in residential use. Of the dwellings themselves, approximately 35.51% are single-family detached structures and 10.47% are multi-family structures, resulting in 7,635 households estimated by 2019. Most building activity has taken place since 1964. The balance of the Township's land use is as follows: Commercial is 5.03%; Industrial is 3.74%; Recreation is 2.53%; Public/Semi-Public is 8.76%; Transportation is 8.55%; Agricultural is 19.36%; and Vacant is 6.06%. The majority of the Township has been developed (93.94%). This percentage includes Agricultural.

The Township has experienced a steady increase in population since 1950. The estimated population for 2019 of 20,384 was given by the American Fact Finder through the U.S. Census.

Housing Growth Trends: 2020

A total of 347 building permits were issued for 2020. The year ended with 145 new single-family residential permits issued, which is an increase of 7.8 % over the prior year. According to the statistics from the Cumberland County Planning Commission, the Township was listed second for new residential permits for Cumberland County for the last two years.

Employment

The following is a list of the top five employers within the Township:

Messiah College	Education
Thredup Inc.	Commercial
Delta Dental of PA	Commercial
Messiah Village	Retirement Village
Allen Distribution	Warehousing

Source: Cumberland County Tax Bureau

Traditionally the Harrisburg area, due to a high percentage of employees in non-cyclical industries, does not show a big fluctuation in unemployment rates. The unemployment rate for the Harrisburg area in December 2020 was 5.6%. This is a 2.4% increase from the previous December, due to the Covid-19 pandemic. Cumberland County had the sixth lowest unemployment rate among the 67 counties in Pennsylvania. At year-end, the unemployment rate in the Township was 4.5%, 4.5% for Cumberland County, 5.6% for the four-county Harrisburg area, 7.1% for Pennsylvania, and 6.7% for the nation.

Source: Bureau of Labor Statistics

Major Initiatives

The Township's biggest challenges include the following:

- Funding for EPA mandated stormwater infrastructure improvements
- Limited commercial growth
- Pension and health care costs for the employees

General Fund revenue exceeded budget projections by \$20,097 and expenditures came in over budget by \$654,167 due to a purchase of the property located at 1215 McCormick Road.

As a direct result of proper fiscal planning and oversight, residents continue to enjoy the delivery of first-class services at the lowest possible cost. The Township has earned an **AA rating** by Standard and Poor's.

The safety of our Township residents is of utmost importance to the Township staff. The **Upper Allen Police Department** (Police Department) was formed on July 1, 1966. On June 16, 2016, the Police Department celebrated 50 years of continuous service to the Township. The department has fully accredited status with the Pennsylvania Law Enforcement Accreditation Commission. Currently, the Township's 23 sworn officers proudly provide professional police services, 24/7, to over 20,000 people that call the Township home. The Police Department strives to build stronger community bonds with the people in the community it serves.

According to Alarms.org, Upper Allen Township is ranked the 9th safest community in Pennsylvania. The crime rate of 3.73 per 1,000 residents and violent crime rate is 0.35 per 1,000. The number of law enforcement officers per 1,000 residents is 1.19.

The **Upper Allen Fire Department** (Fire Department) was formed in 1949 and is a highly-trained, all-volunteer Fire Department that responds to emergencies 24/7. For the year 2020, the Fire Department responded to 470 calls. The Fire Department's mission is to teach the community about proper fire safety practices and identify and eliminate all types of hazards. They are available to provide a variety of materials to assist citizens in preventing and dealing with fire and fire-related situations.



The Township secured a \$2.7 million General Obligation Bond to upgrade the existing fire station from one to two stories. Construction was started in August 2018 and completed in the spring of 2020. Renovations include updated instructional rooms, separate bunk rooms for male and female personnel, a larger kitchen, and a state of the art computer and phone systems.

Newly renovated Fire Station for Company 23
November 2019



The Fire Department has several events throughout the year that have a positive impact on the community of Upper Allen Township. Chicken Bar-B-Ques are always tasty. The Golf Tournament and the Annual Food Drive were both cancelled due to Covid-19. All of these activities require a group of very dedicated individuals (35 firefighters plus 20+ staffers) to work together for excellent fire protection.

Through the **Upper Allen Community Development Department**, the Township is among a select group of high performing municipalities to become certified through the Sustainable Pennsylvania Community Certification program. The Certification program is intended to bring recognition to municipalities that are applying the policy and practice of sustainability as their way of operating in order to advance community prosperity. It also serves as a mechanism for sharing best practices for creating a more sustainable Pennsylvania. In earning the Gold certification, the Township met the program's rigorous performance criteria which track 131 policies and practices that define a sustainable community. The Township is proud to be recognized as a Gold Certified Community through the Sustainable Pennsylvania Community Certification program. The Township has a long history of commitment to saving taxpayer dollars, using resources efficiently, and applying best practices in municipal government and community development. We are pleased to be recognized and be part of the regional community of good government.



The **Public Works Department** maintains approximately 79 miles of municipal roads. A 15-year Roadway Management Plan was developed to resurface all Township roads; 2015 was the first year in the schedule of rehabilitating municipal roads. Residents enjoyed having curbside brush pickup service one time during 2020. That service is second to none in the County.

With the Township's population being over 20,000, the **Parks Department** is committed to provide safe and fun park areas throughout the Township. The Winding Hills park offers soccer and baseball fields, walking paths, basketball courts, and a concession stand. A central hub, featuring an inclusive youth playground and tot lot, a central plaza with plenty of seating, and misting stations was added. This park is in response to the increase in population in Upper Allen Township and the growing need for safe and clean recreational space.

Mt. Allen Park's new fenced-in playground (pictured below) has play equipment that provides a more sensory experience for children. A new parking area also eliminates the need to park on neighborhood streets.



In 2020, playgrounds were installed at Spring Run and Miller's Crest Parks.



The Sewer Department had three major projects for the year 2020. First, Legacy Park/Allendale Interceptor is a sewer extension and replacement consisting of a three-year, five-phase project that will replace the Market Street pumping station and force main with a new gravity sewer at a cost estimated at \$1.6 million. Second, Canterbury Estates Trunk Sewer replaced an 8-inch pipe with a 12-inch pipe allowing for more development in the future. Also, the work completed on the adjacent swale increases the ability to handle stormwater runoff. Cost was \$276,956. Third, The Grantham Wastewater Treatment Plant Miscellaneous Improvements project will allow separation of grit, grease and water transported to the plant by a Vactor truck which is used to clean sanitary sewer lines, thus avoiding the current labor-intensive process of separating these materials. In

addition, a garage door was added to the existing Control Building, and existing concrete structures at the plant were repaired and coated with a cementitious material to prolong the life of these structures. Cost is \$123,000.

Accounting Systems, Budgetary Control, and Policies

The Township has a Commissioner-Manager form of government with five Commissioners comprising the governing body. The Commissioners are elected at-large for staggered four-year terms. The Township Manager is appointed by and serves the Board of Commissioners. The Board of Commissioners annually adopts a balanced budget and establishes a tax rate for the support of the Township programs. The Township Manager has the responsibility of administering these programs in accordance with policies and the annual budget adopted by the Board of Commissioners. The budgets are adopted for each department and are an integral part of the accounting systems, providing management control over expenditures in the General Fund, other Governmental funds, and Sewer Fund.

Commitments that would result in an over-expenditure of budget by more than 30% for each fund are not approved for release until additional appropriations are made available. The Board of Commissioners must formally approve these appropriations. The Township maintains all of its financial management through a computer system that contains the following modules: general ledger, accounts payable, accounts receivable, payroll, capital assets, permit-n-force, utility billing, and cash receipts. The Township also uses personal computers with spreadsheet software to perform financial analysis.

All accounting systems are designed to enhance internal accounting controls. The controls are in place to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss of unauthorized use or disposition, and the reliability of the financial data used in preparing financial statements. The relationship of the internal controls to basic management responsibilities emphasizes the interconnection of the accounting system with all other management control systems. The Township's staff believes that these internal accounting controls adequately safeguard Township assets and provide reasonable assurance of proper recording of financial transactions.

The Township's budget policy calls for elected officials to provide direction on goals, service levels, fund balance levels, and service effort and accomplishment measurements. To fund these service levels, the citizens, elected officials, and staff work together to determine the best ways conceivable. Each department has flexibility during the year to move amounts among their line items so that the unexpected can be managed and opportunities taken. Strict controls are in place, however, to assure that the departments do not exceed their total budget without prior approval. The goal of this policy is to incorporate team management and to provide the best uses of scarce resources.

The General Fund and Special Revenue Funds strive to maintain an unassigned fund balance approximate to three months of operating expenditures of said budget(s). The Capital Reserve Fund strives to maintain an unassigned fund balance of \$1,000,000. If there are any excess funds in the General Fund, these may be utilized for the Capital Reserve Fund.

In 2004, a Capital Assets Policy was adopted to set a policy on the capitalization and depreciation of a range of assets used in Township operations. Capital assets are real or Township property that have a value equal to or greater than \$5,000 and have an estimated life of greater than one year. Capital assets may be acquired through purchase, construction, or donation. The straight-line method of depreciation shall be used to depreciate capital assets, except land, over their estimated useful lives as defined by the Governmental Accounting and Financial Reporting Standards. When capital assets are sold or otherwise disposed of according to state law, the inventory of capital assets should be relieved of the cost of the asset and the associated accumulated depreciation.


Independent Review


Included in the financial section is the independent auditor's opinion, which is a significant part of the Annual Financial Report. In this report, the firm of Maher Duessel, CPA's expresses its opinion that the financial statements are materially correct in accordance with accounting principles generally accepted in the United States of America. The opinion is full scope and unmodified, which is the most desirable audit opinion obtainable.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement Program requirements, and it will be submitted to the Government Finance Officers Association (GFOA).

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department, and we wish to express our appreciation to all members of the Department. We would also like to thank the Township Commissioners for their interest and support in planning and conducting the financial operations of the Township in a responsible and progressive manner.

Respectfully submitted,



Scott W. Fraser, Township Manager

Laurel I. Yohe, Accounting Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Upper Allen Township
Pennsylvania**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

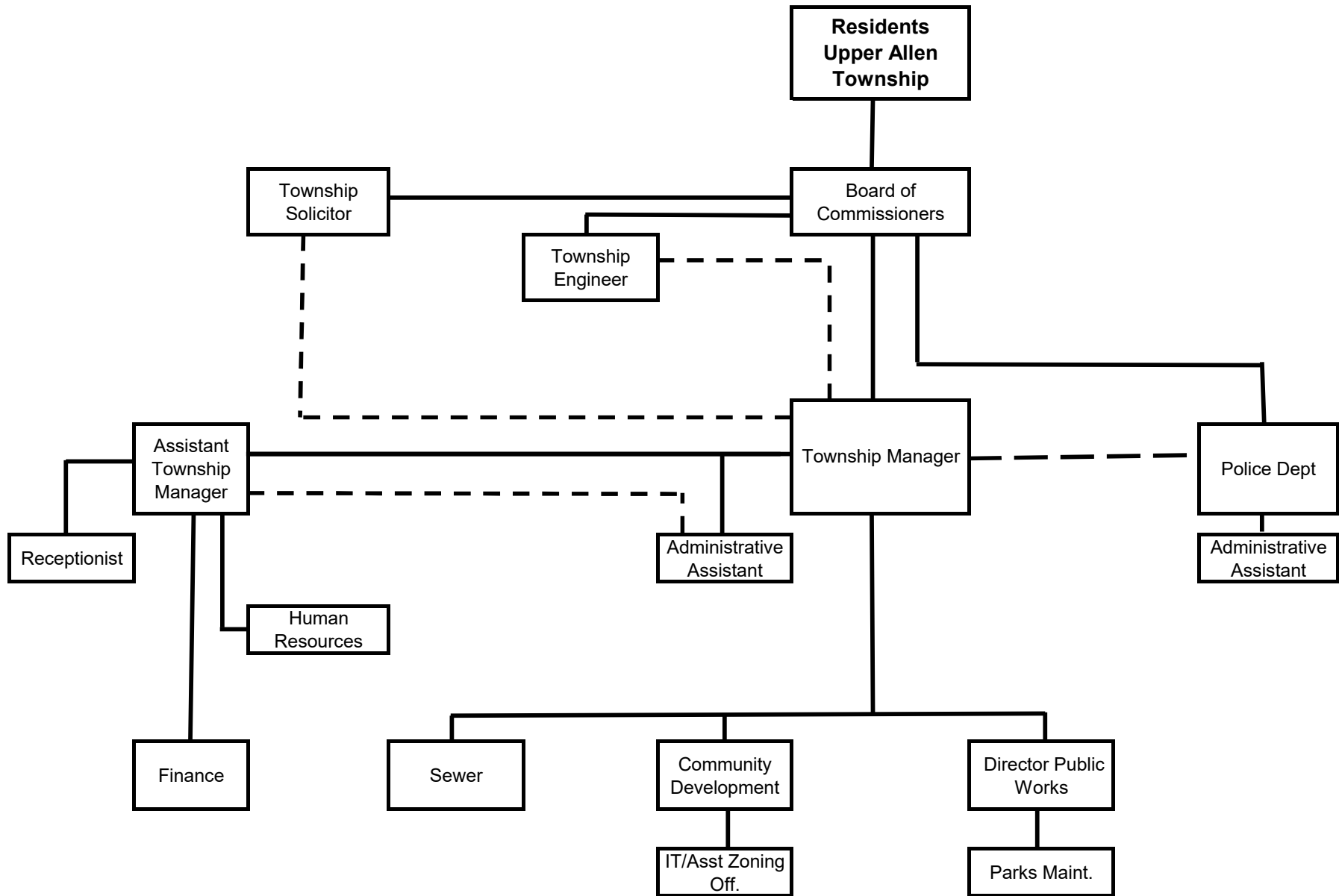
December 31, 2019

Christopher P. Morill

Executive Director/CEO

UPPER ALLEN TOWNSHIP

Organization Chart



Upper Allen Township, Pennsylvania

List of Principal Officials

Elected Officials

Commissioner-President	Kenneth M. Martin, PhD
Commissioner-Vice President	Richard A. Castranio, Jr.
Commissioner	Virginia M. Anderson
Commissioner	James G. Cochran
Commissioner	Jeffrey M. Walter
Treasurer	Dennis Zerbe

Appointed Officials

Manager	Louis Fazekas
Assistant Township Manager	Scott Fraser
Auditor	Maher Duessel, CPA's
Engineers:	C. S. Davidson, Inc.
	GHD Engineering Services, Inc.
	Traffic Planning and Design, Inc.
Solicitors:	J. Stephen Feinour
	Nauman Smith Shissler & Hall, LLP
	Robert C. Saidis,
	Saidis, Sullivan & Rogers, PC

Department Directors

Administrative Services:	
Accounting Manager	Laurel I. Yohe
Human Resources	Sharon L. Luker
Community Development:	
Director/Planner/Zoning	Jennifer M. Boyer
Public Safety:	
Police Chief	Andrew Parsons
Public Works:	
Director	Corey Stazewski
Assistant Director/Parks Director	Chad Krebs
Sewer:	
Manager	Barry A. Cupp
Assistant Sewer Manager	Kodi Hockenberry

FINANCIAL SECTION

Independent Auditor's Report

Honorable Board of Commissioners Upper Allen Township

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Upper Allen Township (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

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and historical pension plan and other post-employment benefit plan information on pages MDA-1 through MDA-8 and 69 through 76, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Maher Duessel

Harrisburg, Pennsylvania
August 26, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Upper Allen Township’s (Township) annual financial report presents a narrative overview and analysis of the Township’s financial performance for the year ended December 31, 2020. Please read this discussion and analysis in conjunction with the preceding auditor’s report and the accompanying financial statements and notes that follow in order to obtain a thorough understanding of the Township’s financial condition as of December 31, 2020.

FINANCIAL HIGHLIGHTS

- The Township’s “total net position of governmental activities” were \$39,695,866 as of December 31, 2020, an increase of \$2,164,412.
- The Township’s “total net position of business-type activities” were \$30,313,224 as of December 31, 2020, an increase of \$2,103,225.
- The Township’s general purpose property tax millage for fiscal year 2020 had no change and remained at 1.5. The general purpose real estate tax rate was raised in 2006, 2010, 2012, 2013, and 2014 and was reduced in 1992, 1995, 1996, and 2015. The equivalent millage rate was maintained through countywide reassessments in the years 2001, 2005, and 2011. The Township also levies property taxes for the purposes of fire protection at a rate of 0.3 mills, permanent improvements at a rate of 0.6 mills, and 0.1 mills for park improvements. Total property tax millage assessed to properties within the Township in fiscal year 2020 was 2.5 mills.
- As of December 31, 2020, the Township had \$16,902,286 (including discounts and premiums) of outstanding bonded debt. This represents a decrease in the amount of \$1,883,605 from the previous year.
- The ending General Fund balance for the year 2020 was \$2,717,087. This represents a decrease in the amount of \$434,553 from the previous year.
- The Township received \$507,743 in state aid from the Commonwealth of Pennsylvania for the Non-uniform and Police Pension Plans.
- The Township transferred \$500,000 from the General Fund to the Capital Reserve Fund for future capital projects, \$8,500 from the General Fund to the Street Light Fund for the Township’s share of the street light bills, and \$300,000 from the Fire Company Operating Fund to the Fire Company Escrow Fund for future fire rescue vehicle purchases.
- The Upper Allen Township Authority (Authority), an authority reactivated in June 2018 to acquire, hold, construct, improve, maintain, operate, own, and lease, either in the capacity of lessor or lessee stormwater systems or parts thereof including the planning management, and implementation of storm water systems is considered a blended component unit of the Township and is reported in the Proprietary Funds of the Township.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Township's basic financial statements comprise of three components: 1) government wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government Wide Financial Statements

The government wide financial statements are designed to provide the readers with a broad view of the Township's finances in a manner similar to a private sector business. The "***Statement of Net Position***" presents information on all of the Township's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and net position. Increases or decreases in net position may serve as an indicator as to whether or not the Township's financial position is improving. The "***Statement of Activities***" presents information reflecting how the Township's net position has changed during the fiscal year. All changes in net position are reported, regardless of the timing of the related cash flows, when the underlying event giving rise to the change occurs. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., outstanding taxes and/or revenues and earned, but unused employee leave). Both of the government wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from those functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The business-type activities of the Township include the sewer system and stormwater system.

Fund Financial Statements

A "fund" is a grouping of related accounts used to maintain control over monies that have been segregated for specific activities or purposes. The Township uses fund accounting to ensure compliance with finance related legal requirements. All Township funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

"***Governmental Funds***" are used to account for essentially the same functions reported as governmental activities in the government wide financial statements. However, unlike the government wide financial statements, governmental fund financial statements focus on "near term inflows and outflows of resources," as well as, "balances of unencumbered resources" available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, one may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintains fourteen individual governmental funds. Information is presented separately for the General Fund, Capital Reserve Fund, Permanent Improvement Fund, and Non Major Funds in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures,

and changes in fund balance. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The Township adopts an annual budget for the General Fund, as well as all governmental funds (with the exception of the 2017 Bond Fund, the Crime Prevention Fund, the Federal Equitable Sharing Fund, and the Parks and Recreation Trust Fund). A budget comparison statement has been provided for the General Fund to demonstrate compliance with the budget. Budgetary comparison schedules for all other budgeted non-major funds are provided elsewhere in this report.

“Proprietary Funds” are used to report the same functions presented as business-type activities in the government wide financial statements. The Township uses a proprietary fund to account for its sewer activity and the activity of the Authority is presented as a blended-component unit of the Township and reports the stormwater activity of the Township. The Sewer Revenue Fund and the Authority predominately represents business rather than governmental type functions; it is included within business-type activities in the government wide financial statements. The Township adopts an annual budget for the sewer revenue fund and the sewer revenue reserve fund.

“Fiduciary Funds” are used to account for resources held for the benefit of parties outside the government. The Township has three pension and other post-employment benefit trust funds: the Police Pension Trust Fund, the Non Uniformed Employees Pension Trust Fund, the Non Uniformed Employees Retirement Trust Fund, and the Other Post-Employment Benefit Trust Fund. These funds are not reflected in the government wide financial statements, because the resources of those funds are not available to support the Township’s programs. A combined statement of fiduciary net position has been provided for the above trust funds in supplementary information.

The ***“Notes to the Financial Statements”*** provide additional information that is essential for one to obtain a full understanding of the data provided in the governmental wide and fund financial statements.

Government Wide Financial Analysis

UPPER ALLEN TOWNSHIP CONDENSED STATEMENT OF NET POSITION DECEMBER 31, 2020 AND 2019

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 12,771,310	\$ 12,937,999	\$ 6,920,764	\$ 6,483,617	\$ 19,692,074	\$ 19,421,616
Capital assets	39,532,781	38,790,134	34,491,870	34,118,126	74,024,651	72,908,260
Total assets	52,304,091	51,728,133	41,412,634	40,601,743	93,716,725	92,329,876
Deferred outflows of resources	747,530	964,945	87,887	179,506	835,417	1,144,451
Current liabilities	3,045,338	3,459,118	2,283,698	1,899,566	5,329,036	5,358,684
Noncurrent liabilities	8,224,453	10,393,678	8,643,662	10,519,104	16,868,115	20,912,782
Total liabilities	11,269,791	13,852,796	10,927,360	12,418,670	22,197,151	26,271,466
Deferred inflows of resources	2,085,964	1,308,828	259,937	152,580	2,345,901	1,461,408
Net position:						
Net investment in capital assets	31,952,965	30,608,957	24,898,116	23,304,843	56,851,081	53,913,800
Restricted	3,305,842	2,558,451	-	-	3,305,842	2,558,451
Unrestricted	4,437,059	4,364,046	5,415,108	4,905,156	9,852,167	9,269,202
Total net position	\$ 39,695,866	\$ 37,531,454	\$ 30,313,224	\$ 28,209,999	\$ 70,009,090	\$ 65,741,453

The Township's capital assets increased by \$1,116,391 (net of current year depreciation expenses) due to investments in site improvements, land acquisition, and infrastructure such as sewer gathering lines, public roadways, and park development. Current assets increased by \$270,458 due to strong revenue performance from business-type activities in fiscal year 2020. The Township's net position for governmental activities is \$39,695,866 and net position for business-type activities is \$30,313,224. Total net position as of December 31, 2020 is \$70,009,090, an increase in the amount of \$4,267,637 from December 31, 2019. The increase in net position can be mostly attributed to land acquisition activities and the dedication and construction of public roadways and sanitary sewers.

The most significant portion of the Township's net position reflects its investments in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses the capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Township's investments in its capital assets are reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. As of December 31, 2020, the Township was able to report positive balances in all three categories of net position (i.e., net investment in capital assets, restricted, unrestricted). The same has held true for the past fifteen years (2005-2020).

UPPER ALLEN TOWNSHIP
CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2020 AND 2019

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
<u>Revenues</u>						
Program revenues:						
Charges for services	\$ 552,040	\$ 1,143,135	\$ 6,158,964	\$ 5,899,600	\$ 6,711,004	\$ 7,042,735
Operating grants and contributions	788,068	762,496	41,836	52,485	829,904	814,981
Capital grants and contributions	48,671	2,742,900	-	450,817	48,671	3,193,717
General revenues:						
Real estate taxes	5,365,208	5,057,839	-	-	5,365,208	5,057,839
Other taxes	5,433,630	5,415,294	-	-	5,433,630	5,415,294
Investment revenue	30,815	65,652	47,581	57,506	78,396	123,158
Intergovernmental grants	382,387	427,638	-	-	382,387	427,638
Other income	564,596	258,150	-	-	564,596	258,150
Gain on sale of assets	30,480	-	-	-	30,480	-
Total revenues	13,195,895	15,873,104	6,248,381	6,460,408	19,444,276	22,333,512
<u>Expenses</u>						
General government	1,394,642	1,318,788	-	-	1,394,642	1,318,788
Public safety	5,057,338	5,599,808	-	-	5,057,338	5,599,808
Health and welfare	250	541	-	-	250	541
Public works	3,546,894	2,467,170	-	-	3,546,894	2,467,170
Culture - recreation	857,090	806,751	-	-	857,090	806,751
Interest on long-term debt	173,505	198,023	-	-	173,505	198,023
Sewer	-	-	3,608,145	4,112,499	3,608,145	4,112,499
Upper Allen Township Authority	-	-	538,775	308,384	538,775	308,384
Total expenses	11,029,719	10,391,081	4,146,920	4,420,883	15,176,639	14,811,964
Excess before transfers	2,166,176	5,482,023	2,101,461	2,039,525	4,267,637	7,521,548
Transfers	(1,764)	(3,141,073)	1,764	3,141,073	-	-
Change in net position	2,164,412	2,340,950	2,103,225	5,180,598	4,267,637	7,521,548
Net position, January 1	37,531,454	35,190,504	28,209,999	23,029,401	65,741,453	58,219,905
Net position, December 31	\$ 39,695,866	\$ 37,531,454	\$ 30,313,224	\$ 28,209,999	\$ 70,009,090	\$ 65,741,453

The Net Position in the Governmental Activities category increased by \$2,164,412. The increase was mostly due to continued strong revenue performance and the careful management of expenses. Total Revenues in Governmental Activities decreased by \$2,677,209. The decrease in revenues was mostly related to capital grants as the Township saw a decline in the dedication of roadways in fiscal year 2020 and a decrease in building permit revenue related to significant development projects that began in 2019. Overall Governmental Activities expenses increased by \$638,638 from 2019 to 2020. The increase in expenses was mostly related to increases in expenses related public works associated projects.

Additionally, the Business-Type Activities Net Position increased in 2020 by \$2,103,225. This increase was mostly due to budgetary design and continued strong revenue performance. Business-Type Activities revenue decreased by \$212,027, which can mostly be attributed to a decrease in capital contributions in 2020. Business-Type Activities expenses decreased by \$273,963. The decrease in expense was mostly related to reductions in contract services related to Sewer Department's inflow and infiltration programs.

Township Funds Financial Analysis

The Township utilizes the principles of fund accounting to ensure compliance with all finance/budgeting related legal requirements. The Township's "*governmental funds*" provide information on current inflows, outflows, and balances of unencumbered resources, which is useful in assessing the Township's financial health. Unrestricted fund balance may provide resources necessary for unanticipated expenditures at the end of a fiscal year.

For the year ended December 31, 2020, the Township's governmental fund balance was \$9,506,621, an increase in the amount of \$101,177. \$657,350 of the ending balance of the General Fund is assigned to balance the Township's 2021 budget. Fund balance in the amount of \$7,376,736 is restricted or committed in specific funds.

The General Fund is the main operating fund of Upper Allen Township. At December 31, 2020, the General Fund's ending fund balance was \$2,717,087. This was a decrease of \$434,553 from the January 1, 2020, beginning balance of \$3,151,640.

The Capital Reserve Fund's ending fund balance was restricted or committed for capital projects or capital purchases in the amount of \$3,218,114.

The Township's "*Proprietary Funds*" statements (Sewer Revenue Fund, Sewer Reserve Fund, and Authority) provide similar information as that found in the government wide financial statements, however, in much more detail. The ending net position of the Sewer Fund at December 31, 2020 was \$25,599,690, an increase in the amount of \$1,706,214 over the December 31, 2019 balance of \$23,893,476. This increase in net position for the Sewer Funds can mostly be attributed to an increase in tapping fees collected and a significant decrease in sewer collection expenses. The ending net position of the Authority at December 31, 2020 was \$4,713,534 an increase in the amount of \$397,011 over the December 31, 2019 balance of \$4,316,523. The increase in net position is mostly attributable to excess stormwater fees over expenses, including depreciation.

General Fund Budget Observations

There were no changes made to the original General Fund Budget. Actual revenues for the year that ended December 31, 2020, surpassed the budgeted revenues by a total of \$20,097. Of note in the Township's 2020 revenue numbers are the following accounts:

- The Act 511 taxes underperformed the Township's budgetary projection of \$4,725,000, with an overall collection of \$4,613,768 in 2020. Lower than expected collections in this category can mostly be attributed to declines in earned income tax and local service tax collections due to a reduction in earnings for Township residents and a decrease in the number of people working within the Township during global pandemic in the 2020 fiscal year.

- Miscellaneous Revenues exceeded budgetary expectation by \$179,917; this was due to an increase in reimbursable medical insurance premiums from lower and less costly medical claims made in 2019.
- Intergovernmental Revenue beat budgetary estimates by \$71,279. Most of the increase is related to greater than expected collections in Commonwealth of Pennsylvania pension contributions and foreign fire insurance premium tax, as well as unbudgeted collections of COVID 19 grant funds.
- Charges for services were \$173,228 less than budgetary estimates of \$580,763. This deficit can mostly be attributed to Building Permit Fees that were \$149,125 less than budgeted in 2020. Building Permit Fees are dependent upon the value of the development occurring in the Township, in fiscal year 2020. Development in and around the Township slowed as area builders and developers worked around the global pandemic.

Total General Fund expenditures for the year ended December 31, 2020, were \$9,698,775, which was over budget by \$654,167. The Township's major departments ended the year as follows:

- Overall, the Township's General Fund expenditures were within 2.87% of budgeted levels. Operational expenses are the area where management has the most control.
- The Police Department ended the year \$247,471 under a budget of \$4,545,248. This represents a positive deviation from the budgeted amount of 5.44%.
- The Administration Department ended the year \$24,665 over a budget of \$895,319. The majority of the overages realized in this Department were related to retirement payout expenses in the salary line items.
- The Public Works Division ended the year \$82,105 under a budget of \$1,358,647. The majority of the savings realized in this Department were related to lower expenses related to laborer salaries and special projects.
- The Park Maintenance and Operation Division ended the year \$1,000,053 over a budget of \$555,088. The entirety of the overage can be attributed to the acquisition of 60 plus acres of land for future recreational use.

CAPITAL ASSETS

The investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$110,885,616, net accumulated depreciation of \$36,860,965, leaving a net book value of \$74,024,651. This investment in capital assets includes land, buildings, improvements, equipment, and infrastructure. Infrastructure assets are items that are normally immovable and of value only to the Township, such as roads, bridges, streets, drainage systems, lighting systems, and similar items.

The total increase in the Township's investment in capital assets for the current fiscal year was \$1,116,391. A majority of the increase was related to the land acquisition activities and infrastructure investments for a total of \$4,272,764, which included improvements to Township owned parks and the roadways. Depreciation charges for the year totaled \$3,238,865, with the largest portions of it being applied to the sewer system and the Township owned infrastructure at \$911,948 and \$1,073,435 and \$865,615, in that order. See footnote 4 to the financial statements for more information on the Township's capital assets.

LONG TERM DEBT

As of December 31, 2020, the Township had \$16,902,286 (including discounts and premiums) of outstanding bonded debt. Of this amount, \$7,676,997 represents debt incurred by the Township through governmental activities and the remaining \$9,225,289 is comprised of bonds secured for the Township's business-type activities. No new debt was issued in 2020. See footnote 5 to the financial statements for more information on the Township's long term debt.

QUESTIONS

Questions about this report, or requests for additional financial information should be directed to Scott W. Fraser, Township Manager, Upper Allen Township, 100 Gettysburg Pike, Mechanicsburg, PA 17055, 717-766-0756.

UPPER ALLEN TOWNSHIP

STATEMENT OF NET POSITION

DECEMBER 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 10,701,345	\$ 5,432,697	\$ 16,134,042
Investments	295,482	151,726	447,208
Receivables:			
Taxes	1,611,684	-	1,611,684
Sewer rental and stormwater fees	-	1,318,069	1,318,069
Other	58,486	15,330	73,816
Loan	95,239	-	95,239
Prepaid expenses	9,074	2,942	12,016
Total current assets	<u>12,771,310</u>	<u>6,920,764</u>	<u>19,692,074</u>
Noncurrent assets:			
Capital assets, not being depreciated	4,449,249	1,095,287	5,544,536
Capital assets, net of depreciation	35,083,532	26,959,298	62,042,830
Sewer improvement costs, net of amortization	-	6,437,285	6,437,285
Total noncurrent assets	<u>39,532,781</u>	<u>34,491,870</u>	<u>74,024,651</u>
Total Assets	<u>52,304,091</u>	<u>41,412,634</u>	<u>93,716,725</u>
Deferred Outflows of Resources			
Deferred charge on refunding	1,535	20,955	22,490
Deferred outflows of resources - pensions	689,726	66,932	756,658
Deferred outflows of resources - OPEB	56,269	-	56,269
Total Deferred Outflows of Resources	<u>747,530</u>	<u>87,887</u>	<u>835,417</u>

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Current portion of general obligation bonds	605,000	1,270,000	1,875,000
Accounts payable	420,493	960,631	1,381,124
Amounts held in escrow	1,800,387	-	1,800,387
Accrued salaries and wages	62,946	9,177	72,123
Accrued interest payable	47,896	26,830	74,726
Current portion of compensated absences payable	108,616	17,060	125,676
Total current liabilities	3,045,338	2,283,698	5,329,036
Noncurrent liabilities:			
Unearned revenue	-	659,951	659,951
General obligation bonds payable	7,071,997	7,955,289	15,027,286
Compensated absences payable	23,889	19,611	43,500
Net pension liability	856,020	8,811	864,831
Net other post-employment benefit liability	272,547	-	272,547
Total noncurrent liabilities	8,224,453	8,643,662	16,868,115
Total Liabilities	11,269,791	10,927,360	22,197,151
Deferred Inflows of Resources			
Deferred inflows of resources - pensions	1,775,142	259,937	2,035,079
Deferred inflows of resources - OPEB	310,822	-	310,822
Total Deferred Inflows of Resources	2,085,964	259,937	2,345,901
Net Position			
Net investment in capital assets	31,952,965	24,898,116	56,851,081
Restricted for:			
Public safety:			
Police protection	612	-	612
Fire protection	1,119,607	-	1,119,607
Public works	1,722,200	-	1,722,200
Culture - recreation	463,423	-	463,423
Unrestricted	4,437,059	5,415,108	9,852,167
Total Net Position	\$ 39,695,866	\$ 30,313,224	\$ 70,009,090

The accompanying notes are an integral part of these financial statements.

UPPER ALLEN TOWNSHIP

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government:				
Administration	\$ 1,123,303	\$ 9,220	\$ -	\$ -
Tax collection	112,563	-	-	-
Municipal buildings	158,776	2,053	-	-
Public safety:				
Police protection	3,928,309	88,937	-	-
Fire protection	516,956	325	128,608	-
Ambulance/rescue	36,160	-	-	-
Building regulation and planning	557,934	366,800	-	-
Emergency management	17,979	-	-	-
Health and welfare	250	-	-	-
Public works - highways, roads, and streets	3,546,894	84,705	656,805	-
Culture - recreation	857,090	-	2,655	48,671
Interest on long-term debt	173,505	-	-	-
Total governmental activities	11,029,719	552,040	788,068	48,671
Business-type activities:				
Sewer Fund	3,608,145	5,223,686	41,836	-
Upper Allen Township Authority	538,775	935,278	-	-
Total business-type activities	4,146,920	6,158,964	41,836	-
Total Primary Government	\$ 15,176,639	\$ 6,711,004	\$ 829,904	\$ 48,671
		General Revenues		
		Real estate taxes		
		Real estate transfer taxes		
		Earned income taxes		
		Local services taxes		
		Franchise taxes		
		Other taxes		
		Investment revenue		
		Intergovernmental grants, not restricted to a specific function		
		Other income, not restricted to a specific function		
		Gain on sale of assets		
		Transfers - internal activities		
		Total general revenues and transfers		
		Change in Net Position		
		Net Position:		
		Beginning of year		
		End of year		

Net (Expenses) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,114,083)	\$ -	\$ (1,114,083)
(112,563)	-	(112,563)
(156,723)	-	(156,723)
(3,839,372)	-	(3,839,372)
(388,023)	-	(388,023)
(36,160)	-	(36,160)
(191,134)	-	(191,134)
(17,979)	-	(17,979)
(250)	-	(250)
(2,805,384)	-	(2,805,384)
(805,764)	-	(805,764)
(173,505)	-	(173,505)
(9,640,940)	-	(9,640,940)
-	1,657,377	1,657,377
-	396,503	396,503
-	2,053,880	2,053,880
(9,640,940)	2,053,880	(7,587,060)
5,365,208	-	5,365,208
838,919	-	838,919
3,538,460	-	3,538,460
447,762	-	447,762
365,692	-	365,692
242,797	-	242,797
30,815	47,581	78,396
382,387	-	382,387
564,596	-	564,596
30,480	-	30,480
(1,764)	1,764	-
11,805,352	49,345	11,854,697
2,164,412	2,103,225	4,267,637
37,531,454	28,209,999	65,741,453
\$ 39,695,866	\$ 30,313,224	\$ 70,009,090

The accompanying notes are an integral part of these financial statements.

UPPER ALLEN TOWNSHIP
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Capital Reserve Fund	Permanent Improvement Fund	Other Governmental Funds	Total
Assets					
Cash and cash equivalents	\$ 3,975,398	\$ 3,000,428	\$ 909,963	\$ 2,815,556	\$ 10,701,345
Investments	16,366	278,551	-	565	295,482
Taxes receivable (net of allowance for uncollectibles)	1,573,805	-	22,116	15,763	1,611,684
Other receivables	-	56,912	-	1,574	58,486
Due from other funds	-	124,004	-	-	124,004
Prepaid expenditures	9,048	-	-	26	9,074
Total Assets	\$ 5,574,617	\$ 3,459,895	\$ 932,079	\$ 2,833,484	\$ 12,800,075
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ 133,966	\$ 241,781	\$ 1,231	\$ 43,515	\$ 420,493
Amounts held in escrow	1,800,387	-	-	-	1,800,387
Accrued salaries and wages	62,946	-	-	-	62,946
Due to other funds	-	-	-	124,004	124,004
Total Liabilities	1,997,299	241,781	1,231	167,519	2,407,830
Deferred Inflows of Resources:					
Unavailable revenue - taxes	860,231	-	14,042	9,874	884,147
Unavailable revenue - assessments	-	-	-	1,477	1,477
Total Deferred Inflows of Resources	860,231	-	14,042	11,351	885,624
Fund Balance:					
Non-spendable	9,048	-	-	26	9,074
Restricted for:					
Police protection	-	-	-	612	612
Fire protection	-	-	-	1,119,607	1,119,607
Public works	-	-	1,504,034	218,166	1,722,200
Culture - recreation	-	-	-	463,423	463,423
Capital projects	-	95,081	-	565	95,646
Committed for:					
Police protection	-	200,000	-	2,953	202,953
Fire protection	-	-	-	551,701	551,701
Capital projects	-	2,863,033	-	-	2,863,033
Public works	-	60,000	-	264,394	324,394
Culture - recreation	-	-	-	33,167	33,167
Assigned for:					
Subsequent year's budget	657,350	-	-	-	657,350
Unassigned	2,050,689	-	(587,228)	-	1,463,461
Total Fund Balance	2,717,087	3,218,114	916,806	2,654,614	9,506,621
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 5,574,617	\$ 3,459,895	\$ 932,079	\$ 2,833,484	\$ 12,800,075

The accompanying notes are an integral part of these financial statements.

UPPER ALLEN TOWNSHIP

RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS ON THE BALANCE SHEET TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2020

Total Fund Balance - Governmental Funds \$ 9,506,621

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

Loans receivable are long-term in nature and are not available to pay current period expenditures and, therefore, are not reported in the funds 95,239

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$52,737,159 and the accumulated depreciation is \$13,204,378. 39,532,781

Property, earned income, and local services tax receivables, and certain assessments will be collected, but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds. 885,624

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year-end consist of:

Accrued interest payable	\$ (47,896)	
Bonds payable	(7,575,000)	
Bond premiums	(101,997)	
Compensated absences payable	(132,505)	
Net pension liability, net of related deferred outflows and inflows of resources	(1,941,436)	
Net other post-employment benefit liability, net of related deferred outflows and inflows of resources	<u>(527,100)</u>	(10,325,934)
Deferred charge on refunding		<u>1,535</u>

Total Net Position - Governmental Activities \$ 39,695,866

The accompanying notes are an integral part of these financial statements.

UPPER ALLEN TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2020

	General	Capital Reserve Fund	Permanent Improvement Fund	Other Governmental Funds	Total
Revenues:					
Real estate taxes	\$ 3,265,499	\$ -	\$ 1,231,831	\$ 881,422	\$ 5,378,752
Act 511 taxes	4,613,768	-	-	-	4,613,768
Assessments	-	-	-	191,760	191,760
Licenses and permits	381,812	-	-	-	381,812
Fines and forfeits	71,843	-	-	325	72,168
Interest and rents	25,380	9,380	701	3,407	38,868
Intergovernmental revenue	619,982	56,911	-	604,301	1,281,194
Charges for services	407,535	-	49,927	53,396	510,858
Donations and contributions from private sources	-	-	-	28,456	28,456
Miscellaneous revenues	388,667	36,829	15,062	29,392	469,950
Total revenues	9,774,486	103,120	1,297,521	1,792,459	12,967,586
Expenditures:					
General government:					
Administration	922,534	56,631	-	172	979,337
Tax collection	112,563	-	-	-	112,563
Municipal buildings	133,776	-	-	-	133,776
Public safety:					
Police protection	4,297,777	133,006	-	-	4,430,783
Fire protection	128,608	-	-	288,084	416,692
Ambulance/rescue	36,160	-	-	-	36,160
Building regulation and planning	580,689	-	-	-	580,689
Emergency management	16,557	-	-	-	16,557
Health and welfare	250	-	-	-	250
Public works - highways, roads, and streets	1,276,542	599,013	568,393	733,645	3,177,593
Culture - recreation	1,555,141	304,327	-	357,596	2,217,064
Debt service:					
Principal	515,000	-	-	80,000	595,000
Interest and fiscal charges	123,178	-	-	75,483	198,661
Total expenditures	9,698,775	1,092,977	568,393	1,534,980	12,895,125

(Continued)

UPPER ALLEN TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2020

(Continued)

	General	Capital Reserve Fund	Permanent Improvement Fund	Other Governmental Funds	Total
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>75,711</u>	<u>(989,857)</u>	<u>729,128</u>	<u>257,479</u>	<u>72,461</u>
Other Financing Sources (Uses):					
Sale of capital assets	-	30,480	-	-	30,480
Transfers in	-	500,000	-	308,500	808,500
Transfers out	<u>(510,264)</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>(810,264)</u>
Total other financing sources (uses)	<u>(510,264)</u>	<u>530,480</u>	<u>-</u>	<u>8,500</u>	<u>28,716</u>
Net Change in Fund Balance	<u>(434,553)</u>	<u>(459,377)</u>	<u>729,128</u>	<u>265,979</u>	<u>101,177</u>
Fund Balance:					
Beginning of year	<u>3,151,640</u>	<u>3,677,491</u>	<u>187,678</u>	<u>2,388,635</u>	<u>9,405,444</u>
End of year	<u>\$ 2,717,087</u>	<u>\$ 3,218,114</u>	<u>\$ 916,806</u>	<u>\$ 2,654,614</u>	<u>\$ 9,506,621</u>
					(Concluded)

The accompanying notes are an integral part of these financial statements.

UPPER ALLEN TOWNSHIP

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Governmental Funds	\$	101,177
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Amounts reported for governmental activities in the statement of net position are different because:

Loan receivable payments are recorded as revenue in the governmental fund but offset the loan receivable on the statement of net position and does not effect the statement of activities.

(25,000)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, transfers to/from business-type activities are not reported in the governmental funds.

Capital outlays

\$ 2,602,521

Depreciation expense

(1,859,874)

742,647

Some taxes and assessments will not be collected for several months after the Township's fiscal year-end and they are not considered as "available" revenue in the governmental funds. Unavailable revenue changed by this amount during the year.

197,829

The issuance of long-term debt (i.e., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

The details of the difference are as follows:

Bond principal repayment

595,000

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:

Change in accrued interest expense

5,959

Amortization of deferred charge on refunding

(2,119)

Change in bond premium

21,318

Change in compensated absences payable

(22,266)

Change in net pension liability, net of related deferred outflows and inflows of resources

446,459

Change in net other post-employment benefit liability, net of related deferred outflows and inflows of resources

103,408

552,759

Change in Net Position - Governmental Activities

\$ 2,164,412

The accompanying notes are an integral part of these financial statements.

UPPER ALLEN TOWNSHIP

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

YEAR ENDED DECEMBER 31, 2020

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Real estate taxes	\$ 3,178,423	\$ 3,178,423	\$ 3,265,499	\$ 87,076
Act 511 taxes	4,725,000	4,725,000	4,613,768	(111,232)
Licenses and permits	393,500	393,500	381,812	(11,688)
Fines and forfeits	95,250	95,250	71,843	(23,407)
Interest and rents	24,000	24,000	25,380	1,380
Intergovernmental revenue	548,703	548,703	619,982	71,279
Charges for services	580,763	580,763	407,535	(173,228)
Miscellaneous revenues	208,750	208,750	388,667	179,917
Total revenues	9,754,389	9,754,389	9,774,486	20,097
Expenditures:				
General government:				
Administration	897,869	897,869	922,534	(24,665)
Tax collection	106,934	106,934	112,563	(5,629)
Municipal buildings	155,768	155,768	133,776	21,992
Public safety:				
Police protection	4,545,248	4,545,248	4,297,777	247,471
Fire protection	114,000	114,000	128,608	(14,608)
Ambulance/rescue	40,000	40,000	36,160	3,840
Building regulation and planning	605,841	605,841	580,689	25,152
Emergency management	19,057	19,057	16,557	2,500
Health and welfare	750	750	250	500
Public works - highways, roads, and streets	1,358,647	1,358,647	1,276,542	82,105
Culture - recreation	555,088	555,088	1,555,141	(1,000,053)
Debt service:				
Principal	515,000	515,000	515,000	-
Interest and fiscal charges	130,406	130,406	123,178	7,228
Total expenditures	9,044,608	9,044,608	9,698,775	(654,167)
Excess of Revenues Over Expenditures	709,781	709,781	75,711	(634,070)
Other Financing Sources (Uses):				
Transfers in	11,000	11,000	-	(11,000)
Transfers out	(1,008,500)	(1,008,500)	(510,264)	498,236
Total other financing sources (uses)	(997,500)	(997,500)	(510,264)	487,236
Net Change in Fund Balance	(287,719)	(287,719)	(434,553)	(146,834)
Fund Balance:				
Beginning of year	3,842,900	3,842,900	3,151,640	(691,260)
End of year	\$ 3,555,181	\$ 3,555,181	\$ 2,717,087	\$ (838,094)

The accompanying notes are an integral part of these financial statements.

UPPER ALLEN TOWNSHIP

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

DECEMBER 31, 2020

	Sewer Revenue Fund	Upper Allen Township Authority	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 4,782,573	\$ 650,124	\$ 5,432,697
Investments	151,726	-	151,726
Receivables:			
Sewer rentals	1,273,275	-	1,273,275
Stormwater fees	-	44,794	44,794
Other	15,330	-	15,330
Prepaid expenses	2,942	-	2,942
Total current assets	6,225,846	694,918	6,920,764
Noncurrent assets:			
Capital assets, not being depreciated	1,015,877	79,410	1,095,287
Capital assets, net of depreciation	22,708,831	4,250,467	26,959,298
Sewer improvement costs, net of amortization	6,437,285	-	6,437,285
Total noncurrent assets	30,161,993	4,329,877	34,491,870
Total Assets	36,387,839	5,024,795	41,412,634
Deferred Outflows of Resources			
Deferred charge on refunding	20,955	-	20,955
Deferred outflows of resources - pension	66,932	-	66,932
Total Deferred Outflows of Resources	87,887	-	87,887

	Sewer Revenue Fund	Upper Allen Township Authority	Total
Liabilities			
Current liabilities:			
Current portion of general obligation bonds payable	1,270,000	-	1,270,000
Accounts payable	649,370	311,261	960,631
Accrued expenses	9,177	-	9,177
Accrued interest payable	26,830	-	26,830
Current portion of compensated absences payable	17,060	-	17,060
Total current liabilities	1,972,437	311,261	2,283,698
Noncurrent liabilities:			
Unearned revenue	659,951	-	659,951
General obligation bonds payable	7,955,289	-	7,955,289
Compensated absences payable	19,611	-	19,611
Net pension liability	8,811	-	8,811
Total noncurrent liabilities	8,643,662	-	8,643,662
Total Liabilities	10,616,099	311,261	10,927,360
Deferred Inflows of Resources			
Deferred inflows of resources - pension	259,937	-	259,937
Net Position			
Net investment in capital assets	20,568,239	4,329,877	24,898,116
Unrestricted	5,031,451	383,657	5,415,108
Total Net Position	\$ 25,599,690	\$ 4,713,534	\$ 30,313,224

The accompanying notes are an integral part of these financial statements.

UPPER ALLEN TOWNSHIP

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2020

	Sewer Revenue Fund	Upper Allen Township Authority	Total
Operating Revenues:			
Sewer rentals	\$ 4,475,749	\$ -	\$ 4,475,749
Stormwater fees	-	935,278	935,278
Penalty charges	31,986	-	31,986
Total operating revenues	4,507,735	935,278	5,443,013
Operating Expenses:			
Sewage collection expenses	188,752	-	188,752
Sewage disposal expenses	1,174,120	-	1,174,120
Stormwater expenses	-	325,706	325,706
Administrative expenses	856,377	-	856,377
Total operating expenses before amortization and depreciation	2,219,249	325,706	2,544,955
Operating income before amortization and depreciation	2,288,486	609,572	2,898,058
Amortization and depreciation	1,165,922	213,069	1,378,991
Operating Income	1,122,564	396,503	1,519,067
Non-Operating Revenues (Expenses):			
Interest income	47,073	508	47,581
Pension grant	41,836	-	41,836
Sewer tapping fees	676,840	-	676,840
Miscellaneous revenue	39,111	-	39,111
Interest expense	(222,974)	-	(222,974)
Total non-operating revenues (expenses)	581,886	508	582,394
Income before transfers	1,704,450	397,011	2,101,461
Transfers in	1,764	-	1,764
Change in Net Position	1,706,214	397,011	2,103,225
Net Position:			
Beginning of year	23,893,476	4,316,523	28,209,999
End of year	\$ 25,599,690	\$ 4,713,534	\$ 30,313,224

The accompanying notes are an integral part of these financial statements.

UPPER ALLEN TOWNSHIP

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2020

	Sewer Revenue Fund	Upper Allen Township Authority	Total
Cash Flows from Operating Activities:			
Cash received from customers	\$ 4,504,896	\$ 916,373	\$ 5,421,269
Cash payments to employees for services	(685,246)	-	(685,246)
Cash payments to suppliers for goods and services	(1,585,445)	(304,233)	(1,889,678)
Net cash provided by operating activities	2,234,205	612,140	2,846,345
Cash Flows From Non-Capital Financing Activities:			
Proceeds from pension grant	41,836	-	41,836
Net cash provided by non-capital financing activities	41,836	-	41,836
Cash Flows From Capital and Related Financing Activities:			
Payments for sewer system improvements	(1,199,936)	-	(1,199,936)
Payments for stormwater system improvements	-	(266,101)	(266,101)
Sewer tapping fees	386,120	-	386,120
Payments of bonds payable	(1,235,000)	-	(1,235,000)
Payment of interest	(233,573)	-	(233,573)
Net cash used in capital and related financing activities	(2,282,389)	(266,101)	(2,548,490)
Cash Flows From Investing Activities:			
Purchase of investments	(1,035)	-	(1,035)
Receipt of interest income	34,311	508	34,819
Net cash provided by investing activities	33,276	508	33,784
Net Increase in Cash and Cash Equivalents	26,928	346,547	373,475
Cash and Cash Equivalents:			
Beginning of year	4,755,645	303,577	5,059,222
End of year	\$ 4,782,573	\$ 650,124	5,432,697

(Continued)

UPPER ALLEN TOWNSHIP

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2020
(Continued)

	Sewer Revenue Fund	Upper Allen Township Authority	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 1,122,564	\$ 396,503	\$ 1,519,067
Adjustments to reconcile operating income to net cash provided by operating activities:			
Amortization and depreciation	1,165,922	213,069	1,378,991
Amortization of deferred outflows and inflows of resources	(7,792)	-	(7,792)
Miscellaneous revenue	39,111	-	39,111
(Increase) decrease in:			
Receivables	(41,950)	(18,905)	(60,855)
Prepaid expenses	(1,782)	-	(1,782)
Increase (decrease) in:			
Accounts payable	67,220	21,473	88,693
Accrued expenses	(20,141)	-	(20,141)
Compensated absences payable	(11,898)	-	(11,898)
Net pension liability	(272,024)	-	(272,024)
Deferred inflows of resources - pension	194,975	-	194,975
Net cash provided by operating activities	<u>\$ 2,234,205</u>	<u>\$ 612,140</u>	<u>\$ 2,846,345</u>
			(Concluded)

The accompanying notes are an integral part of these financial statements.

UPPER ALLEN TOWNSHIP

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

DECEMBER 31, 2020

	Pension and Other Post-Employment Benefit Trust Funds
Assets	
Investments:	
Money market funds	\$ 417,785
Mutual bond funds	7,227,161
Mutual equity funds	15,983,265
Limited partnership	481,558
Total investments	24,109,769
Other receivable	50,726
Total Assets	24,160,495
Net Position	
Restricted for pension benefits	\$ 21,848,845
Restricted for other post-employment benefits	2,311,650
Total Net Position	\$ 24,160,495

The accompanying notes are an integral part of these financial statements.

UPPER ALLEN TOWNSHIP

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

YEAR ENDED DECEMBER 31, 2020

Additions:

Contributions:

Employer contributions	\$ 1,092,472
Employee contributions	108,618
Total contributions	<u>1,201,090</u>

Investment earnings:

Net appreciation in fair value of investments	2,800,671
Interest and dividends	340,283
Total investment earnings	<u>3,140,954</u>

Less: investment expense	<u>82,431</u>
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Net investment earnings	<u>3,058,523</u>
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Total additions	<u>4,259,613</u>
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Deductions:

Benefits payments	<u>1,165,773</u>
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Total deductions	<u>1,165,773</u>
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Change in Net Position

3,093,840

Net Position:

Beginning of year	<u>21,066,655</u>
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End of year	<u><u>\$ 24,160,495</u></u>
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The accompanying notes are an integral part of these financial statements.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

1. Summary of Significant Accounting Policies

Upper Allen Township (Township) was organized in 1850. It is a governmental entity as established under public law 1206, No. 331, as amended, of the Commonwealth of Pennsylvania and has the powers of a body corporate as described in Pennsylvania statutes and the Township code. The Township is a first-class township located in Cumberland County, Pennsylvania. All significant operations of the Township have been included in the accompanying financial statements.

The financial statements of the Township have been prepared in conformity with governmental accounting standards set by the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Township's accounting policies are described below.

Reporting Entity

In evaluating how to define the Township for financial reporting purposes, management has considered all potential component units consistent with GASB guidance. The criteria used by the Township to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the Township reviews the applicability of the following criteria:

The Township is financially accountable for:

1. Organizations that make up the legal Township entity.
 2. Legally separate organizations if Township officials appoint a voting majority of the organization's governing body and the Township is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.
 - a. Impose its Will – If the Township can significantly influence the programs, projects, or activities of, or the level of services performed or provided by the organization.
-

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

- b. Financial Benefit or Burden – Exists if the Township (1) is entitled to the organization's resources or (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization or (3) is obligated in some manner for the debt of the organization.
- 3. Organizations that are fiscally dependent on the Township. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the Township.

Based on the foregoing criteria, the Upper Allen Township Authority (Authority) is presented as a blended component unit.

The Authority was organized in 1969 as a corporate body created pursuant to an ordinance of the Board of Commissioners of Upper Allen Township (Township) under provisions of the Pennsylvania Municipality Authorities Act of 1945. The Authority was inactive until the Board of Directors (Board) amended the articles of incorporation in June 2018 to change the purpose of the Authority and to extend the terms of existence to 2068. Pursuant to the June 2018 articles of incorporation, the Authority is an operating authority with the purpose to acquire, hold, construct, improve, maintain, operate, own, and lease, either in the capacity of lessor or lessee stormwater systems or parts thereof including the planning management, and implementation of storm water systems. The Authority operates on a fiscal year ending December 31. The Authority's governing board consists of five members appointed by the Township's Board of Commissioners. The Authority is considered a blended component unit of the Township due to the Township's appointment of all Authority Board members, financial burden or benefit existing, and the operational responsibility of the Authority resting with Township management.

Separate financial statements were issued by the Authority and can be obtained by contacting the Authority at the Township's Office.

Basis of Presentation

The Township's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Township at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Township's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Township, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Township.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise fund financial statement is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The accounts of the Township are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts, which are comprised of each fund's assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity,

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

revenues, and expenditures or expenses, as appropriate. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the Township are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as fund balance.

The following are the Township's major governmental funds:

General Fund

The General Fund is the operating fund of the Township. It is used to account for all financial resources of the general government, except those accounted for in another fund. The General Fund also includes amounts held in escrow from developers for necessary review, inspection, legal and administration fees in accordance for new prospective developments within the Township and cash held for certain developers pursuant to security agreements. The agreements provide the Township with a stated sum of money, which will be returned to the developers upon completion of certain construction. The amounts held in escrow are shown as a liability in the balance sheet.

Capital Reserve Fund

The Capital Reserve Fund is a capital projects fund which accounts for the purchase of capital assets, including, but not limited to a cost of \$5,000.

Permanent Improvement Fund

The Permanent Improvement is a capital projects fund which accounts for funding of road improvements within the Township.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The Township has the following non-major governmental funds:

The special revenue funds include the Street Light Fund, Fire Hydrant Fund, Highway Aid Fund, Recreation Land Acquisition Fund, Crime Prevention Fund, Federal Equitable Sharing Fund, and Fire Company Operating Fund, which account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The capital project funds include the Fire Company Escrow Fund, Park Improvement Fund, Parks and Recreation Trust Fund, and the 2017 Bond Fund, which account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition, construction, or improvement of equipment, facilities, or infrastructure.

Proprietary Funds

Proprietary funds focus on the determination of the changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the Township has no internal service funds.

Enterprise Funds

Enterprise funds are used to account for any activity for which a fee is charged to external users for goods or services. The major enterprise funds of the Township are the Sewer Revenue Fund, which accounts for the financial transactions related to sewer operations and the Authority, which accounts for transactions related to stormwater operations.

Fiduciary Funds

Fiduciary funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension and other post-employment benefit trust funds, investment trust funds, and private purpose trust funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are, therefore, not available to support the Township's own programs. The Township's pension and other post-employment benefit trust funds are comprised of the Police Pension Trust Fund, which accounts for the retirement benefits of the Township's police; the Non-Uniformed Employees Pension Trust Fund, which accounts for retirement benefits of the Township's non-

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

uniformed employees under a defined benefit plan; the Non-Uniformed Employees Retirement Trust Fund, which accounts for the retirement benefits of the Township's non-uniformed employees under a defined contribution plan; and the Other Post-Employment Benefit Trust Fund, which accounts for certain post-employment healthcare benefits of the Township's police retirees.

Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the grantor have been met. Net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenues to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific Township expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as unearned revenue until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, pension, and other post-employment benefit liabilities are recorded only when payment is due or has matured.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that the Township would have paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The Township maintains a capitalization threshold of \$5,000. Infrastructure has been prospectively capitalized, beginning January 4, 2004. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

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Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities	Business-Type Activities
	Estimated Lives	Estimated Lives
Site improvements	7-40 years	N/A
Building and building improvements	7-50 years	N/A
Disposal plant and pumping stations (including construction period interest)	N/A	7-40 years
Sewer gathering lines	N/A	20-40 years
Vehicles	5-10 years	5-10 years
Machinery and equipment	5-15 years	5-10 years
Office furniture and equipment	5-10 years	N/A
Infrastructure	15-40 years	N/A

Sewer Improvement Costs

Sewer improvement costs are carried at cost and amortized over the estimated useful life of the underlying improvements (40 years).

Budgets and Budgetary Accounting

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

Formal budgetary integration is employed as a management control device during the year for the General Fund; all special revenue funds except for the Crime Prevention Fund and Federal Equitable Sharing Fund; all capital projects funds except for the 2017 Bond Fund and the Parks and Recreation Trust Fund; and the Sewer Revenue Fund. These budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Adoption of the budget by the Board constitutes appropriation for the expenditures for the fiscal year. Under the Home Rule Charter, the expenditure budget may be amended by the Board after a public hearing, provided that such amendment shall not result in expenditures exceeding estimated revenue determined at the time of the amendment.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Any excess appropriations at the end of the fiscal year are not carried forward, but instead lapse.

Within the budgeted funds, the Township Manager (Manager) is authorized to transfer budgeted amounts between departments provided that such transfers do not alter total expenditures approved by the Board or exceed estimated revenues. Therefore, the measurement level of control over expenditures in these funds is the surplus or deficit of the fund as a whole. Operating departments are charged with the maintenance of the budget for the department as a whole; however, operating departments may exceed the appropriation with Manager approval.

The following funds has a deficit in excess of the approved budget for the year ended December 31, 2020:

General Fund	\$ 838,094
Fire Hydrant Fund	5,042
Recreation Land Acquisition Fund	273,876
Park Improvement Fund	3,320

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to" or "due from" other funds and receivables and payables resulting from long-term interfund loans are classified as "advances to" or "advances from" other funds. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Property Tax Calendar

The real estate tax rate for the year ended December 31, 2020 was \$1.50 per \$1,000 of assessed valuation for general purposes, \$.30 per \$1,000 of assessed valuation for fire department operational purposes, \$.60 per \$1,000 of assessed valuation for permanent improvement purposes, and \$.10 per \$1,000 of assessed valuation for park improvement purposes. Real estate taxes are levied on January 1 of each year and become due and payable on March 1. All taxes levied on January 1 become delinquent on July 1 and are turned over to the Cumberland County Tax Claim Bureau on January 15 of the subsequent year. Uncollected real estate taxes attach as an enforceable lien on property when recorded by the Tax Claims Bureau on January 15. In May 2020, the Township approved a resolution

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

to provide property owners real estate property tax relief by extending the deadline to pay the face value of the assessed tax from June 30, 2020 to October 31, 2020. If the face value of the assessed tax is paid by October 31, the property owner will not be required to pay the 10% penalty. Payments made on or after November 1, 2020 will be assessed the 10% penalty.

Deferred Inflows and Outflows of Resources for Pensions and Other Post-Employment Benefits (OPEB)

In conjunction with pension and OPEB accounting requirements, the effect of the differences in the Township's expected and actual experience, the changes of assumptions, and the difference between projected and actual earnings on pension plan and OPEB investments are recorded as deferred inflows or outflows of resources related to pensions and OPEB on the government-wide and proprietary fund financial statements. These amounts are determined based on the actuarial valuations performed for the pension and OPEB plans.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Deferred charges on debt refundings are amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. Financing costs, excluding bond insurance, are expensed in the year of issuance. Bond insurance, if any, is recorded as a prepaid expense and amortized over the life of the bonds.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as financing costs, during the current period. The face amount of debt issued and premiums received are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Financing costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

Vacation, sick, and personal leave is granted according to the employee handbook and/or union contract. Provisions within these documents require payments (subject to certain

UPPER ALLEN TOWNSHIP

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limitations) for unused accumulated vacation and sick days at retirement. These compensated absences liabilities are reported on the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund Equity and Net Position

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduces this category. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This category represents the net position of the Township, which is not restricted for any project or other purpose.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the Township's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

In the fund financial statements, governmental funds report fund balance in categories based on the level of constraints placed upon the funds. These levels are as follows:

Non-spendable – This category represents funds that are not in a spendable form and includes such items as prepaid expenditures.

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YEAR ENDED DECEMBER 31, 2020

Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties.

Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the Township's Board. Such commitment is made via a resolution by the Board and must be made prior to the end of the year. Removal of this commitment requires a resolution by the Board.

Assigned – This category represents intentions of the Board and Township Manager to use the funds for specific purposes. Through a resolution of the Board, the Township Manager or his/her designee has been delegated the responsibility to assign funds.

Unassigned – This category represents all other funds not otherwise defined. The General Fund is the only governmental fund that can report a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the Township's policy to consider restricted fund balance to have been depleted before using any component of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is applied first. Assigned fund balance is applied second. Unassigned fund balance is applied last.

In 2016, the Township adopted a Fund Balance Policy. The General Fund shall strive to maintain a 10% unassigned fund balance or three months of operating expenditures of the General Fund, the greater of the two.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions in insurance coverage during the year ended December 31, 2020. Settlement amounts have not exceeded insurance coverages for the current year or three prior years.

Estimates

The preparation of financial statements in conformity with GAAP in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

Pending GASB Pronouncements

GASB has issued statements that will become effective in future years including Statement 87 (Leases), 89 (Accounting for Interest Costs Incurred Before the End of a Construction Period), 92 (Omnibus 2020), 96 (Information Technology Arrangements), and 97 (Deferred Compensation Plans). Management has not yet determined the impact of these statements on the financial statements.

2. Deposits and Investments

Pennsylvania statutes provide for investment of government funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. government obligations, short-term commercial paper issued by a public corporation, banker's acceptances, insured or collateralized time deposits, and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes. In addition to the investments authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The Township is authorized by Sec. 1705.1 of the First Class Township Code of 1949, as amended, to invest in United States Treasury Bills, short-term obligations of the United States Government or its agencies or instrumentalities, or in deposits in savings accounts, time deposits, shares accounts, or certificates of deposits of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund, to the extent that such accounts are so insured and for any amounts above the insured maximums, provided that approved collateral as required by law is pledged by the depository.

The deposit and investment policy of the Township adheres to state statutes and prudent business practice. There were no known deposit or investment transactions during the year that were in violation of either state statutes or the policy of the Township.

For the purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

The Township's investments in external investment pools are valued at amortized cost, which approximates fair value. All other Township investments are stated at fair value. The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

Deposits

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. As of December 31, 2020, the Township's book balance was \$16,134,042 and the bank balance was \$16,390,616. Of the bank balance, \$500,000 was covered by federal depository insurance, \$13,210,614 was collateralized under Act No. 72 (Act) of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined in the Act, to cover all public funds deposited in excess of federal depository insurance limits, and \$2,680,002 was insured privately by the institution that holds the funds.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Governmental activities	\$ 10,701,345
Business-type activities	<u>5,432,697</u>
Total cash and cash equivalents	<u>\$ 16,134,042</u>

Investments

The Township does not have a formal written investment policy, but the Township's investments, other than pension and other post-employment benefit trust funds held and administrated by a third-party trustee, are held to optimize its return through investment of cash balances in such a way as to minimize non-invested balances and to maximize return on investments. The primary objectives of investment activities, in priority order, are:

1. Legality – All investments shall be made in accordance with applicable laws of Pennsylvania.
2. Safety – Safety of principal shall be of highest priority. Preservation of capital in the portfolio of investments shall be ensured through the mitigation of credit risk and interest rate risk.
3. Liquidity – Investments shall remain sufficiently liquid to meet all operating requirements that are reasonably anticipated. A fiscal year operations anticipated cash flow shall be developed so that investments can be made as early as possible, with maturities concurrent with anticipated cash demands.
4. Yield – Investments shall be made with the objective of attaining a market-average of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

The fair value of the investments of the Township at December 31, 2020 was as follows:

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Investments:	Total	Level 1	Level 2	Level 3
Money market funds	\$ 417,785	\$ 417,785		\$ -
Mutual bond funds:				
Diversified fixed income	7,227,161	-	7,227,161	-
Mutual equity funds:				
Diversified domestic equity	10,144,639	-	10,144,639	-
Diversified international	5,838,626	-	5,838,626	-
Limited partnership	481,558	-	-	481,558
Total investments by fair value level	<u>24,109,769</u>	<u>\$ 417,785</u>	<u>\$ 23,210,426</u>	<u>\$ 481,558</u>
Investments measured at net asset value:				
External investment pools	<u>447,208</u>			
Total investments	<u>\$ 24,556,977</u>			
Governmental activities		\$ 295,482		
Business-type activities		151,726		
Fiduciary funds:				
Pension and other post-employment				
benefit trust funds		<u>24,109,769</u>		
Total investments		<u>\$ 24,556,977</u>		

At December 31, 2020, the Township has \$481,558 invested in Equus Investment Partnership X, L.P (Partnership). The Partnership invests in and acquires, holds, operates, and disposes of operational real estate through equity interests. The valuation of the Partnership is determined in good faith from information provided by the General Partner of the limited partnership. The fair value of the Partnership is based on valuation methods including, but not limited to, the following: (1) forecast of future net cash flows based on the General Partner's analysis of future earnings from the investment plus anticipated net proceeds from the sale, deposition or resolution of the investment, discounted at a risk-adjusted rate; (2) prevailing market capitalization rates or earnings multiples applied to stabilized inform or adjusted earnings from the investment; (3) recent sales of comparable investments; (4) independent third-party appraisals; and (5) sale negotiations and bona fide purchase offers received from independent parties. The discounted cash flow technique is the primary method employed by the General Partner supplemented by one or more of the other valuation techniques described above, as applicable. Two significant unobservable inputs used in the discounted cash flow technique are the discount rate and the terminal capitalization rate. These unobservable inputs are inter-related. A significant increase in the

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

discount or terminal capitalization rate in isolation would result in a significantly lower fair value measurement. The estimated fair values do not necessarily represent the prices at which the real estate investments would sell, since market prices can only be determined by negotiation between a willing buyer and a willing seller. This investment can never be redeemed within the fund. Distributions from the fund will be received as the underlying investments of the fund are liquidated. It is expected that the underlying assets of the fund will be liquidated over five to seven years after the end of the investment period. The unfunded commitment for this investment was \$29,986.

At December 31, 2020, the Township has \$6,461 invested in Pennsylvania Local Government Investment Trust (PLGIT) and \$440,747 invested in the Commonwealth of Pennsylvania Treasury Department's INVEST Program (INVEST). The Township uses PLGIT and INVEST, external investment pools, to ensure safety and maximize efficiency, liquidity, and yield for Township funds. PLGIT and INVEST were created to meet the investment needs of local governments, school districts, municipal authorities, and other types of governments in the Commonwealth of Pennsylvania. PLGIT's investment objective is to seek high current income, consistent with preservation of capital and maintenance of liquidity. PLGIT issues separately audited financial statements that are available to the public. Further information regarding PLGIT and its investment strategies can be found at www.plgit.com. INVEST's investment objective is to seek current income while maintaining liquidity and a stable net asset value per share of \$1. Further information regarding INVEST and its investment strategies can be found at www.painvest.gov. The fair value of the Township's position in the external investment pools is equivalent to the value of the pool shares. The Commonwealth of Pennsylvania provides external regulatory oversight for the external investment pools.

The Township is invested in PLGIT-Class shares and PLGIT/ARM shares, which require no minimum balance, no minimum initial investment, and have a one-day minimum investment period, in the amount of \$5,896 and \$565, respectively.

The Township is invested in INVEST Daily pool, which requires no minimum balance, no minimum initial investment, and has no minimum investment period.

Custodial credit risk. Custodial credit risk is the risk that the counterparty to an investment transaction will fail and the government will not recover the value of the investment or collateral securities that are in possession of an outside party. The Township does not have a formal policy for custodial credit risk. The Township's investments in money market funds are held by the financial institution's trust department, not in the Township's name. The

UPPER ALLEN TOWNSHIP

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YEAR ENDED DECEMBER 31, 2020

remaining investments are not exposed to custodial credit risk because they are not evidenced by securities in book entry or paper form.

Credit risk. The Township does not have a formal investment policy that would limit investment choices with regard to credit rating. The Township's investments had the following level of exposure to credit risk as of December 31, 2020:

	Fair Value	Rating
External investment pools	\$ 447,208	AAA
Money market funds	417,785	AAA
Mutual bond funds	7,227,161	A

Interest rate risk. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The following is a list of the Township's external investment pool, money market funds, and fixed income investments and their related average maturities:

Investment Type	Fair Value	Investment Maturities		
		2021	2022-2026	2027-2031
External investment pools	\$ 447,208	\$ 447,208	\$ -	\$ -
Money market funds	417,785	417,785	-	-
Mutual bond funds	7,227,161	-	-	7,227,161
Total	\$ 8,092,154	\$ 864,993	\$ -	\$ 7,227,161

3. Loan Receivable – Fire Company

During March 2019, the Township approved a memorandum of understanding with the Upper Allen Township Fire Department (Fire Department) to provide financial assistance up to a maximum of \$150,000 to purchase furniture, equipment, and furnishings for the new fire station building. The Fire Department had until December 31, 2019 to draw down the funds. All sums loaned to the Fire Department will be repaid within five years from the date of receipt or no later than March 31, 2025. The Township shall retain a security interest in any furniture, equipment, or furnishings purchased by the Fire Department with funds advanced from the Township securing repayment of the advanced funds to the Township. The outstanding balance of the loan at December 31, 2020 was \$95,239.

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YEAR ENDED DECEMBER 31, 2020

4. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases/ Transfers In	Decreases/ Transfers Out	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,079,598	\$ 1,021,863	\$ -	\$ 4,101,461
Construction in progress	639,508	192,464	(484,184)	347,788
Total capital assets, not being depreciated	3,719,106	1,214,327	(484,184)	4,449,249
Capital assets, being depreciated:				
Site improvements	5,863,590	344,177	-	6,207,767
Buildings and building improvements	15,094,030	173,381	-	15,267,411
Vehicles	2,052,857	657,434	(114,833)	2,595,458
Machinery and equipment	1,937,121	242,496	(32,600)	2,147,017
Office furniture and equipment	227,994	12,718	(81,488)	159,224
Infrastructure	21,468,861	442,172	-	21,911,033
Total capital assets, being depreciated	46,644,453	1,872,378	(228,921)	48,287,910
Less accumulated depreciation for:				
Site improvements	(1,229,270)	(272,821)	-	(1,502,091)
Buildings and building improvements	(2,887,517)	(384,106)	-	(3,271,623)
Vehicles	(1,457,435)	(193,456)	114,833	(1,536,058)
Machinery and equipment	(1,182,862)	(135,174)	32,600	(1,285,436)
Office furniture and equipment	(196,331)	(8,702)	81,488	(123,545)
Infrastructure	(4,620,010)	(865,615)	-	(5,485,625)
Total accumulated depreciation	(11,573,425)	(1,859,874)	228,921	(13,204,378)
Total capital assets, being depreciated, net	35,071,028	12,504	-	35,083,532
Governmental activities, capital assets, net	\$ 38,790,134	\$ 1,226,831	\$ (484,184)	\$ 39,532,781

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

	Beginning Balance	Increases/ Transfers In	Decreases/ Transfers Out	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 172,715	\$ -	\$ -	\$ 172,715
Construction in progress	383,874	922,572	(383,874)	922,572
Total capital assets, not being depreciated	556,589	922,572	(383,874)	1,095,287
Capital assets, being depreciated:				
Site improvements	11,465	-	-	11,465
Infrastructure	4,654,430	437,523	-	5,091,953
Disposal plant and pumping stations	19,280,146	227,680	-	19,507,826
Sewer gathering lines	21,539,435	489,890	-	22,029,325
Construction period interest	1,444,609	-	-	1,444,609
Vehicles	586,583	58,944	-	645,527
Machinery and equipment	303,684	-	(50,432)	253,252
Total capital assets, being depreciated	47,820,352	1,214,037	(50,432)	48,983,957
Less accumulated depreciation for:				
Infrastructure	(639,783)	(207,820)	-	(847,603)
Disposal plant and pumping stations	(10,771,452)	(430,271)	-	(11,201,723)
Sewer gathering lines	(7,476,358)	(481,677)	-	(7,958,035)
Construction period interest	(1,306,276)	(5,804)	-	(1,312,080)
Vehicles	(432,225)	(41,831)	-	(474,056)
Machinery and equipment	(271,736)	(9,858)	50,432	(231,162)
Total accumulated depreciation	(20,897,830)	(1,177,261)	50,432	(22,024,659)
Total capital assets, being depreciated, net	26,922,522	36,776	-	26,959,298
Business-type activities, capital assets, net	\$ 27,479,111	\$ 959,348	\$ (383,874)	\$ 28,054,585
Sewer improvement costs, being amortized	\$ 8,069,213	\$ -	\$ -	\$ 8,069,213
Amortization	(1,430,198)	(201,730)	-	(1,631,928)
Business-type activities, sewer improvement costs, net	\$ 6,639,015	\$ (201,730)	\$ -	\$ 6,437,285

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Depreciation and amortization expense were charged to functions/programs of the primary government as follows:

Governmental activities:	
General government administration	\$ 252,843
Public safety police protection	145,759
Public safety building regulation and planning	2,305
Public safety emergency management	1,422
Public safety fire protection	109,924
Public works - highways, roads, and streets	979,759
Culture - recreation	367,862
Total depreciation expense - governmental activities	<u>\$ 1,859,874</u>
Business-type activities:	
Sewer Fund	\$ 1,165,922
Upper Allen Township Authority	213,069
Total depreciation and amortization expense - business-type activities	<u>\$ 1,378,991</u>

5. Long-Term Debt

Governmental Activities

During the year ended December 31, 2020, governmental activities long-term debt changed as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds	\$ 8,170,000	\$ -	\$ (595,000)	\$ 7,575,000	\$ 605,000
Original issue premium	123,315	-	(21,318)	101,997	-
Compensated absences	110,239	290,682	(268,416)	132,505	108,616
Total long-term debt	<u>\$ 8,403,554</u>	<u>\$ 290,682</u>	<u>\$ (884,734)</u>	<u>\$ 7,809,502</u>	<u>\$ 713,616</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

General Obligation Bonds

General Obligation Bonds are typically liquidated by the General Fund.

On May 24, 2017, the Township issued General Obligation Bonds, Series of 2017, in the aggregate principal amount of \$9,370,000. The proceeds of this bond issue, along with a Township cash contribution in the amount of \$500,000, were to be used for: (1) the current refunding of the Township's General Obligation Bonds, Series of 2012; (2) funding certain capital projects of the Township; and (3) paying costs and expenses related to the bond issuance.

On June 20, 2016, the Township issued General Obligation Bonds, Series of 2016, in the aggregate principal amount of \$5,655,000. The proceeds of this bond issue were to be used for: (1) the current refunding of the Township's General Obligation Note, Series of 2011; and (2) paying the costs and expenses related to the bond issuance.

On April 8, 2015, the Township issued General Obligation Bonds, Series of 2015, in the aggregate principal amount of \$8,090,000. The proceeds of this bond issue, along with a Township cash contribution in the amount of \$1,000,000, were to be used for: (1) the current refunding of the Township's General Obligation Note, Series of 2010; and (2) paying the costs and expenses related to the bond issuance.

The aggregate debt service requirement for the governmental activities portion of the General Obligation Bonds, Series of 2017, as of December 31, 2020 is as follows:

For the Year Ending December 31,	Principal Maturities	Interest	Total Debt Service
2021	\$ 80,000	\$ 72,682	\$ 152,682
2022	85,000	69,382	154,382
2023	90,000	66,782	156,782
2024	90,000	64,982	154,982
2025	95,000	62,871	157,871
2026-2030	505,000	276,745	781,745
2031-2035	585,000	205,125	790,125
2036-2040	675,000	108,402	783,402
2041-2042	305,000	10,301	315,301
Total	<u>\$ 2,510,000</u>	<u>\$ 937,272</u>	<u>\$ 3,447,272</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The governmental activities portion of the General Obligation Bonds, Series of 2017, are due serially on May 15, with interest payable semi-annually and principal maturities as follows:

Date of Maturity	Interest	Amount
	Rate	
May 15, 2021	4.000%	\$ 80,000
2022	4.000%	85,000
2023	2.000%	90,000
2024	2.000%	90,000
2025	2.550%	95,000
2026	2.550%	95,000
2027	2.550%	100,000
2028	2.550%	100,000
2029	2.550%	105,000
2030	2.550%	105,000
2031	2.550%	110,000
2032	2.550%	115,000
2033	3.000%	115,000
2034	3.000%	120,000
2035	3.000%	125,000
2036	3.200%	125,000
2037	3.200%	130,000
2038	3.200%	135,000
2039	3.350%	140,000
2040	3.350%	145,000
2041	3.350%	150,000
2042	3.350%	155,000
		<u>\$ 2,510,000</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The aggregate debt service requirement for the General Obligation Bonds, Series of 2016, as of December 31, 2020 is as follows:

For the Year Ending December 31,	Principal Maturities	Interest	Total Debt Service
2021	\$ 345,000	\$ 100,900	\$ 445,900
2022	360,000	87,100	447,100
2023	365,000	79,900	444,900
2024	375,000	72,600	447,600
2025	380,000	65,100	445,100
2026-2030	2,015,000	208,600	2,223,600
2031-2032	860,000	25,900	885,900
Total	<u>\$ 4,700,000</u>	<u>\$ 640,100</u>	<u>\$ 5,340,100</u>

The General Obligation Bonds, Series of 2016, are due serially on August 15, with interest payable semi-annually and principal maturities as follows:

Date of Maturity	Interest Rate	Amount
August 15, 2021	4.000%	\$ 345,000
2022	2.000%	360,000
2023	2.000%	365,000
2024	2.000%	375,000
2025	2.000%	380,000
2026	2.000%	385,000
2027	2.000%	395,000
2028	2.000%	405,000
2029	2.000%	410,000
2030	2.000%	420,000
2031	2.000%	425,000
2032	2.000%	435,000
		<u>\$ 4,700,000</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The aggregate debt service requirement for the governmental activities portion of the General Obligation Bonds, Series of 2015, as of December 31, 2020 is as follows:

For the Year Ending December 31,	Principal Maturities	Interest	Total Debt Service
2021	\$ 180,000	\$ 4,862	\$ 184,862
2022	185,000	1,711	186,711
Total	<u>\$ 365,000</u>	<u>\$ 6,573</u>	<u>\$ 371,573</u>

The governmental activities portion of the General Obligation Bonds, Series of 2015, are due serially on May 15, with interest payable semi-annually and principal maturities as follows:

Date of Maturity	Interest Rate	Amount
May 15, 2021	1.600%	\$ 180,000
2022	1.850%	185,000
		<u>\$ 365,000</u>

Compensated Absences

Compensated absences are typically liquidated by the General Fund.

Business-Type Activities (Sewer Revenue Fund)

During the year ended December 31, 2020, business-type activities long-term debt changed as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds	\$ 10,345,000	\$ -	\$ (1,235,000)	\$ 9,110,000	\$ 1,270,000
Original issue premium	147,576	-	(32,287)	115,289	-
Compensated absences	48,569	52,542	(64,440)	36,671	17,060
Total long-term debt	<u>\$ 10,541,145</u>	<u>\$ 52,542</u>	<u>\$ (1,331,727)</u>	<u>\$ 9,261,960</u>	<u>\$ 1,287,060</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The business-type activities portion of the General Obligation Bonds, Series of 2017, are due serially on May 15, with interest payable semi-annually and principal maturities as follows:

Date of Maturity	Interest Rate	Amount
May 15, 2021	4.00%	\$ 395,000
2022	4.00%	410,000
2023	2.00%	420,000
2024	2.00%	430,000
2025	2.55%	440,000
2026	2.55%	450,000
2027	2.55%	460,000
2028	2.55%	475,000
2029	2.55%	485,000
2030	2.55%	500,000
2031	2.55%	515,000
2032	2.55%	525,000
		<u>\$ 5,505,000</u>

The business-type activities portion of the General Obligation Bonds, Series of 2015, are due serially on May 15, with interest payable semi-annually and principal maturities as follows:

Date of Maturity	Interest Rate	Amount
May 15, 2021	1.60%	\$ 875,000
2022	1.85%	890,000
2023	2.00%	910,000
2024	2.00%	930,000
		<u>\$ 3,605,000</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The aggregate debt service requirements for the business-type activity are as follows:

Year	Principal Maturities	Interest	Total Debt Service
2021	\$ 1,270,000	\$ 199,740	\$ 1,469,740
2022	1,300,000	168,408	1,468,408
2023	1,330,000	138,975	1,468,975
2024	1,360,000	111,775	1,471,775
2025	440,000	92,565	532,565
2026-2030	2,370,000	286,875	2,656,875
2031-2032	1,040,000	26,648	1,066,648
Totals	<u>\$ 9,110,000</u>	<u>\$ 1,024,986</u>	<u>\$ 10,134,986</u>

The Township's General Obligation Bonds are subject to certain redemptions prior to maturity in accordance with the relevant trust indentures. No such redemptions took place during the year ended December 31, 2020.

In the event of failure of the Township to pay the interest on or principal of the General Obligation Bonds when due and payable, the holders of the bonds are entitled to certain remedies provided by the Local Government Unit Debt Act of the Commonwealth of Pennsylvania. No such events of default took place during the year ended December 31, 2020.

6. Pension Plans

Summary of Significant Accounting Policies

The Upper Allen Township Police Pension Plan and Upper Allen Township Employees Pension Plan (Plans) use the accrual basis of accounting and, accordingly, contributions and income are recognized when they are earned and expenses are recognized when they are incurred. Investments of the plans are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Benefits and refunds are recognized when due and payable in accordance with the terms of plans. Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Plan Descriptions

The Township maintains two single-employer, defined benefit pension plans, and one single-employer defined contribution plan, covered by the Municipal Pension Plan Funding Standard and Recovery Act, Act 205 and Act 600, of the General Assembly of the Commonwealth of Pennsylvania. All three plans are governed by the Board of Commissioners of the Township, which may amend provisions, and which is responsible for the management of plan assets. The Township has appointed a Police Pension Plan Committee, which includes seven members, and an Employee Pension Plan Committee, which includes six members, to oversee certain policies and procedures related to the operation and administration of the Plan investments. All three plans are single-employer public employee retirement systems. U.S. Bank serves as Trustee for the defined benefit plans. The plans do not issue separate reports.

A. Upper Allen Township Police Pension Plan (Police Pension Plan) and Upper Allen Township Employees Pension Plan (Employees Pension Plan)

Plan Membership

The Police Pension Plan covers all full-time members of the police force. The Employees Pension Plan covers all full-time, non-uniformed employees hired before November 1, 2014. The Employees Pension Plan is closed to new entrants.

At December 31, 2020, the Plan's membership data was as follows:

	Police Pension Plan	Employees Pension Plan
Active employees	22	19
Inactive employees or beneficiaries currently receiving benefits	10	24
Inactive employees entitled to but not yet receiving benefits	2	11
Total	34	54

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Benefits Provided

Police Pension Plan

Retirement Benefit - A member is eligible for normal retirement after attainment of age 50 and completion of 25 years of vesting service. The normal retirement pension is payable monthly during the member's lifetime, with payments continuing after the member's death to the surviving spouse or eligible child, equal to 50 percent of the amount payable to the member at the time of the member's death. The monthly pension is equal to 50 percent of the average monthly compensation, based upon the last 36 months of employment, plus a service increment of \$100/month after 26 years of benefit service and \$75/month for each year of benefit service completed in excess of 26 years, up to a maximum service increment benefit of \$400/month if 30 or more years of benefit service have been completed.

Members become fully vested upon completion of 12 years of service. The vested benefit is a deferred monthly pension beginning at normal retirement equal to the benefit accrued to the date of termination.

Early Retirement - A member is eligible for early retirement after completion of 20 years of vesting service. The monthly early retirement pension is equal to the actuarial equivalent of the benefit accrued at the early retirement date.

Late Retirement - If a member continues working after the normal retirement date, the pension does not start until the member actually retires. The late retirement benefit is the benefit accrued to the late retirement date.

Disability Benefit - If an active member is disabled in the line of duty, the member is eligible for a disability pension. The amount of the monthly disability pension shall be equal to 65% of the member's monthly salary at the time of disability, reduced by any benefit received from an insurance policy funded by the Township; but no less than 50% of the member's monthly salary at the time of the disability, reduced by any Social Security disability benefits payable for the same injury.

Death Benefit - If a member is eligible for retirement at the time of death, a monthly death benefit is payable to their surviving spouse or eligible child, in an amount equal to 50 percent of the monthly benefit the member would have been receiving had they retired at the time of death.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Cost-of-Living Adjustments - An annual cost-of-living adjustment is made to retirees' pensions equal to the percentage increase in the Consumer Price Index for the preceding calendar year, with a maximum total cost-of-living increase of 30%, and a maximum pension benefit of 75% of the compensation used for computing retirement benefits.

Deferred Retirement Option Plan (DROP) - An active member who has met the eligibility requirements for normal retirement may elect to participate in the DROP for a period not to exceed four years. The monthly pension shall be calculated as of the date of participation in the DROP and shall be accumulated with 4.0% annual interest and distributed in a lump sum at retirement. At December 31, 2020, there was one member in the DROP. As of December 31, 2020, the amount of the plan's investments pursuant to the DROP is \$260,110.

Employees Pension Plan

Retirement Benefit - A member is eligible for normal retirement after attainment of age 62 and completion of five years of service. The normal retirement pension is payable monthly during the member's lifetime, with payments guaranteed for the first 120 months. The amount of monthly pension is equal to 50 percent of average monthly compensation. Average monthly compensation is based upon the last 36 months of employment. The monthly pension is reduced pro rata for benefit service less than 15 years at normal retirement. The minimum monthly pension is \$50.

Members become fully vested upon completion of five years of vesting service. The vested benefit is a deferred monthly pension beginning at normal retirement equal to the benefit accrued to the date of termination.

Early Retirement - A member is eligible for early retirement after attainment of age 55 and completion of five years of vesting service. The monthly early retirement pension is the benefit accrued to the date of early retirement, reduced 5/9 of one percent for each of the first 60 months early and 5/18 of one percent for each additional month early.

Late Retirement - If a member continues working after the normal retirement date, the monthly pension does not start until the member actually retires. The monthly late retirement pension is the greater of the benefit accrued to the late retirement date or the benefit as of the end of the preceding plan year, as actuarially increased.

Disability Benefit - A member is eligible for disability retirement after six months of disability. The monthly disability retirement pension is the actuarial equivalent of the accrued benefit.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Death Benefit - The death benefit for a vested active member who has been married at least one year is a 50 percent survivor pension for their spouse. Payment of the survivor pension would begin on the date on which the member would first have been eligible for retirement. The amount of the survivor pension would be the 50 percent survivor pension payable under a joint and 50 percent survivor pension option, based upon the pension accrued to the date of death and reduced for early commencement of benefits, if applicable.

Contributions

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that are sufficient to accumulate sufficient assets to pay benefits when due. Required contributions are determined using the entry age normal method. The unfunded actuarial accrued liability is amortized in accordance with Act 205. The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to calculate the actuarial accrued liability.

Act 205 requires that annual contributions to the Plans be based upon the Plan's Minimum Municipal Obligation (MMO), which is based on the Plan's biennial actuarial valuation. The Plans are eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program, which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205. The Township uses the Foreign Fire and Casualty Taxes received from the Commonwealth of Pennsylvania to fund their portion of the Plans. The Township is required to contribute the remaining amounts necessary to fund the Plans, using the actuarial basis specified by the statute.

Police Pension Plan

In accordance with the Police Pension Plan's governing document, active members are required to contribute 5% of their compensation to the pension fund. The Township contributed \$463,102 to the Police Pension Plan for the year ended December 31, 2020.

Employees Pension Plan

In accordance with the Employees Pension Plan's governing document, employees are not required to contribute to the plan. The Township contributed \$377,073 to the Employees Pension Plan for the year ended December 31, 2020.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Changes in Net Pension Liability

The changes in the net pension liability of the Township for the year ended December 31, 2020 were as follows:

Police Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2019	\$ 12,853,182	\$ 11,330,656	\$ 1,522,526
Changes for the year:			
Service cost	370,397	-	370,397
Interest	988,234	-	988,234
Contributions - employer	-	463,102	(463,102)
Contributions - employee	-	108,618	(108,618)
Net investment income	-	1,679,962	(1,679,962)
Benefit payments, including refunds	(663,507)	(663,507)	-
Administrative expense	-	(7,000)	7,000
Net changes	695,124	1,581,175	(886,051)
Balances at December 31, 2020	<u>\$ 13,548,306</u>	<u>\$ 12,911,831</u>	<u>\$ 636,475</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>95.3%</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Employees Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2019	\$ 8,581,263	\$ 7,664,239	\$ 917,024
Changes for the year:			
Service cost	109,391	-	109,391
Interest	658,889	-	658,889
Contributions - employer	-	377,073	(377,073)
Net investment income	-	1,087,275	(1,087,275)
Benefit payments, including refunds	(377,720)	(377,720)	-
Administrative expense	-	(7,400)	7,400
Net changes	390,560	1,079,228	(688,668)
Balances at December 31, 20120	<u>\$ 8,971,823</u>	<u>\$ 8,743,467</u>	<u>\$ 228,356</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>97.5%</u>

The net pension liability of the Employees Pension Plan is allocated between the governmental activities and the business-type activity in the amounts of \$219,545 and \$8,811, respectively, at December 31, 2020.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Actuarial Assumptions

For the Plans, the net pension liability was determined as part of an actuarial valuation at January 1, 2019. Update procedures were used to rollforward to the Plan's fiscal plan year ending December 31, 2020. No significant events or changes in assumptions that occurred between the valuation date and the fiscal year end. These valuations were based upon the entry age normal cost method and the following significant actuarial assumptions:

	Police Pension Plan	Employees Pension Plan
Actuarial assumptions:		
Investment rate of return	7.75%	7.75%
Projected salary increases	4.75%	4.75%
Underlying inflation rate	3.00%	3.00%
Post-retirement cost-of-living increase	3.00%	0.00%
Mortality		
	PubS-2010 Mortality Table with rates projected generationally using Scale MO-2018 to reflect mortality improvement	PubS-2010 Mortality Table with rates projected generationally using Scale MO-2018 to reflect mortality improvement

Investment Policy

The Police Pension Plan Committee and the Employees Pension Plan Committee have the authority to implement the investment policy and guidelines in the best interest of the applicable plan investments to best satisfy the purposes of each plan. It is the policy for both Plans that, in general, the Plans will hold up to six months of cash, cash equivalents, and/or money market funds for near-term benefits and expenses. All remaining assets will be invested in long-term securities and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments, or industries.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Long-Term Expected Rate of Return

The long-term expected rate of return on the Plans investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class included in the Plans as of December 31, 2020 are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	70.0%	5.5% - 7.5%
Fixed income	28.0%	1.0% - 3.0%
Cash	2.0%	0.0% - 1.0%
	<u>100.0%</u>	

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2020, the annual money-weighted rate of return on the Police Pension Plan investments, net of investment expense, was 14.86%. For the year ended December 31, 2020, the annual money-weighted rate of return on the Employees Pension Plan investments, net of investment expense, was 14.86%.

Concentrations

The Plans had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds, or other pooled investments) in any one issuer that represents 5% or more of the Plan's fiduciary net position at December 31, 2020.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Discount Rate

The discount rate used to measure the total pension liability for the Plans was 7.75%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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. The employer has always met the funding requirements of Act 205. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Plans calculated using the discount rates described above, as well as what the Plan's net pension liabilities (assets) would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Police Pension Plan	<u>\$ 2,430,611</u>	<u>\$ 636,475</u>	<u>\$ (839,359)</u>
Employees Pension Plan	<u>\$ 1,032,330</u>	<u>\$ 228,356</u>	<u>\$ (460,931)</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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 \$308,875; \$244,786 in the governmental activities and \$64,089 in the business-type activity. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	Business-Type Activity
<u>Deferred Outflows of Resources:</u>		
Police Pension Plan:		
Changes of assumptions	\$ 554,567	\$ -
Total Police Pension Plan	554,567	-
Employees Pension Plan:		
Changes of assumptions	135,159	66,932
Total Employees Pension Plan	135,159	66,932
Total deferred outflows of resources	<u>\$ 689,726</u>	<u>\$ 66,932</u>
<u>Deferred Inflows of Resources:</u>		
Police Pension Plan:		
Changes of assumptions	\$ 42,722	\$ -
Net difference between projected and actual earnings on pension plan investments	964,036	-
Differences between expected and actual experience	336,316	-
Total Police Pension Plan	1,343,074	-
Employees Pension Plan:		
Net difference between projected and actual earnings on pension plan investments	392,157	233,883
Differences between expected and actual experience	39,911	26,054
Total Employees Pension Plan	432,068	259,937
Total deferred inflows of resources	<u>\$ 1,775,142</u>	<u>\$ 259,937</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The effect of the differences in the Township's expected and actual experience and the changes of assumptions are recognized over the average expected remaining service lives of active and inactive members. The difference between projected and actual earnings on the pension plan investments is recognized over five years. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,	Police Pension Plan	Employees Pension Plan	
	Governmental Activities	Governmental Activities	Business-Type Activity
2021	\$ (262,116)	\$ (20,138)	\$ (17,593)
2022	(136,951)	(26,565)	(58,471)
2023	(394,204)	(209,956)	(58,471)
2024	(157,921)	(40,250)	(58,470)
2025	69,208	-	-
Thereafter	93,477	-	-
	<u>\$ (788,507)</u>	<u>\$ (296,909)</u>	<u>\$ (193,005)</u>

B. Upper Allen Township Non-Uniformed Employees Retirement Plan

Effective November 1, 2014, the Township established the Upper Allen Township Non-Uniformed Employees Retirement Plan, a defined contribution pension plan, to provide retirement benefits for full-time, non-uniformed employees who have completed at least one hour of service on or after November 1, 2014. The Township contributes 10% of each eligible member's compensation. Members do not contribute to the plan. The Township administers the plan using one financial institution for the plan assets. The Township contribution to the plan for the year ended December 31, 2020 was \$50,726. As of December 31, 2020, the Township owes the plan \$50,726.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Pension Financial Statements

Financial statements for the individual pension plans are presented below:

Statement of Fiduciary Net Position December 31, 2020

	Police Pension Trust Fund	Employees Pension Trust Fund
Assets:		
Investments	\$ 12,911,831	\$ 8,743,467
Total assets	12,911,831	8,743,467
Net position restricted for pension benefits	<u>\$ 12,911,831</u>	<u>\$ 8,743,467</u>

Statement of Changes in Fiduciary Net Position Year Ended December 31, 2020

	Police Pension Trust Fund	Employees Pension Trust Fund
Additions:		
Contributions:		
Employer contributions	\$ 463,102	\$ 377,073
Employee contributions	108,618	-
Total contributions	571,720	377,073
Investment earnings:		
Net appreciation in fair value of investments	1,531,469	986,916
Interest and dividends	182,257	123,336
Total investment earnings	1,713,726	1,110,252
Less: investment expense	40,764	30,377
Net investment earnings	1,672,962	1,079,875
Total additions	2,244,682	1,456,948
Deductions:		
Benefits payments	663,507	377,720
Total deductions	663,507	377,720
Change in net position	1,581,175	1,079,228
Net position restricted for pension benefits:		
Beginning of year	11,330,656	7,664,239
End of year	<u>\$ 12,911,831</u>	<u>\$ 8,743,467</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

7. Police Other Post-Employment Benefit Plan

In addition to the pension benefits described in Note 6, the Township provides certain post-employment healthcare benefits to its police retirees through one single-employer, defined benefit OPEB plan. The OPEB Plan does not issue a separate report.

Plan Membership

At December 31, 2020, the OPEB Plan's membership data was as follows:

Active employees	23
Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	3
Total	<u>26</u>

Plan Description

Per Article VIII of the Collective Bargaining Agreement between the Township and the Upper Allen Township Police, effective January 1, 2018, the Township will provide retired officers with health insurance for a period of time after retirement.

Benefits Provided

Any full-time police officer who retires with a full unreduced pension on or after attainment of age 50 and completion of 25 years of service or must be granted a full disability retirement pension is eligible.

For officers hired before January 1, 2018, the Township will pay, for an individual retiree, the full cost of health care insurance then in effect for a maximum period of 15 years from the officer's date of retirement, or until the retiree attains age 65 and is eligible for Medicare, or its successor equivalent program. For officers hired on or after January 1, 2018, the Township will pay, for an individual retiree, the full cost of health care insurance then in effect for a maximum period of 8 years from the officer's date of retirement, or until the retiree attains age 65 and is eligible for Medicare, or its successor equivalent program. For any officer hired before August 29, 2014, the Township will also pay, for the retired

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

officer's family, the full cost of health care insurance then in effect for a maximum period of 45 months from the date of the officer's retirement. If the months of coverage expire prior to the spouse reaching Medicare eligibility, the spouse may remain on the plan by contributing 100% of premiums until the spouse attains Medicare eligibility or until the retiree attains Medicare eligibility, whichever occurs first.

In the event of an officer's death, while in the performance of police duties, the family of the deceased officer shall remain covered at the expense of the Township under all medical and health benefits that would normally be provided to the family, until such time as they are eligible to be covered by other sources, up to a period of seven years. Coverage for children ceases upon attainment of age 19, or age 23 if the child is a student enrolled full-time in an accredited university or college or in a technical or specialized school.

All coverage ceases once Medicare eligibility is reached by the retiree.

Contributions

For the year ended December 31, 2020, the Township contributed \$201,571 to the OPEB Plan. Net OPEB obligations are typically liquidated by the General Fund.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Net OPEB Liability

The changes in the net OPEB liability of the OPEB Plan for the year ended December 31, 2020 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2019	\$ 2,457,972	\$ 1,945,821	\$ 512,151
Changes for the year:			
Service cost	100,347	-	100,347
Interest	193,041	-	193,041
Changes of assumptions	(42,617)	-	(42,617)
Contributions - employer	-	201,571	(201,571)
Net investment income	-	300,094	(300,094)
Benefit payments, including refunds	(124,546)	(124,546)	-
Administrative expense	-	(11,290)	11,290
Net changes	126,225	365,829	(239,604)
Balances at December 31, 2020	<u>\$ 2,584,197</u>	<u>\$ 2,311,650</u>	<u>\$ 272,547</u>
Plan fiduciary net position as a percentage of the total OPEB liability			<u>89.5%</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Actuarial Assumptions

The total OPEB liability was measured as of December 31, 2020 and was determined by rolling forward the liabilities from the January 1, 2019 actuarial valuation, using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial cost method	Entry age normal, level dollar
Actuarial assumptions:	
Interest rate	8.00%
Salary increases	4.75%
Medical inflation	5.5% in 2019 through 2023. Rates gradually decrease from 5.4% in 2024 to 4.0% in 2075 and later
Mortality table	PubS-2010 mortality table with rates projected generationally using Scale MP-2018 to reflect mortality improvement
Retirement age	Age 53 and completion of 28 years of service.

Change in Actuarial Assumptions

The discount rate was changed from 7.75% to 8.00% for the measurement date of December 31, 2020.

Investment Policy

The Administrative Committee has the authority to implement the investment policy and guidelines in the best interest of the OPEB trust to best satisfy the purposes of the OPEB trust. It is the policy for the OPEB trust that, in general, the OPEB trust will hold up to six months of cash, cash equivalents, and/or money market funds for near-term benefits and expenses. All remaining assets will be invested in long-term securities and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments, or industries.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class for the OPEB Plan as of December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	70.0%	5.5% - 7.5%
Fixed income	28.0%	1.0% - 3.0%
Cash	2.0%	0.0% - 1.0%
	<u>100.0%</u>	

Rate of Return

The money-weighted rate of return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2020, the annual money-weighted rate of return on OPEB Plan investments, net of investment expense, was 15.52%.

Concentrations

At December 31, 2020, none of the OPEB Plan's investments were more than five percent of the OPEB Plan's total asset value.

Discount Rate

The discount rate used to measure the total OPEB liability as of December 31, 2020 was 8.00%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the OPEB Plan calculated using the discount rate described above, as well as what the OPEB Plan's net OPEB liabilities would be if they were calculated using a discount rate that is one-percentage-point lower or higher than the current rates as of December 31, 2020:

1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
<u>\$ 511,239</u>	<u>\$ 272,547</u>	<u>\$ 58,353</u>

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

The following presents the net OPEB liability (asset) of the OPEB Plan calculated using the healthcare cost trend rates described above, as well as what the OPEB Plan's net OPEB liabilities (assets) would be if they were calculated using a healthcare cost trend rate that is one-percentage-point lower (4.5% decreasing to 3.0%) or higher (6.5% decreasing to 5.0%) than the current rates (5.5% decreasing to 4.0%) as of December 31, 2020:

1% Decrease	Current Rates	1% Increase
<u>\$ (49,525)</u>	<u>\$ 272,547</u>	<u>\$ 654,868</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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 \$98,163 in the governmental activities. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u>
<u>Deferred Outflows of Resources:</u>	
Changes in assumptions	\$ 56,269
Total deferred outflows of resources	<u>\$ 56,269</u>
<u>Deferred Inflows of Resources:</u>	
Net difference between projected and actual earnings on OPEB plan investments	\$ 174,197
Changes of assumptions	55,830
Difference between expected and actual experience	<u>80,795</u>
Total deferred inflows of resources	<u>\$ 310,822</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The effect of the Township's changes of assumptions and difference between expected and actual experience is recognized over the average expected remaining service lives of active and inactive members. The difference between projected and actual earnings on the OPEB Plan investments is recognized over five years. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending December 31,</u>	<u>Governmental Activities</u>
2021	\$ (53,169)
2022	(33,142)
2023	(80,007)
2024	(36,507)
2025	(7,157)
Thereafter	(44,571)
	<u>\$ (254,553)</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The financial statement for the OPEB trust is presented below:

Statement of Fiduciary Net Position December 31, 2020

Assets:

Investments	\$ 2,311,650
Net position restricted for other post-employment benefits	<u>\$ 2,311,650</u>

Statement of Changes in Fiduciary Net Position Year Ended December 31, 2020

Additions:

Contributions:

Employer contributions	\$ 201,571
Total contributions	<u>201,571</u>

Investment earnings:

Net appreciation in fair value of investments	267,366
Interest and dividends	<u>32,728</u>
Total investment earnings	300,094

Less: investment expense	<u>1,882</u>
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Net investment earnings	<u>298,212</u>
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Total additions	<u>499,783</u>
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Deductions:

Benefit payments	124,546
Administrative expenses	<u>9,408</u>
Total deductions	<u>133,954</u>

Change in net position	365,829
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Net position restricted for other post-employment benefits:

Beginning of year	<u>1,945,821</u>
End of year	<u>\$ 2,311,650</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

8. Intergovernmental Agreement

A large portion of the Township's sewer lines flow into a disposal plant operated by the Lower Allen Township Authority (LATA). Operating expenses are shared based upon the percentage of total flow generated by the Township, which for the year ended December 31, 2020 was 18.20%. The Township's share of operating expenses for the year ended December 31, 2020 was \$763,337. In conjunction, the Township agreed to share in the cost of capital additions and improvements to the Authority's jointly used facilities, based on a pro rata share of the Township's capacity usage and the total capacity of the Authority's sewer system. Through December 31, 2020, the Township's share of capital additions and improvements was \$8,069,213 and accumulated amortization at December 31, 2020 was \$1,631,928.

9. Commitments and Contingencies

Grants

The Township participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2020 may be impaired. In the opinion of the Township, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Construction Commitments

The Township is committed for capital projects disbursements in the amount of \$364,444 as of December 31, 2020.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

10. Interfund Balances and Transfers

The composition of interfund balances at December 31, 2020 is as follows:

	Due from Other Funds	Due to Other Funds
Capital Reserve Fund	\$ 124,004	\$ -
Nonmajor Governmental Fund:		
Park Improvement Fund	-	45,000
Recreation Land Acquisition Fund	-	79,004
	<u>\$ 124,004</u>	<u>\$ 124,004</u>

Interfund balances are primarily for the reimbursement of expenditures.

A reconciliation of interfund transfers (not including transfers between governmental activities and business-type activities) for the year ended December 31, 2020 is as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 510,264
Capital Reserve Fund	500,000	-
Nonmajor Governmental Funds:		
Street Light Fund	8,500	-
Fire Company Operating Fund	-	300,000
Fire Company Escrow Fund	300,000	-
Sewer Fund	1,764	-
	<u>\$ 810,264</u>	<u>\$ 810,264</u>

Interfund transfers are primarily for debt service payments and budgeted capital expenditures.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

11. Subsequent Events

In May 2021, the Township approved the issuance of General Obligation Bonds, Series of 2021 for \$9,110,000 to provide funds for various capital projects, to refund the general obligation bonds, Series of 2015 and Series of 2016, and to pay the costs of issuance of the Series of 2021 bonds.

In May 2021, the Authority entered into a contract for basin improvements in the amount of \$442,615.

REQUIRED SUPPLEMENTARY INFORMATION

UPPER ALLEN TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLANS

SCHEDULE OF CHANGES IN THE POLICE PENSION PLAN'S NET PENSION LIABILITY AND RELATED RATIOS

	2020*	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service cost	\$ 370,397	\$ 353,601	\$ 309,662	\$ 294,916	\$ 259,375	\$ 247,024	\$ 250,658
Interest	988,234	924,739	860,422	808,047	733,827	683,989	681,142
Changes of benefit terms	-	-	-	-	-	(59,415)	-
Changes of assumptions	-	517,439	-	273,802	-	(106,808)	-
Differences between expected and actual experience	-	(96,796)	-	(71,596)	-	(553,132)	-
Benefit payments, including refunds	(663,507)	(335,971)	(636,350)	(216,400)	(213,872)	(212,915)	(211,643)
Net Changes in Total Pension Liability	695,124	1,363,012	533,734	1,088,769	779,330	(1,257)	720,157
Total Pension Liability - Beginning	12,853,182	11,490,170	10,956,436	9,867,667	9,088,337	9,089,594	8,369,437
Total Pension Liability - Ending (a)	\$ 13,548,306	\$ 12,853,182	\$ 11,490,170	\$ 10,956,436	\$ 9,867,667	\$ 9,088,337	\$ 9,089,594
Plan Fiduciary Net Position:							
Contributions - employer	\$ 463,102	\$ 441,233	\$ 278,778	\$ 278,778	\$ 271,678	\$ 409,217	\$ 332,303
Contributions - employee	108,618	101,460	92,363	87,515	89,338	88,706	90,041
Net investment income (loss)	1,679,962	1,903,964	(498,046)	1,314,002	506,276	23,785	357,073
Benefit payments, including refunds	(663,507)	(335,971)	(636,350)	(216,400)	(213,872)	(212,915)	(211,643)
Administrative expense	(7,000)	-	(4,000)	(7,800)	(3,000)	(7,000)	(9,300)
Net Change in Plan Fiduciary Net Position	1,581,175	2,110,686	(767,255)	1,456,095	650,420	301,793	558,474
Plan Fiduciary Net Position - Beginning	11,330,656	9,219,970	9,987,225	8,531,130	7,880,710	7,578,917	7,020,443
Plan Fiduciary Net Position - Ending (b)	\$ 12,911,831	\$ 11,330,656	\$ 9,219,970	\$ 9,987,225	\$ 8,531,130	\$ 7,880,710	\$ 7,578,917
Net Pension Liability - Ending (a-b)	\$ 636,475	\$ 1,522,526	\$ 2,270,200	\$ 969,211	\$ 1,336,537	\$ 1,207,627	\$ 1,510,677
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.30%	88.15%	80.24%	91.15%	86.46%	86.71%	83.38%
Covered Payroll	\$ 2,220,546	\$ 2,029,205	\$ 1,893,540	\$ 1,691,664	\$ 1,685,653	\$ 1,664,211	\$ 1,761,799
Net Pension Liability as a Percentage of Covered Payroll	28.66%	75.03%	119.89%	57.29%	79.29%	72.56%	85.75%

* This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Township is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information - pension plans.

UPPER ALLEN TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLANS

SCHEDULE OF CHANGES IN THE EMPLOYEES PENSION PLAN'S NET PENSION LIABILITY AND RELATED RATIOS

	2020*	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service cost	\$ 109,391	\$ 104,431	\$ 205,305	\$ 195,529	\$ 215,081	\$ 204,839	\$ 216,923
Interest	658,889	629,795	591,348	552,977	499,978	465,563	444,514
Changes of benefit terms	-	-	-	-	-	59,754	-
Changes of assumptions	-	458,163	-	246,854	-	-	-
Differences between expected and actual experience	-	(96,735)	-	(20,107)	-	(207,867)	-
Benefit payments, including refunds	(377,720)	(349,845)	(295,495)	(261,797)	(257,737)	(243,156)	(233,098)
Net Changes in Total Pension Liability	390,560	745,809	501,158	713,456	457,322	279,133	428,339
Total Pension Liability - Beginning	8,581,263	7,835,454	7,334,296	6,620,840	6,163,518	5,884,385	5,456,046
Total Pension Liability - Ending (a)	\$ 8,971,823	\$ 8,581,263	\$ 7,835,454	\$ 7,334,296	\$ 6,620,840	\$ 6,163,518	\$ 5,884,385
Plan Fiduciary Net Position:							
Contributions - employer	\$ 377,073	\$ 386,155	\$ 401,401	\$ 302,752	\$ 306,166	\$ 339,553	\$ 304,603
Net investment income (loss)	1,087,275	1,337,452	(386,862)	897,064	333,194	16,061	238,670
Benefit payments, including refunds	(377,720)	(349,845)	(295,495)	(261,797)	(257,737)	(243,156)	(233,098)
Administrative expense	(7,400)	-	(3,800)	(8,400)	(3,800)	(6,400)	(8,000)
Net Change in Plan Fiduciary Net Position	1,079,228	1,373,762	(284,756)	929,619	377,823	106,058	302,175
Plan Fiduciary Net Position - Beginning	7,664,239	6,290,477	6,575,233	5,645,614	5,267,791	5,161,733	4,859,558
Plan Fiduciary Net Position - Ending (b)	\$ 8,743,467	\$ 7,664,239	\$ 6,290,477	\$ 6,575,233	\$ 5,645,614	\$ 5,267,791	\$ 5,161,733
Net Pension Liability - Ending (a-b)	\$ 228,356	\$ 917,024	\$ 1,544,977	\$ 759,063	\$ 975,226	\$ 895,727	\$ 722,652
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.45%	89.31%	80.28%	89.65%	85.27%	85.47%	87.72%
Covered Payroll	\$ 1,213,479	\$ 1,442,257	\$ 1,517,884	\$ 1,552,320	\$ 1,552,825	\$ 1,566,894	\$ 1,546,762
Net Pension Liability as a Percentage of Covered Payroll	18.82%	63.58%	101.78%	48.90%	62.80%	57.17%	46.72%

* This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Township is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information - pension plans.

UPPER ALLEN TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLANS

SCHEDULES OF TOWNSHIP CONTRIBUTIONS AND INVESTMENT RETURNS - PENSION PLANS

POLICE PENSION PLAN:

Schedule of Township Contributions	2020*	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 463,102	\$ 441,233	\$ 278,155	\$ 278,778	\$ 271,678	\$ 409,217	\$ 332,303	\$ 344,077	\$ 267,283	\$ 257,614
Contributions in relation to the actuarially determined contributions	463,102	441,233	278,778	278,778	271,678	409,217	332,303	344,077	267,283	257,614
Contribution deficiency (excess)	\$ -	\$ -	\$ (623)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,220,546	\$ 2,029,205	\$ 1,893,540	\$ 1,691,664	\$ 1,685,653	\$ 1,664,211				
Contributions as a percentage of covered payroll	20.86%	21.74%	14.72%	16.48%	16.12%	24.59%				
Investment Returns										
Annual money-weighted rate of return, net of investment expense	14.86%	20.82%	-4.41%	16.44%	6.88%	0.76%				

EMPLOYEES PENSION PLAN:

Schedule of Township Contributions	2020*	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 377,073	\$ 386,155	\$ 301,397	\$ 302,752	\$ 306,166	\$ 339,553	\$ 304,583	\$ 305,226	\$ 284,299	\$ 281,192
Contributions in relation to the actuarially determined contributions	377,073	386,155	401,401	302,752	306,166	339,553	304,603	315,372	284,601	282,341
Contribution deficiency (excess)	\$ -	\$ -	\$ (100,004)	\$ -	\$ -	\$ -	\$ (20)	\$ (10,146)	\$ (302)	\$ (1,149)
Covered payroll	\$ 1,213,479	\$ 1,442,257	\$ 1,517,884	\$ 1,552,320	\$ 1,552,825	\$ 1,566,894				
Contributions as a percentage of covered payroll	31.07%	26.77%	26.44%	19.50%	19.72%	21.67%				
Investment Returns										
Annual money-weighted rate of return, net of investment expense	14.86%	20.95%	-4.69%	16.51%	6.87%	0.78%				

* This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Township is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information - pension plans.

UPPER ALLEN TOWNSHIP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLANS

YEAR ENDED DECEMBER 31, 2020

1. Actuarial Methods and Assumptions

Actuarial calculations are performed biennially as of January 1 for the Police and Employees Pension Plans. Contributions noted in the required supplementary information – pension plans are as of each plan's calendar year ended December 31 using actuarially determined rates calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported. Methods and assumptions used to determine the contribution required under Act 205 for the year ended December 31, 2020 are as follows:

	Police Pension Plan	Employees Pension Plan
Actuarial valuation date	1/1/2017	1/1/2017
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar closed	Level dollar closed
Remaining amortization period	13 years	10 years
Asset valuation method	Market value	Market value
Actuarial assumptions:		
Investment rate of return	8.00%	8.00%
Projected salary increases	5.00%	5.00%
Underlying inflation rate	3.00%	3.00%
Mortality	IRS 2017 Static Combined Table for Small Plans	IRS 2017 Static Combined Table for Small Plans

2. Significant Factors Affecting Schedules

During the year ended December 31, 2015, the inflation rate was changed from 4.00% to 3.00% for the Police and Employees Pension Plans. During the year ended December 31, 2015, the post-retirement cost-of-living increase was changed from 4.00% to 3.00% for the Police Pension Plan. During the year ended December 31, 2015, the amount of the monthly disability benefit for the Police Pension Plan was changed from 100% to 65% of the member's monthly salary. During the year ended December 31, 2015, the Employees Pension Plan was closed to new employees hired on or after November 1, 2014 and the

UPPER ALLEN TOWNSHIP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLANS

YEAR ENDED DECEMBER 31, 2020

average monthly compensation changed from the three consecutive plan years of highest pay to the last 36 months of employment.

During the year ended December 31, 2017, the mortality table for both Plans was changed from the RP-2000 Table to the IRS 2017 Static Combined Table for Small Plans.

UPPER ALLEN TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN

SCHEDULE OF CHANGES IN THE OPEB PLAN'S NET OPEB LIABILITY AND RELATED RATIOS

	2020*	2019	2018	2017
Total OPEB Liability:				
Service cost	\$ 100,347	\$ 85,354	\$ 84,490	\$ 83,199
Interest	193,041	187,589	175,953	161,023
Difference between expected and actual experience	-	(95,485)	-	-
Changes of assumptions	(42,617)	66,499	(21,438)	-
Benefit payments, including refunds	(124,546)	(99,263)	(88,688)	(23,666)
Net Changes in Total OPEB Liability	126,225	144,694	150,317	220,556
Total OPEB Liability - Beginning	2,457,972	2,313,278	2,162,961	1,942,405
Total OPEB Liability - Ending (a)	\$ 2,584,197	\$ 2,457,972	\$ 2,313,278	\$ 2,162,961
Plan Fiduciary Net Position:				
Contributions - employer	\$ 201,571	\$ 169,010	\$ 190,139	\$ 178,871
Net investment income (loss)	300,094	343,266	(113,426)	197,467
Benefit payments, including refunds	(124,546)	(99,263)	(88,688)	(23,666)
Administrative expense	(11,290)	(8,684)	(4,300)	(1,576)
Net Change in Plan Fiduciary Net Position	365,829	404,329	(16,275)	351,096
Plan Fiduciary Net Position - Beginning	1,945,821	1,541,492	1,557,767	1,206,671
Plan Fiduciary Net Position - Ending (b)	\$ 2,311,650	\$ 1,945,821	\$ 1,541,492	\$ 1,557,767
Net OPEB Liability - Ending (a-b)	\$ 272,547	\$ 512,151	\$ 771,786	\$ 605,194
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	89.45%	79.16%	66.64%	72.02%

* This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Township is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information - OPEB Plan.

UPPER ALLEN TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN

SCHEDULE OF TOWNSHIP CONTRIBUTIONS AND INVESTMENT RETURNS - OPEB PLAN

Schedule of Township Contributions	2020*	2019	2018	2017
Actuarially determined contribution	\$ 201,571	\$ 169,010	\$ 190,139	\$ 173,666
Contributions in relation to the actuarially determined contribution	201,571	169,010	190,139	178,871
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,205)</u>
Investment Returns				
Annual money-weighted rate of return, net of investment expense	15.52%	21.28%	-5.82%	16.57%

* This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Township is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information - OPEB Plan.

UPPER ALLEN TOWNSHIP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB PLAN

YEAR ENDED DECEMBER 31, 2020

1. Actuarial Methods and Assumptions

Actuarial calculations are performed biennially as of January 1 for the OPEB Plan. Contributions noted in the required supplementary information – OPEB Plan are as of the plan's calendar year ended December 31 using actuarially determined rates calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported. Methods and assumptions used to determine the contribution for the year ended December 31, 2020 are as follows:

Actuarial valuation date	1/1/2019
Actuarial cost method	Entry age normal, level dollar
Actual value of assets	Market value
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	4.75%
Medical inflation rate	5.5% in 2019 through 2023. Rates gradually decrease from 5.4% in 2024 to 4.0% in 2075 and later.
Retirement age	Age 50 and completion of 25 years of service
Mortality table	PubS-2010 mortality table with rates projected generationally using Scale MP-2018 to reflect mortality improvement

2. Significant Factors Affecting Schedules

During the year ended December 31, 2020, the discount rate was changed from 7.75% to 8.00% and the medical inflation rates and periods were updated.

During the year ended December 31, 2019, the discount rate was change from 8.00% to 7.75%. The assumption for salary increases decreased from 5.00% to 4.75%. The mortality table changed from the IRS 2017 Small Plan Combined Static mortality table to the PubS-2010 mortality table.

During the year ended December 31, 2018, the medical inflation periods were updated.

SUPPLEMENTARY INFORMATION

UPPER ALLEN TOWNSHIP

NONMAJOR GOVERNMENTAL FUNDS - DESCRIPTION OF FUNDS

YEAR ENDED DECEMBER 31, 2020

Street Light Fund

The First Class Township Code authorizes municipalities to place street lights on streets, roads, and highways in order to enhance public safety. The code also allows Townships to enter into agreements with power companies to provide the lighting and to assess adjacent property owners for the costs of maintaining the lights.

Fire Hydrant Fund

The First Class Township Code authorizes municipalities to install hydrants for fire protection. The code also allows Townships to enter into agreements with water companies to provide water service and to assess adjacent property owners for the costs of maintaining the hydrants.

Highway Aid Fund

The Pennsylvania Department of Transportation provides funding for municipal road maintenance and construction projects through Act 655, known as the Liquid Fuels Tax.

Recreation Land Acquisition Fund

The Recreation Land Acquisition Fund is authorized by Section 203(11) of the Municipalities Planning Code and established by the Upper Allen Township Subdivision and Land Development Ordinance (Section 220-34) to act as a repository for funds contributed by developers for the future development of parks and recreation facilities.

Crime Prevention Fund

This fund is used to accept public donations received by the Police Department. The money is then spent according to any viable requests made by the donor at the time of the donation.

Federal Equitable Sharing Fund

This fund is used to accept asset forfeitures from federal cases in which Upper Allen Township (Township) was involved in the investigation and/or prosecution. The money is then spent according to the Federal Guidelines associated with accepting asset forfeiture money.

Fire Company Operating Fund

The Fire Company Operating Fund was established by ordinance for deposits of the Township's annual fire tax, and to support the operation of the Township's Volunteer Fire Company.

UPPER ALLEN TOWNSHIP

NONMAJOR GOVERNMENTAL FUNDS - DESCRIPTION OF FUNDS

YEAR ENDED DECEMBER 31, 2020

Fire Company Escrow Fund

The Fire Company Escrow Fund was established for the purpose of providing funding for the purchase of vehicles and equipment for the Township's Volunteer Fire Company.

Park Improvement Fund

The Park Improvement Fund was established for the purpose of funding capital improvements and maintenance of capital assets in Township-owned parks.

Parks and Recreation Trust Fund

The Parks and Recreation Trust Fund is authorized by Chapter 75 (Trusts and Funds) of the Codified Ordinances. The fund was established as a repository for gifts and bequests for the purpose of developing parks, recreation lands, and facilities and for equipping, operating, and maintaining such areas.

2017 Bond Fund

The 2017 Bond Fund was established to account for financing that is restricted for the design, financing, acquisition, and construction of new and additional fire department facilities, public works facilities, park and recreational facilities, and police facilities within the Township.

UPPER ALLEN TOWNSHIP
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Special Revenue				
	Street Light Fund	Fire Hydrant Fund	Highway Aid Fund	Recreation Land Acquisition Fund	Crime Prevention Fund
Assets					
Cash and cash equivalents	\$ 42,816	\$ 181,293	\$ 447,666	\$ 485,957	\$ 2,953
Investments	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Other receivables	1,574	-	-	-	-
Prepaid expenditures	-	-	3	-	-
Total Assets	\$ 44,390	\$ 181,293	\$ 447,669	\$ 485,957	\$ 2,953
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ 4,177	\$ 8,269	\$ 4,707	\$ 21,335	\$ -
Due to other funds	-	-	-	79,004	-
Total Liabilities	4,177	8,269	4,707	100,339	-
Deferred Inflows of Resources:					
Unavailable revenue - taxes	-	-	-	-	-
Unavailable revenue - assessments	612	865	-	-	-
Total Deferred Inflows of Resources	612	865	-	-	-
Fund Balance:					
Non-spendable	-	-	3	-	-
Restricted for:					
Police protection	-	-	-	-	-
Fire protection	-	172,159	-	-	-
Public works	-	-	218,166	-	-
Culture - recreation	-	-	-	385,618	-
Capital projects	-	-	-	-	-
Committed for:					
Police protection	-	-	-	-	2,953
Fire protection	-	-	-	-	-
Public works	39,601	-	224,793	-	-
Culture - recreation	-	-	-	-	-
Total Fund Balance	39,601	172,159	442,962	385,618	2,953
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 44,390	\$ 181,293	\$ 447,669	\$ 485,957	\$ 2,953

Special Revenue		Capital Projects				Total Nonmajor Governmental Funds
Federal Equitable Sharing Fund	Fire Company Operating Fund	Fire Company Escrow Fund	Park Improvement Fund	Parks and Recreation Trust Fund	2017 Bond Fund	
\$ 612	\$ 158,895	\$ 1,340,823	\$ 137,540	\$ 17,001	\$ -	\$ 2,815,556
-	-	-	-	-	565	565
-	11,473	-	4,290	-	-	15,763
-	-	-	-	-	-	1,574
-	23	-	-	-	-	26
<u>\$ 612</u>	<u>\$ 170,391</u>	<u>\$ 1,340,823</u>	<u>\$ 141,830</u>	<u>\$ 17,001</u>	<u>\$ 565</u>	<u>\$ 2,833,484</u>
\$ -	\$ 4,843	\$ -	\$ 184	\$ -	\$ -	\$ 43,515
-	-	-	45,000	-	-	124,004
-	4,843	-	45,184	-	-	167,519
-	7,199	-	2,675	-	-	9,874
-	-	-	-	-	-	1,477
-	7,199	-	2,675	-	-	11,351
-	23	-	-	-	-	26
612	-	-	-	-	-	612
-	44,731	902,717	-	-	-	1,119,607
-	-	-	-	-	-	218,166
-	-	-	60,804	17,001	-	463,423
					565	565
-	-	-	-	-	-	2,953
-	113,595	438,106	-	-	-	551,701
-	-	-	-	-	-	264,394
-	-	-	33,167	-	-	33,167
612	158,349	1,340,823	93,971	17,001	565	2,654,614
<u>\$ 612</u>	<u>\$ 170,391</u>	<u>\$ 1,340,823</u>	<u>\$ 141,830</u>	<u>\$ 17,001</u>	<u>\$ 565</u>	<u>\$ 2,833,484</u>

UPPER ALLEN TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2020

	Special Revenue				
	Street Light Fund	Fire Hydrant Fund	Highway Aid Fund	Recreation Land Acquisition Fund	Crime Prevention Fund
Revenues:					
Real estate taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	47,324	101,415	-	43,021	-
Fines and forfeits	-	-	-	-	-
Interest and rents	48	225	735	708	-
Intergovernmental revenue	-	-	604,301	-	-
Charges for services	-	-	53,396	-	-
Donations and contributions from private sources	-	-	-	-	2,950
Miscellaneous revenues	-	-	-	-	-
Total revenues	47,372	101,640	658,432	43,729	2,950
Expenditures:					
General government:					
Administration	-	-	-	-	-
Public safety:					
Fire protection	-	103,837	-	-	-
Public works - highways, roads, and streets	48,923	-	684,722	-	-
Culture - recreation	-	-	-	167,087	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	48,923	103,837	684,722	167,087	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,551)	(2,197)	(26,290)	(123,358)	2,950
Other Financing Sources (Uses):					
Transfers in	8,500	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	8,500	-	-	-	-
Net Change in Fund Balance	6,949	(2,197)	(26,290)	(123,358)	2,950
Fund Balance:					
Beginning of year	32,652	174,356	469,252	508,976	3
End of year	\$ 39,601	\$ 172,159	\$ 442,962	\$ 385,618	\$ 2,953

Special Revenue		Capital Projects				Total Nonmajor Governmental Funds
Federal Equitable Sharing Fund	Fire Company Operating Fund	Fire Company Escrow Fund	Park Improvement Fund	Parks and Recreation Trust Fund	2017 Bond Fund	
\$ -	\$ 635,050	\$ -	\$ 246,372	\$ -	\$ -	\$ 881,422
-	-	-	-	-	-	191,760
-	325	-	-	-	-	325
1	248	1,308	113	18	3	3,407
-	-	-	-	-	-	604,301
-	-	-	-	-	-	53,396
-	-	17,856	5,000	2,650	-	28,456
-	29,392	-	-	-	-	29,392
1	665,015	19,164	251,485	2,668	3	1,792,459
-	-	-	172	-	-	172
-	102,256	81,991	-	-	-	288,084
-	-	-	-	-	-	733,645
-	-	-	190,509	-	-	357,596
-	80,000	-	-	-	-	80,000
-	75,483	-	-	-	-	75,483
-	257,739	81,991	190,681	-	-	1,534,980
1	407,276	(62,827)	60,804	2,668	3	257,479
-	-	300,000	-	-	-	308,500
-	(300,000)	-	-	-	-	(300,000)
-	(300,000)	300,000	-	-	-	8,500
1	107,276	237,173	60,804	2,668	3	265,979
611	51,073	1,103,650	33,167	14,333	562	2,388,635
\$ 612	\$ 158,349	\$ 1,340,823	\$ 93,971	\$ 17,001	\$ 565	\$ 2,654,614

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - NONMAJOR GOVERNMENTAL FUND - STREET LIGHT FUND

YEAR ENDED DECEMBER 31, 2020

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Assessments	\$ -	\$ -	\$ 47,324	\$ 47,324
Interest and rents	100	100	48	(52)
Total revenues	100	100	47,372	47,272
Expenditures:				
Public works - highways, roads, and streets	52,600	52,600	48,923	3,677
Deficiency of Revenues Over Expenditures	(52,500)	(52,500)	(1,551)	50,949
Other Financing Sources:				
Transfers in	8,500	8,500	8,500	-
Net Change in Fund Balance	(44,000)	(44,000)	6,949	50,949
Fund Balance:				
Beginning of year	32,288	32,288	32,652	364
End of year	<u>\$ (11,712)</u>	<u>\$ (11,712)</u>	<u>\$ 39,601</u>	<u>\$ 51,313</u>

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - NONMAJOR GOVERNMENTAL FUND - FIRE HYDRANT FUND

YEAR ENDED DECEMBER 31, 2020

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Assessments	\$ 100,575	\$ 100,575	\$ 101,415	\$ 840
Interest and rents	475	475	225	(250)
Total revenues	101,050	101,050	101,640	590
Expenditures:				
Public safety:				
Fire protection	103,075	103,075	103,837	(762)
Net Change in Fund Balance	(2,025)	(2,025)	(2,197)	(172)
Fund Balance:				
Beginning of year	179,226	179,226	174,356	(4,870)
End of year	<u>\$ 177,201</u>	<u>\$ 177,201</u>	<u>\$ 172,159</u>	<u>\$ (5,042)</u>

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - NONMAJOR GOVERNMENTAL FUND - HIGHWAY AID FUND

YEAR ENDED DECEMBER 31, 2020

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Interest and rents	\$ 1,750	\$ 1,750	\$ 735	\$ (1,015)
Intergovernmental revenue	588,199	588,199	604,301	16,102
Charges for services	1,200	1,200	53,396	52,196
Total revenues	591,149	591,149	658,432	67,283
Expenditures:				
Public works - highways, roads, and streets	635,775	635,775	684,722	(48,947)
Net Change in Fund Balance	(44,626)	(44,626)	(26,290)	18,336
Fund Balance:				
Beginning of year	448,701	448,701	469,252	20,551
End of year	\$ 404,075	\$ 404,075	\$ 442,962	\$ 38,887

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - NONMAJOR GOVERNMENTAL FUND - RECREATION LAND ACQUISITION FUND

YEAR ENDED DECEMBER 31, 2020

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Assessments	\$ 109,091	\$ 109,091	\$ 43,021	\$ (66,070)
Interest and rents	1,800	1,800	708	(1,092)
Total revenues	110,891	110,891	43,729	(67,162)
Expenditures:				
Culture - recreation	-	-	167,087	(167,087)
Net Change in Fund Balance	110,891	110,891	(123,358)	(234,249)
Fund Balance:				
Beginning of year	548,603	548,603	508,976	(39,627)
End of year	<u>\$ 659,494</u>	<u>\$ 659,494</u>	<u>\$ 385,618</u>	<u>\$ (273,876)</u>

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - NONMAJOR GOVERNMENTAL FUND - FIRE COMPANY OPERATING FUND

YEAR ENDED DECEMBER 31, 2020

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Real estate taxes	\$ 637,685	\$ 637,685	\$ 635,050	\$ (2,635)
Fines and forfeits	750	750	325	(425)
Interest and rents	1,250	1,250	248	(1,002)
Miscellaneous revenues	-	-	29,392	29,392
Total revenues	639,685	639,685	665,015	25,330
Expenditures:				
Public safety:				
Fire protection	147,665	147,665	102,256	45,409
Debt service:				
Principal	80,000	80,000	80,000	-
Interest and fiscal charges	75,483	75,483	75,483	-
Total expenditures	303,148	303,148	257,739	45,409
Excess of Revenues Over Expenditures	336,537	336,537	407,276	70,739
Other Financing Sources (Uses):				
Transfers out	(300,000)	(300,000)	(300,000)	-
Total other financing sources (uses)	(300,000)	(300,000)	(300,000)	-
Net Change in Fund Balance	36,537	36,537	107,276	70,739
Fund Balance:				
Beginning of year	43,328	43,328	51,073	7,745
End of year	\$ 79,865	\$ 79,865	\$ 158,349	\$ 78,484

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - NONMAJOR GOVERNMENTAL FUND - FIRE COMPANY ESCROW FUND

YEAR ENDED DECEMBER 31, 2020

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Interest and rents	\$ 2,400	\$ 2,400	\$ 1,308	\$ (1,092)
Donations and contributions from private sources	-	-	17,856	17,856
Total revenues	2,400	2,400	19,164	16,764
Expenditures:				
Public safety:				
Fire protection	80,000	\$ 80,000	81,991	(1,991)
Deficiency of Revenues Under Expenditures	(77,600)	(77,600)	(62,827)	14,773
Other Financing Sources:				
Transfers in	300,000	300,000	300,000	-
Total other financing sources (uses)	300,000	300,000	300,000	-
Net Change in Fund Balance	222,400	222,400	237,173	14,773
Fund Balance:				
Beginning of year	1,117,110	1,117,110	1,103,650	(13,460)
End of year	<u>\$ 1,339,510</u>	<u>\$ 1,339,510</u>	<u>\$ 1,340,823</u>	<u>\$ 1,313</u>

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - NONMAJOR GOVERNMENTAL FUND - PARK IMPROVEMENT FUND

YEAR ENDED DECEMBER 31, 2020

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Real estate taxes	\$ 211,561	\$ 211,561	\$ 246,372	\$ 34,811
Interest and rents	1,200	1,200	113	(1,087)
Donations and contributions from private sources	-	-	5,000	5,000
Total revenues	212,761	212,761	251,485	38,724
Expenditures:				
General government:				
Administration	-	-	172	(172)
Culture - recreation	230,000	230,000	190,509	39,491
Total expenditures	230,000	230,000	190,681	39,319
Net Change in Fund Balance	(17,239)	(17,239)	60,804	78,043
Fund Balance:				
Beginning of year	114,530	114,530	33,167	(81,363)
End of year	\$ 97,291	\$ 97,291	\$ 93,971	\$ (3,320)

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - MAJOR GOVERNMENTAL FUND - PERMANENT IMPROVEMENT FUND

YEAR ENDED DECEMBER 31, 2020

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Real estate taxes	\$ 1,264,369	\$ 1,264,369	\$ 1,231,831	\$ (32,538)
Charges for services	-	-	49,927	49,927
Interest and rents	2,000	2,000	701	(1,299)
Miscellaneous revenues	-	-	15,062	15,062
Total revenues	<u>1,266,369</u>	<u>1,266,369</u>	<u>1,297,521</u>	<u>31,152</u>
Expenditures:				
Public works - highways, roads, and streets	991,000	991,000	568,393	422,607
Total expenditures	<u>991,000</u>	<u>991,000</u>	<u>568,393</u>	<u>422,607</u>
Net Change in Fund Balance	275,369	275,369	729,128	453,759
Fund Balance:				
Beginning of year	76,760	76,760	187,678	110,918
End of year	<u>\$ 352,129</u>	<u>\$ 352,129</u>	<u>\$ 916,806</u>	<u>\$ 564,677</u>

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - MAJOR GOVERNMENTAL FUND - CAPITAL RESERVE FUND

YEAR ENDED DECEMBER 31, 2020

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Intergovernmental revenues	\$ -	\$ -	\$ 56,911	\$ 56,911
Interest and rents	30,000	30,000	9,380	(20,620)
Miscellaneous revenues	15,000	15,000	36,829	21,829
Total revenues	45,000	45,000	103,120	58,120
Expenditures:				
General government:				
Administration	20,000	20,000	56,631	(36,631)
Public safety:				
Police protection	136,000	136,000	133,006	2,994
Public works - highways, roads, and streets	605,000	605,000	599,013	5,987
Culture - recreation	275,200	275,200	304,327	(29,127)
Total expenditures	1,036,200	1,036,200	1,092,977	(56,777)
Deficiency of Revenues Under Expenditures	(991,200)	(991,200)	(989,857)	1,343
Other Financing Sources:				
Sale of capital assets	-	-	30,480	30,480
Transfers in	-	-	500,000	500,000
Total other financing sources	-	-	530,480	530,480
Net Change in Fund Balance	(991,200)	(991,200)	(459,377)	531,823
Fund Balance:				
Beginning of year	2,597,380	2,597,380	3,677,491	1,080,111
End of year	\$ 1,606,180	\$ 1,606,180	\$ 3,218,114	\$ 1,611,934

UPPER ALLEN TOWNSHIP

PROPRIETARY FUND - SEWER REVENUE FUND - DESCRIPTION OF FUND

YEAR ENDED DECEMBER 31, 2020

Sewer Revenue Fund

Sewer Operations

Sewer Operations is used to account for the Township's wastewater treatment facilities. User fees, tapping fees, and reservation of capacity fees generate the revenues needed to fund the operation of the sanitary sewer system, including the collection, treatment, and disposal of sewage sludge.

Sewer Revenue Reserve

Sewer Revenue Reserve was established to fund capital improvements in the Upper Allen Township Wastewater Treatment Plant and Collection System.

UPPER ALLEN TOWNSHIP

COMBINING SCHEDULE OF NET POSITION - SEWER REVENUE FUND

DECEMBER 31, 2020

	Sewer Operations	Sewer Revenue Reserve	Total Sewer Revenue Fund
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,125,583	\$ 2,656,990	\$ 4,782,573
Investments	149,497	2,229	151,726
Receivables:	-		
Sewer rentals	1,273,275	-	1,273,275
Other	15,330	-	15,330
Prepaid expenses	2,942	-	2,942
Total current assets	3,566,627	2,659,219	6,225,846
Noncurrent assets:			
Capital assets, not being depreciated	1,015,877	-	1,015,877
Capital assets, net of depreciation	22,708,831	-	22,708,831
Sewer improvement costs, net of amortization	6,437,285	-	6,437,285
Total noncurrent assets	30,161,993	-	30,161,993
Total Assets	33,728,620	2,659,219	36,387,839
Deferred Outflows of Resources			
Deferred charge on refunding	20,955	-	20,955
Deferred outflows of resources - pension	66,932	-	66,932
Total Deferred Outflows of Resources	87,887	-	87,887

	Sewer Operations	Sewer Revenue Reserve	Total Sewer Revenue Fund
Liabilities			
Current liabilities:			
Current portion of general obligation bonds payable	1,270,000	-	1,270,000
Accounts payable	259,950	389,420	649,370
Accrued expenses	9,177	-	9,177
Accrued interest payable	26,830	-	26,830
Current portion of compensated absences payable	17,060	-	17,060
Total current liabilities	1,583,017	389,420	1,972,437
Noncurrent liabilities:			
Unearned revenue	659,951	-	659,951
General obligation bonds payable	7,955,289	-	7,955,289
Compensated absences payable	19,611	-	19,611
Net pension liability	8,811	-	8,811
Total noncurrent liabilities	8,643,662	-	8,643,662
Total Liabilities	10,226,679	389,420	10,616,099
Deferred Inflows of Resources			
Deferred outflows of resources - pension	259,937	-	259,937
Net Position			
Net investment in capital assets	20,957,659	(389,420)	20,568,239
Unrestricted	2,372,232	2,659,219	5,031,451
Total Net Position	\$23,329,891	\$ 2,269,799	\$25,599,690

UPPER ALLEN TOWNSHIP

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - SEWER REVENUE FUND

YEAR ENDED DECEMBER 31, 2020

	Sewer Operations	Sewer Revenue Reserve	Total Sewer Revenue Fund
Operating Revenues:			
Sewer rentals	\$ 4,475,749	\$ -	\$ 4,475,749
Penalty charges	31,986	-	31,986
Total operating revenues	4,507,735	-	4,507,735
Operating Expenses:			
Sewage collection expenses:			
Salaries and wages	120,183	-	120,183
Material and supplies	3,517	-	3,517
Utilities	27,509	-	27,509
General expenses	61	-	61
Engineering fees	2,625	-	2,625
Communications	8,592	-	8,592
Maintenance and repairs	24,106	-	24,106
Minor equipment purchases	622	1,537	2,159
Total sewage collection expenses	187,215	1,537	188,752
Sewage disposal expenses:			
Salaries and wages	151,182	-	151,182
Material and supplies	2,689	-	2,689
Laboratory supplies and analysis	29,782	-	29,782
Minor equipment	919	-	919
Utilities	59,125	-	59,125
Chemicals	27,427	-	27,427
Sludge disposal	72,784	-	72,784
General expense	6,503	-	6,503
Engineering fees	2,625	-	2,625
Rentals - Lower Allen Township Authority	763,337	-	763,337
Communications	4,732	-	4,732
Maintenance and repairs	37,029	-	37,029
Vehicle operating expenses	363	-	363
Uniform allowance	5,328	-	5,328
Computer expense	10,295	-	10,295
Total sewage disposal expenses	1,174,120	-	1,174,120

(Continued)

UPPER ALLEN TOWNSHIP

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - SEWER REVENUE FUND

YEAR ENDED DECEMBER 31, 2020
(Continued)

	Sewer Operations	Sewer Revenue Reserve	Total Sewer Revenue Fund
Operating Expenses (Continued):			
Administrative expenses:			
Salaries and wages	317,142	-	317,142
Employee health and life insurance	269,143	-	269,143
Pension contributions	72,428	-	72,428
Payroll taxes	50,194	-	50,194
Workmen's compensation	7,859	-	7,859
General expenses	30,295	-	30,295
Engineering fees	13,418	-	13,418
Legal fees	3,104	-	3,104
Computer processing and agent fees	16,275	-	16,275
Material and supplies	7,826	-	7,826
Auditing fees	8,610	-	8,610
Miscellaneous	16,614	-	16,614
Insurance	43,253	-	43,253
CDL drug testing	216	-	216
Total administrative expenses	856,377	-	856,377
Total operating expenses before amortization and depreciation	2,217,712	1,537	2,219,249
Operating income (loss) before amortization and depreciation	2,290,023	(1,537)	2,288,486
Amortization and depreciation	1,165,922	-	1,165,922
Operating Income (Loss)	1,124,101	(1,537)	1,122,564

(Continued)

UPPER ALLEN TOWNSHIP

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - SEWER REVENUE FUND

YEAR ENDED DECEMBER 31, 2020
(Continued)

	Sewer Operations	Sewer Revenue Reserve	Total Sewer Revenue Fund
Non-Operating Revenues (Expenses)			
Interest income	42,423	4,650	47,073
Pension grant	41,836	-	41,836
Sewer tapping fees	676,840	-	676,840
Miscellaneous revenue	24,010	15,101	39,111
Interest expense	(222,974)	-	(222,974)
Total non-operating revenues (expenses)	562,135	19,751	581,886
Income (loss) before transfers	1,686,236	18,214	1,704,450
Transfers in (out)	168,630	(166,866)	1,764
Change in Net Position	1,854,866	(148,652)	1,706,214
Net Position:			
Beginning of year	21,475,025	2,418,451	23,893,476
End of year	<u>\$23,329,891</u>	<u>\$ 2,269,799</u>	<u>\$25,599,690</u>
			(Concluded)

UPPER ALLEN TOWNSHIP

TRUST FUNDS - DESCRIPTION OF FUNDS

YEAR ENDED DECEMBER 31, 2020

Police Pension Trust Fund

This fund is used to account for the accumulation of resources for pension benefit payments and the withdrawals of qualified distributions of police personnel.

Non-Uniformed Employees Pension Trust Fund

This fund is used to account for the accumulation of resources for pension benefit payments and the withdrawals of qualified distributions of Township personnel.

Non-Uniformed Employees Retirement Trust Fund

This fund is used to account for the accumulation of resources for retirement benefits for full-time, non-uniformed employees who have completed at least one hour of service on or after November 1, 2014. The Township contributes 10% of each eligible member's compensation.

Other Post-Employment Benefit Trust Fund

This fund is used to account for the accumulation of resources for certain post-employment healthcare benefits for police retirees.

UPPER ALLEN TOWNSHIP

COMBINING STATEMENT OF FIDUCIARY NET POSITION - PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

DECEMBER 31, 2020

	Police Pension Trust Fund	Non-Uniformed Employees Pension Trust Fund	Non-Uniformed Employees Retirement Trust Fund	Other Post- Employment Benefit Trust Fund	Total
Assets					
Investments:					
Money market funds	\$ 254,586	\$ 127,537	\$ -	\$ 35,662	\$ 417,785
Mutual bond funds	3,879,796	2,647,430	-	699,935	7,227,161
Mutual equity funds	8,481,105	5,783,286	142,821	1,576,053	15,983,265
Limited partnership	296,344	185,214	-	-	481,558
Total investments	12,911,831	8,743,467	142,821	2,311,650	24,109,769
Other receivable	-	-	50,726	-	50,726
Total Assets	12,911,831	8,743,467	193,547	2,311,650	24,160,495
Net Position					
Restricted for pension benefits	12,911,831	8,743,467	193,547	-	21,848,845
Restricted for other post- employment benefits	-	-	-	2,311,650	2,311,650
Total Net Position	\$ 12,911,831	\$ 8,743,467	\$ 193,547	\$ 2,311,650	\$ 24,160,495

UPPER ALLEN TOWNSHIP, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

YEAR ENDED DECEMBER 31, 2020

	Police Pension Trust Fund	Non-Uniformed Employees Pension Trust Fund	Non-Uniformed Employees Retirement Trust Fund	Other Post- Employment Benefit Trust Fund	Total
Additions:					
Contributions:					
Employer contributions	\$ 463,102	\$ 377,073	\$ 50,726	\$ 201,571	\$ 1,092,472
Employee contributions	108,618	-	-	-	108,618
Total contributions	571,720	377,073	50,726	201,571	1,201,090
Investment earnings:					
Net appreciation in fair value of investments	1,531,469	986,916	14,920	267,366	2,800,671
Interest and dividends	182,257	123,336	1,962	32,728	340,283
Total investment earnings	1,713,726	1,110,252	16,882	300,094	3,140,954
Less: investment expense	40,764	30,377	-	11,290	82,431
Net investment earnings	1,672,962	1,079,875	16,882	288,804	3,058,523
Total additions	2,244,682	1,456,948	67,608	490,375	4,259,613
Deductions:					
Benefit payments	663,507	377,720	-	124,546	1,165,773
Total deductions	663,507	377,720	-	124,546	1,165,773
Change in Net Position	1,581,175	1,079,228	67,608	365,829	3,093,840
Net Position:					
Beginning of year	11,330,656	7,664,239	125,939	1,945,821	21,066,655
End of year	\$ 12,911,831	\$ 8,743,467	\$ 193,547	\$ 2,311,650	\$ 24,160,495

STATISTICAL SECTION

This section of Upper Allen Township's Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health.

Contents**Page****Financial Trends**

1

These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.

Revenue Capacity

6

These schedules present information to help the reader access the Township's most significant local revenue source, the property tax.

Debt Capacity

12

These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.

Demographic and Economic Information

16

These schedules offer economic and demographic indicators to help the reader understand the environment within the Township's financial activities take place.

Operating Information

18

These schedules contain service and infrastructure data to help the reader understand how the information in the Township's financial report relates to the services the Township provides and the activities it performs.

Sources: unless otherwise noted, the information in these schedules is derived from the annual audit.

Schedule 1
Upper Allen Township
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
Net investment in capital assets ¹	\$ 31,952,965	\$ 30,608,957	\$ 29,273,771	\$ 26,783,924	\$ 23,518,048	\$ 22,766,042	\$ 18,466,328	\$ 11,825,703	\$ 10,657,639	\$ 10,394,143
Restricted ²	\$ 3,305,842	\$ 2,558,451	\$ 2,317,343	\$ 1,331,682	\$ 1,346,536	\$ 1,014,208	\$ 488,910	\$ 548,862	\$ 627,683	\$ 455,978
Unrestricted	\$ 4,437,059	\$ 4,364,046	\$ 3,599,390	\$ 3,851,491	\$ 3,179,579	\$ 2,848,808	\$ 4,254,633	\$ 4,027,903	\$ 3,368,388	\$ 3,715,527
Total governmental activities net position	\$ 39,695,866	\$ 37,531,454	\$ 35,190,504	\$ 31,967,097	\$ 28,044,163	\$ 26,629,058	\$ 23,209,871	\$ 16,402,468	\$ 14,653,710	\$ 14,565,648
Business-type activities										
Net investment in capital assets ³	\$ 24,898,116	\$ 23,304,843	\$ 18,639,961	\$ 16,649,757	\$ 15,584,122	\$ 14,295,848	\$ 13,186,430	\$ 11,548,914	\$ 11,352,128	\$ 10,326,142
Unrestricted	\$ 5,415,108	\$ 4,905,156	\$ 4,389,440	\$ 4,582,594	\$ 4,697,618	\$ 5,048,104	\$ 6,477,973	\$ 6,892,161	\$ 6,989,136	\$ 6,945,640
Total business-type activities net position	\$ 30,313,224	\$ 28,209,999	\$ 23,029,401	\$ 21,232,351	\$ 20,281,740	\$ 19,343,952	\$ 19,664,403	\$ 18,441,075	\$ 18,341,264	\$ 17,271,782
Primary government										
Net investment in capital assets	\$ 56,851,081	\$ 53,913,800	\$ 47,913,732	\$ 43,433,681	\$ 39,102,170	\$ 37,061,890	\$ 31,652,758	\$ 23,374,617	\$ 22,009,767	\$ 20,720,285
Restricted	\$ 3,305,842	\$ 2,558,451	\$ 2,317,343	\$ 1,331,682	\$ 1,346,536	\$ 1,014,208	\$ 488,910	\$ 548,862	\$ 627,683	\$ 455,978
Unrestricted	\$ 9,852,167	\$ 9,269,202	\$ 7,988,830	\$ 8,434,085	\$ 7,877,197	\$ 7,896,912	\$ 10,732,606	\$ 10,920,064	\$ 10,357,524	\$ 10,661,167
Total primary government net position	\$ 70,009,090	\$ 65,741,453	\$ 58,219,905	\$ 53,199,448	\$ 48,325,903	\$ 45,973,010	\$ 42,874,274	\$ 34,843,543	\$ 32,994,974	\$ 31,837,430

- The increase in governmental activities net investment in capital assets between 2019 to 2020 is due \$595,000 refurbishing of Parks, purchase a farm for \$1,127,000, police equipment for \$2236,000, Public Works equipment for \$586,000, offset by depreciation expense of \$1,860,000 and a decrease in debt service of \$616,000.
The increase in governmental activities net investment in capital assets between 2018 to 2019 is due to \$1,200,000 of dedicated roads, \$2,000,000 for completion of the Fire House refurbishment, \$1,000,000 in Park Improvements offset by a net \$3,140,000 transfer to business-type activities.
The increase in governmental activities net investment in capital assets between 2017 to 2018 is due to \$1.7 million of dedicated roads and \$455,000 in dedicated stormwater facilities.
The increase in governmental activities net investment in capital assets between 2016 to 2017 is due to \$2.7 million of dedicated roads and \$600,000 in dedicated stormwater facilities.
The increase in governmental activities net investment in capital assets between 2014 to 2015 is due to \$2.4 million of dedicated roads and \$1 million in dedicated stormwater facilities.
The increase in governmental activities net investment in capital assets between 2013 to 2014 is due to investment in infrastructure of public roadways and park land.
- The increase in governmental activities restricted net position between 2019 and 2020 is due to increase in the tax millage for permanent and park improvements, fees related to a new "in lieu of sidewalks" ordinance, and accumulation of real estate taxes for future fire protection purchases.
The increase in governmental activities restricted net position between 2018 to 2019, 2017 to 2018, and 2014 to 2015 is due to accumulation of real estate tax revenue for future fire protection purchases.
- The increase in business-type net investment in capital assets between 2019 to 2020 is due to infrastructure upgrades, including construction in progress, of \$976,000, sewer lines of \$490,000, building improvements of \$228,000, vehicle purchases of \$59,000 offset by depreciation expense of \$1,177,000, and a decrease in debt service of \$1,267,000
The increase in business-type activities net investment in capital assets between 2018 to 2019 is due to a net \$3,140,000 million transfer from governmental activities and \$914,000 in dedicated sewer lines, and \$451,000 in stormwater contributed capital from developers, and \$432,000 of stormwater infrastructure additions.
The increase in business-type activities net investment in capital assets between 2017 to 2018 is due to \$1.4 million of dedicated sewer lateral lines.

Schedule 2
Upper Allen Township
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
EXPENSES										
Governmental Activities:										
General government	\$ 1,394,642	\$ 1,318,788	\$ 1,424,995	\$ 1,314,761	\$ 1,288,768	\$ 1,290,338	\$ 1,150,748	\$ 1,121,814	\$ 1,011,957	\$ 901,617
Public safety	\$ 5,057,338	\$ 5,599,808	\$ 5,483,277	\$ 5,709,588	\$ 4,705,800	\$ 4,254,932	\$ 4,476,384	\$ 4,062,567	\$ 4,431,074	\$ 4,016,908
Health and welfare	\$ 250	\$ 541	\$ 760	\$ 250	\$ 760	\$ 638	\$ 846	\$ 701	\$ 2,337	\$ 3,447
Public works ³	\$ 3,546,894	\$ 2,467,170	\$ 3,542,079	\$ 3,048,662	\$ 3,233,869	\$ 3,270,226	\$ 1,740,810	\$ 1,573,909	\$ 1,461,675	\$ 1,749,636
Storm water management and flood control ⁵	\$ -	\$ -	\$ 173,479	\$ 114,790	\$ 83,792	\$ 107,683	\$ 28,473	\$ 305	\$ 17,142	\$ 15,892
Culture - recreation	\$ 857,090	\$ 806,751	\$ 567,272	\$ 619,248	\$ 604,855	\$ 551,042	\$ 484,953	\$ 233,598	\$ 458,141	\$ 364,184
Interest on long-term debt	\$ 173,505	\$ 198,023	\$ 206,360	\$ 150,908	\$ 315,814	\$ 251,880	\$ 270,224	\$ 282,394	\$ 308,595	\$ 241,767
Total Governmental Activities	\$ 11,029,719	\$ 10,391,081	\$ 11,398,222	\$ 10,958,207	\$ 10,233,658	\$ 9,726,739	\$ 8,152,438	\$ 7,275,288	\$ 7,690,921	\$ 7,293,451
Business-type Activities:										
Sewer	\$ 3,608,145	\$ 4,112,499	\$ 4,162,043	\$ 3,877,380	\$ 4,195,951	\$ 4,220,485	\$ 4,062,681	\$ 4,039,410	\$ 3,622,122	\$ 3,733,381
Upper Allen Township Authority ⁵ (blended component unit)	\$ 538,775	\$ 308,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Business-type Activities	\$ 4,146,920	\$ 4,420,883	\$ 4,162,043	\$ 3,877,380	\$ 4,195,951	\$ 4,220,485	\$ 4,062,681	\$ 4,039,410	\$ 3,622,122	\$ 3,733,381
Total Expenses	\$ 15,176,639	\$ 14,811,964	\$ 15,560,265	\$ 14,835,587	\$ 14,429,609	\$ 13,947,224	\$ 12,215,119	\$ 11,314,698	\$ 11,313,043	\$ 11,026,832
PROGRAM REVENUES										
Governmental Activities:										
Charges for services:										
General government	\$ 11,273	\$ 25,416	\$ 18,847	\$ 22,757	\$ 19,347	\$ 19,845	\$ 18,808	\$ 30,936	\$ 32,733	\$ 32,515
Public safety ⁴	\$ 456,062	\$ 1,073,899	\$ 750,324	\$ 560,021	\$ 693,536	\$ 978,795	\$ 489,412	\$ 595,615	\$ 586,137	\$ 668,537
Public works	\$ 84,705	\$ 43,820	\$ 48,990	\$ 30,866	\$ 71,111	\$ 28,857	\$ 22,331	\$ 15,867	\$ 12,190	\$ 20,264
Operating grants and contributions	\$ 788,068	\$ 762,496	\$ 714,291	\$ 702,919	\$ 725,870	\$ 591,099	\$ 585,019	\$ 526,439	\$ 525,400	\$ 584,946
Capital grants and contributions ¹	\$ 48,671	\$ 2,742,900	\$ 3,014,585	\$ 3,343,713	\$ 317,581	\$ 3,811,822	\$ 5,479,738	\$ 216,600	\$ 180,658	\$ 232,379
Total Governmental Activities	\$ 1,388,779	\$ 4,648,531	\$ 4,547,037	\$ 4,660,276	\$ 1,827,445	\$ 5,430,418	\$ 6,595,308	\$ 1,385,457	\$ 1,337,118	\$ 1,538,641
Business-type Activities:										
Charges for services:										
Sewer	\$ 5,223,686	\$ 4,989,578	\$ 4,478,087	\$ 4,438,177	\$ 4,428,641	\$ 4,266,282	\$ 4,387,408	\$ 4,366,515	\$ 4,047,447	\$ 4,205,678
Upper Allen Township Authority	\$ 935,278	\$ 910,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions	\$ 41,836	\$ 52,485	\$ 40,000	\$ 40,000	\$ 41,559	\$ 37,248	\$ 30,000	\$ 31,074	\$ 32,368	\$ 50,928
Capital grants and contributions ²	\$ -	\$ 450,817	\$ 1,408,849	\$ 263,693	\$ 695,835	\$ -	\$ 891,596	\$ 172,750	\$ 624,559	\$ -
Total Business-type Activities	\$ 6,200,800	\$ 6,402,902	\$ 5,926,936	\$ 4,741,870	\$ 5,166,035	\$ 4,303,530	\$ 5,309,004	\$ 4,570,339	\$ 4,704,374	\$ 4,256,606
Total Program Revenues	\$ 7,589,579	\$ 11,051,433	\$ 10,473,973	\$ 9,402,146	\$ 6,993,480	\$ 9,733,948	\$ 11,904,312	\$ 5,955,796	\$ 6,041,492	\$ 5,795,247
Net (Expense)/Revenue										
Governmental Activities	\$ (9,640,940)	\$ (5,742,550)	\$ (6,851,185)	\$ (6,297,931)	\$ (8,406,213)	\$ (4,296,321)	\$ (1,557,130)	\$ (5,889,831)	\$ (6,353,803)	\$ (5,754,810)
Business-type Activities	\$ 2,053,880	\$ 1,982,019	\$ 1,764,893	\$ 864,490	\$ 970,084	\$ 83,045	\$ 1,246,323	\$ 530,929	\$ 1,082,252	\$ 523,225
Total Net Expense	\$ (7,587,060)	\$ (3,760,531)	\$ (5,086,292)	\$ (5,433,441)	\$ (7,436,129)	\$ (4,213,276)	\$ (310,807)	\$ (5,358,902)	\$ (5,271,551)	\$ (5,231,585)

For the year 2020 - 1, 2, and 4 - revenues were drastically decreased due to the Covid-19 pandemic

- The increase in governmental activities capital grants and contributions in 2018, 2017, 2015 and 2014 is due to dedicated infrastructure and park land.
- The increase in business-type activities capital grants and contributions in 2014 is due to the Township acceptance of sewer lateral lines from the Bumble Bee and Meadowview developments.
The increase in business-type activities capital grants and contributions in 2016 is due to the Township acceptance of sewer lateral lines from the Orchard Glen development.
The increase in business-type activities capital grants and contributions in 2018 is due to the Township acceptance of sewer lateral lines from the Winding Hills development.
- In 2015, the Township resurfaced \$2,000,000 in roads.
In 2016, the Township resurfaced \$1,400,000 in roads.
In 2017, the Township resurfaced \$1,000,000 in roads.
In 2018, the Township resurfaced \$1,265,000 in roads.
In 2020, there were significant roadway improvement projects that were recorded as expense whereas \$1.27 million in roadway improvement projects were considered capitalizable in 2019.
- In 2019, three commercial building projects increased the permits fees received.
- In 2019, the Upper Allen Township Authority (blended component unit) is an operating authority for the storm water systems of the township. This replaced the stormwater management and flood control under Governmental activities.

Schedule 2
Upper Allen Township
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues										
Governmental Activities:										
Real estate taxes ¹	\$ 5,365,208	\$ 5,057,839	\$ 4,851,736	\$ 4,440,486	\$ 4,407,506	\$ 4,123,082	\$ 3,317,284	\$ 2,866,919	\$ 2,482,895	\$ 2,277,557
Real estate transfer taxes	\$ 838,919	\$ 839,090	\$ 803,345	\$ 714,929	\$ 749,290	\$ 814,964	\$ 426,802	\$ 573,125	\$ 482,576	\$ 348,344
Earned income taxes ²	\$ 3,538,460	\$ 3,470,424	\$ 3,332,212	\$ 3,291,887	\$ 2,832,435	\$ 3,333,951	\$ 2,537,951	\$ 2,930,961	\$ 2,236,103	\$ 2,319,935
Local service taxes	\$ 447,762	\$ 421,876	\$ 459,477	\$ 427,641	\$ 419,960	\$ 294,066	\$ 478,441	\$ 477,638	\$ 328,034	\$ 373,603
Franchise taxes	\$ 365,692	\$ 375,544	\$ 377,114	\$ 389,962	\$ 381,450	\$ 365,866	\$ 349,629	\$ 336,735	\$ 310,902	\$ 293,765
Other taxes	\$ 242,797	\$ 308,360	\$ 216,008	\$ 100,722	\$ 214,111	\$ 236,445	\$ 397,142	\$ 175,896	\$ 172,077	\$ 223,262
Investment revenue	\$ 30,815	\$ 65,652	\$ 83,546	\$ 29,892	\$ 22,414	\$ 16,732	\$ 13,411	\$ 19,649	\$ 12,365	\$ 19,981
Intergovernmental grants, not restricted to a specific function	\$ 382,387	\$ 427,638	\$ 333,181	\$ 404,457	\$ 410,144	\$ 264,608	\$ 320,663	\$ 259,226	\$ 241,255	\$ 383,618
Other income, not restricted to a specific function	\$ 564,596	\$ 258,150	\$ 319,231	\$ 420,889	\$ 334,008	\$ 143,469	\$ 276,593	\$ 120,660	\$ 125,658	\$ 48,108
Gain on sale of assets	\$ 30,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	\$ (1,764)	\$ (3,141,073)	\$ -	\$ -	\$ 50,000	\$ 200,522	\$ 50,000	\$ 54,072	\$ 50,000	\$ -
Total Governmental Activities	\$ 11,805,352	\$ 8,083,500	\$ 10,775,850	\$ 10,220,865	\$ 9,821,318	\$ 9,793,705	\$ 8,167,916	\$ 7,814,881	\$ 6,441,865	\$ 6,288,173
Business-type Activities:										
Investment revenue	\$ 47,581	\$ 57,506	\$ 32,157	\$ 86,121	\$ 17,704	\$ 21,048	\$ 27,005	\$ 31,765	\$ 37,230	\$ 56,765
Other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	\$ 1,764	\$ 3,141,043	\$ -	\$ -	\$ (50,000)	\$ (200,522)	\$ (50,000)	\$ (54,072)	\$ (50,000)	\$ -
Total Business-type Activities	\$ 49,345	\$ 3,198,549	\$ 32,157	\$ 86,121	\$ (32,296)	\$ (179,474)	\$ (22,995)	\$ (22,307)	\$ (12,770)	\$ 56,765
Total General Revenues	\$ 11,854,697	\$ 11,282,049	\$ 10,808,007	\$ 10,306,986	\$ 9,789,022	\$ 9,614,231	\$ 8,144,921	\$ 7,792,574	\$ 6,429,095	\$ 6,344,938
Change in Net Position										
Governmental Activities	\$ 2,164,412	\$ 2,340,950	\$ 3,924,665	\$ 3,922,934	\$ 1,415,105	\$ 5,497,384	\$ 6,610,786	\$ 1,925,050	\$ 88,062	\$ 533,363
Business-type Activities	\$ 2,103,225	\$ 5,180,568	\$ 1,797,050	\$ 950,611	\$ 937,788	\$ (96,429)	\$ 1,223,328	\$ 508,622	\$ 1,069,482	\$ 579,990
Total Change in Net Position	\$ 4,267,637	\$ 7,521,518	\$ 5,721,715	\$ 4,873,545	\$ 2,352,893	\$ 5,400,955	\$ 7,834,114	\$ 2,433,672	\$ 1,157,544	\$ 1,113,353

1. Real Estate Tax rates or assessed values were altered in 2018, 2016, 2015, 2014, 2013, 2012, 2011, and 2010.

2. Earned income tax rate is 0.5%.

Schedule 3
Upper Allen Township
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011 ¹
General Fund:										
Non-spendable	\$ 9,048	\$ 1,709	\$ 9,050	\$ 110,316	\$ 8,432	\$ 4,747	\$ 6,128	\$ 1,103	\$ 522	\$ 70,136
Assigned	\$ 657,350	\$ 287,719	\$ 235,314	\$ 1,061,929	\$ 810,985	\$ 226,484	\$ 443,416	\$ 1,122,455	\$ 1,429,755	\$ 1,253,081
Unassigned	\$ 2,050,689	\$ 2,862,212	\$ 2,922,045	\$ 1,729,285	\$ 1,866,966	\$ 2,578,893	\$ 1,843,748	\$ 1,085,926	\$ -	\$ -
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund	\$ 2,717,087	\$ 3,151,640	\$ 3,166,409	\$ 2,901,530	\$ 2,686,383	\$ 2,810,124	\$ 2,293,292	\$ 2,209,484	\$ 1,430,277	\$ 1,323,217
All Other Governmental Funds:										
Non-spendable	\$ 26	\$ 26	\$ 48	\$ 15,248	\$ 20,717	\$ 7,415	\$ 29,814	\$ 13,219	\$ -	\$ -
Restricted for:										
Public safety ³	\$ 1,120,219	\$ 895,959	\$ 1,138,908	\$ 864,106	\$ 1,089,484	\$ 695,178	\$ 211,147	\$ 180,055	\$ 167,604	\$ 184,447
Public works	\$ 1,722,200	\$ 1,139,183	\$ 780,695	\$ 306,811	\$ 246,361	\$ 199,494	\$ 265,055	\$ 345,978	\$ 335,900	\$ 145,250
Storm water management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59	\$ 7,462	\$ 20,442	\$ 32,302	\$ 43,715
Culture-recreation	\$ 463,423	\$ 523,309	\$ 397,740	\$ 144,810	\$ 10,691	\$ 119,477	\$ 5,246	\$ 2,387	\$ 91,877	\$ 82,566
Capital projects ²	\$ 95,646	\$ 108,484	\$ 1,598,034	\$ 3,035,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed for:										
Public safety	\$ 754,654	\$ 633,711	\$ 597,042	\$ 370,117	\$ 339,389	\$ 307,108	\$ 222,307	\$ 134,135	\$ 8,992	\$ 429,854
Capital projects	\$ 2,863,033	\$ 3,309,569	\$ 2,238,918	\$ 2,120,050	\$ 1,544,807	\$ 1,629,378	\$ 1,410,698	\$ 1,451,159	\$ 1,157,675	\$ 1,267,060
Public works	\$ 324,394	\$ 263,314	\$ 219,516	\$ 145,567	\$ 693,317	\$ 95,002	\$ 238,455	\$ 54,426	\$ 52,850	\$ 36,705
Culture - recreation	\$ 33,167	\$ 33,167	\$ 400,130	\$ 200,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 524,020	\$ 414,122
Unassigned	\$ (587,228)	\$ (652,918)	\$ (654,897)	\$ (662,088)	\$ (755,079)	\$ (747,987)	\$ (13,983)	\$ (68,156)	\$ -	\$ -
Unreserved:										
Police	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Other Governmental Funds	\$ 6,789,534	\$ 6,253,804	\$ 6,716,134	\$ 6,540,463	\$ 3,189,687	\$ 2,305,124	\$ 2,376,201	\$ 2,133,645	\$ 2,371,220	\$ 2,603,719

1. Fund balance classifications changed in 2011 to comply with changes in generally accepted accounting principles.
2. The new money portion of the General Obligation Bonds, Series of 2017, was restricted for upgrades and refurbish of Township's Fire Station. \$1.5 million of the bond proceeds was used for upgrades to the Fire House in 2019.
3. In 2013, approved a fire service real estate tax for future fire protection purchases.

Schedule 4
Upper Allen Township
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes ²	\$ 10,184,280	\$ 10,610,573	\$ 10,168,190	\$ 9,148,586	\$ 8,779,366	\$ 8,366,033	\$ 7,304,203	\$ 6,905,951	\$ 5,720,403	\$ 5,118,408
Licenses and permits	\$ 381,812	\$ 401,797	\$ 408,367	\$ 404,561	\$ 440,594	\$ 374,508	\$ 354,385	\$ 342,612	\$ 314,922	\$ 297,165
Fines and forfeits	\$ 72,168	\$ 100,526	\$ 93,120	\$ 98,290	\$ 77,429	\$ 90,842	\$ 83,950	\$ 78,953	\$ 74,051	\$ 101,384
Interest and rents	\$ 38,868	\$ 78,737	\$ 95,661	\$ 40,234	\$ 34,369	\$ 26,277	\$ 25,551	\$ 34,252	\$ 19,205	\$ 22,481
Intergovernmental revenue	\$ 1,281,194	\$ 1,326,638	\$ 1,318,220	\$ 1,102,584	\$ 1,186,067	\$ 924,035	\$ 955,284	\$ 960,112	\$ 804,728	\$ 1,003,702
Charges for services ⁶	\$ 510,858	\$ 1,022,153	\$ 685,411	\$ 497,649	\$ 660,512	\$ 921,089	\$ 471,158	\$ 551,332	\$ 558,293	\$ 624,381
Donations and contributions from private sources	\$ 28,456	\$ 5,944	\$ 213,640	\$ 5,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue	\$ 469,950	\$ 249,945	\$ 318,721	\$ 363,478	\$ 285,244	\$ 134,235	\$ 213,676	\$ 115,364	\$ 125,344	\$ 46,638
Total Revenues	\$ 12,967,586	\$ 13,796,313	\$ 13,301,330	\$ 11,661,207	\$ 11,463,581	\$ 10,837,019	\$ 9,408,207	\$ 8,988,576	\$ 7,616,946	\$ 7,214,159
Expenditures										
Current:										
General government	\$ 1,225,676	\$ 1,184,654	\$ 1,204,890	\$ 1,078,128	\$ 1,027,290	\$ 1,062,407	\$ 937,386	\$ 934,255	\$ 826,169	\$ 3,142,987
Public safety ⁴	\$ 5,480,881	\$ 7,489,790	\$ 6,456,318	\$ 5,804,954	\$ 4,881,464	\$ 4,537,470	\$ 4,502,355	\$ 4,036,477	\$ 4,403,117	\$ 4,177,675
Health and welfare	\$ 250	\$ 541	\$ 760	\$ 250	\$ 760	\$ 638	\$ 846	\$ 701	\$ 2,337	\$ 3,447
Public works ²	\$ 3,177,593	\$ 3,074,556	\$ 3,296,754	\$ 2,885,202	\$ 3,447,611	\$ 3,861,287	\$ 2,554,620	\$ 2,093,705	\$ 1,680,768	\$ 1,655,206
Storm water management and flood control ⁵	\$ -	\$ -	\$ 41,011	\$ 62,655	\$ 59	\$ 7,415	\$ 13,020	\$ 109,540	\$ 11,510	\$ 10,260
Culture - recreation ³	\$ 2,217,064	\$ 1,732,323	\$ 1,069,612	\$ 676,700	\$ 1,102,792	\$ 487,247	\$ 534,626	\$ 679,867	\$ 381,102	\$ 277,082
Debt service:										
Principal ¹	\$ 595,000	\$ 570,000	\$ 555,000	\$ 170,000	\$ 5,750,000	\$ 1,800,000	\$ 375,000	\$ 365,000	\$ 145,000	\$ 5,473,029
Interest and fiscal charges	\$ 198,661	\$ 225,545	\$ 236,435	\$ 167,395	\$ 408,678	\$ 287,490	\$ 277,932	\$ 290,056	\$ 347,559	\$ 257,256
Total Expenditures	\$ 12,895,125	\$ 14,277,409	\$ 12,860,780	\$ 10,845,284	\$ 16,618,654	\$ 12,043,954	\$ 9,195,785	\$ 8,509,601	\$ 7,797,562	\$ 14,996,942
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 72,461	\$ (481,096)	\$ 440,550	\$ 815,923	\$ (5,155,073)	\$ (1,206,935)	\$ 212,422	\$ 478,975	\$ (180,616)	\$ (7,782,783)
Other Financing Sources (Uses)										
Proceeds from sale of capital assets	\$ 30,480	\$ 3,997	\$ -	\$ -	\$ 483	\$ 13,056	\$ 1,449	\$ 8,585	\$ 7,062	\$ 11,756
Refund of prior year's revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,885)	\$ (1,139)
Insurance proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,493	\$ -	\$ -	\$ -
Bonds issued	\$ -	\$ -	\$ -	\$ 2,750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Refunding bonds issued ¹	\$ -	\$ -	\$ -	\$ -	\$ 5,655,000	\$ 1,390,000	\$ -	\$ -	\$ -	\$ 8,029,863
Premium on refunding bonds issued	\$ -	\$ -	\$ -	\$ -	\$ 183,229	\$ 49,112	\$ -	\$ -	\$ -	\$ 81,025
Transfers in ⁷	\$ 808,500	\$ 2,458,500	\$ 1,728,731	\$ 1,508,500	\$ 2,331,380	\$ 2,044,771	\$ 2,513,485	\$ 1,485,628	\$ 1,277,260	\$ 730,779
Transfers out ⁷	\$ (810,264)	\$ (2,458,500)	\$ (1,728,731)	\$ (1,508,500)	\$ (2,281,380)	\$ (1,844,249)	\$ (2,463,485)	\$ (1,431,556)	\$ (1,227,260)	\$ (730,779)
Total Other Financing Sources (Uses)	\$ 28,716	\$ 3,997	\$ -	\$ 2,750,000	\$ 5,888,712	\$ 1,652,690	\$ 113,942	\$ 62,657	\$ 55,177	\$ 8,121,505
Net Change in Fund Balance	\$ 101,177	\$ (477,099)	\$ 440,550	\$ 3,565,923	\$ 733,639	\$ 445,755	\$ 326,364	\$ 541,632	\$ (125,439)	\$ 338,722
Debt service as a percentage of non-capital expenditures										
	8%	8%	8%	3%	41%	20%	9%	10%	7%	46%

1. In 2010, refunded a 2002 bond issue. In 2011, refunded a 2009 note. In 2015, refunded a 2010 bond issue. In 2016, refunded a 2011 bond issue.
2. In 2015, approved a permanent improvement real estate tax for significant road improvements. In 2018, approved a park improvement real estate tax for park development and improvements.
In 2019, \$154,000 in new housing development assessments
3. In 2016, significant park improvements were started to follow plans for a large-scale facility for the community. In 2019 \$366,000 was spent for Park Improvements for different areas of Upper Allen Township; and \$100,000 was used to buy needed park development space, based on population for the township.
4. In 2017, the Township purchased a fire truck for the volunteer fire company for approximately \$671,000.
In 2018, the Township provided approximately \$1.2 million to the volunteer fire company for renovations to the fire house.
In 2019, an additional \$847,000 spent to complete the renovations to the fire house, and the minimum municipal obligation for the pension for the Police Department increased \$162,000.
5. In 2019, the Township began utilizing The Upper Allen Township Authority (blended component unit) to hold, operate and own the separate storm water system.
6. In 2020, there was a \$560,000 decrease in Charges for Services - building permits due to decrease in building activity as a result of the COVID-19 pandemic.
7. In 2019, there was \$1.5 million transferred from the General Fund to the Capital Projects fund for various Township projects

Schedule 5
Upper Allen Township
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Real Estate¹</u>	<u>Act 511²</u>	<u>Other³</u>	<u>Total</u>
2020	\$ 5,378,752	\$ 4,613,768	\$ 191,760	\$ 10,184,280
2019	\$ 5,051,177	\$ 4,774,595	\$ 784,801	\$ 10,610,573
2018	\$ 4,847,293	\$ 4,685,566	\$ 635,331	\$ 10,168,190
2017	\$ 4,448,891	\$ 4,256,254	\$ 443,441	\$ 9,148,586
2016	\$ 4,410,060	\$ 4,157,854	\$ 211,452	\$ 8,779,366
2015	\$ 4,119,063	\$ 3,984,478	\$ 262,492	\$ 8,366,033
2014	\$ 3,290,995	\$ 3,786,771	\$ 226,437	\$ 7,304,203
2013	\$ 2,864,733	\$ 3,889,731	\$ 151,487	\$ 6,905,951
2012	\$ 2,492,061	\$ 3,063,769	\$ 164,573	\$ 5,720,403
2011	\$ 2,237,481	\$ 2,692,856	\$ 188,071	\$ 5,118,408

Change				
2011 to 2020	140.39%	71.33%	1.96%	98.97%

1. In 2011, property tax millage went from 1.532 mills to 1.2918 mills due to the Cumberland County County-wide reassessment.
In 2012, property tax millage from 1.2918 mills to 1.4 mills.
In 2013, property tax millage went from 1.4 mills to 1.6 mills.
In 2014, property tax millage went from 1.6 mills to 1.8 mills
In 2015, property tax millage went from 1.8 mills to 2.2 mills.
In 2016, property tax millage went from 2.2 mills to 2.3 mills.
In 2018, property tax millage went from 2.3 mills to 2.4 mills.
In 2020, property tax millage went from 2.4 mills to 2.5 mills
2. Tax rate for earned income taxes is 0.5%
3. Three large recreational land fees totaling \$544,000 received in 2019 for large housing unit developments.

Schedule 6
Upper Allen Township
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Total Taxable Assessed Value	Tax-Exempt Property	Total Direct Tax Rate¹	Estimated Actual Taxable Value²	Taxable Assessed Value as a Percentage of Actual Taxable Value
2020	\$ 1,357,051,752	\$ 150,783,528	\$ 107,702,520	\$ 538,512,600	\$ 2,154,050,400	\$ 336,669,900	2.4500	\$ 2,154,050,400	100%
2019	\$ 1,334,323,998	\$ 148,258,222	\$ 105,898,730	\$ 529,493,650	\$ 2,117,974,600	\$ 333,226,500	2.4000	\$ 2,117,974,600	100%
2018	\$ 1,307,100,186	\$ 145,233,354	\$ 103,738,110	\$ 518,690,550	\$ 2,074,762,200	\$ 331,922,800	2.4000	\$ 2,074,762,200	100%
2017	\$ 1,220,236,227	\$ 135,581,803	\$ 96,844,145	\$ 484,220,725	\$ 1,936,882,900	\$ 305,170,100	2.3000	\$ 1,936,882,900	100%
2016	\$ 1,202,558,427	\$ 133,617,603	\$ 95,441,145	\$ 477,205,725	\$ 1,908,822,900	\$ 319,315,800	2.3000	\$ 1,908,822,900	100%
2015	\$ 1,190,917,520	\$ 129,610,897	\$ 92,042,521	\$ 465,847,862	\$ 1,878,418,800	\$ 300,474,800	2.2000	\$ 1,878,418,800	100%
2014	\$ 1,170,324,021	\$ 128,472,869	\$ 91,766,335	\$ 458,831,675	\$ 1,849,394,900	\$ 297,852,200	1.8000	\$ 1,906,592,680	97%
2013	\$ 1,146,428,640	\$ 127,380,960	\$ 90,986,400	\$ 454,932,000	\$ 1,819,728,000	\$ 273,441,200	1.6000	\$ 1,819,728,000	100%
2012	\$ 1,123,748,766	\$ 124,860,974	\$ 89,186,410	\$ 445,932,050	\$ 1,783,728,200	\$ 298,003,900	1.4000	\$ 1,783,728,200	100%
2011	\$ 1,103,298,840	\$ 122,588,760	\$ 87,563,400	\$ 437,817,000	\$ 1,751,268,000	\$ 266,254,900	1.2918	\$ 1,401,014,400	125%

Source: Cumberland County Assessment Office

1. Tax rate per \$1,000 of assessed valuation. The year 2010 was a reassessment year for Cumberland County (with the new value going into effect in 2011) which impacted the tax rate.
2. Estimate based on a county-wide common level ratio provided by the Pennsylvania Tax Equalization Board

Schedule 7
Upper Allen Township
Statistical Information on Revenue
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Real estate tax rate - general	1.5 mills	1.5 mills	1.5 mills	1.5 mills	1.5 mills	1.5 mills	1.6 mills	1.5 mills	1.4 mills	1.2918 mills*
Real estate taxes levied - general	\$ 3,187,740	\$3,153,292	\$ 3,070,900	\$ 2,950,708	\$ 2,908,885	\$ 2,826,243	\$ 2,959,032	\$ 2,712,725	\$ 2,499,714	\$ 2,276,357
Real estate tax revenue - current year - general	\$ 3,205,385	\$3,105,097	\$ 2,985,245	\$ 2,836,768	\$ 2,810,139	\$ 2,738,329	\$ 2,871,808	\$ 2,644,388	\$ 2,437,509	\$ 2,215,887
Fire Company Operating Fund										
Real estate tax rate - fire	.3 Mills	.3 mills	.3 mills	.3 mills	.3 mills	.3 mills	.2 mills	.1 mills	n/a	n/a
Real estate taxes levied - fire	\$ 637,548	\$630,658	\$ 614,180	\$ 590,142	\$ 581,777	\$ 565,286	\$ 369,879	\$ 180,848	n/a	n/a
Real estate tax revenue - current year - fire	\$ 623,099	\$605,423	\$ 591,417	\$ 568,374	\$ 562,848	\$ 547,231	\$ 359,626	\$ 176,315	n/a	n/a
Permanent Improvement Fund										
Real estate tax rate - permanent improvement	.6 mills****	.5 mills	.5 mills	.5 mills	.5 mills	.4 mills**	n/a	n/a	n/a	n/a
Real estate tax levied - permanent improvement	\$ 1,239,677	\$1,017,672	\$ 1,023,592	\$ 983,570	\$ 969,629	\$ 753,627	n/a	n/a	n/a	n/a
Real estate tax revenue - current year permanent improvement	\$ 1,211,934	\$1,009,032	\$ 985,693	\$ 947,286	\$ 938,078	\$ 732,045	n/a	n/a	n/a	n/a
Park Improvement Fund										
Real estate tax rate park improvement	.1 mills	.1 mills	.1 mills***	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Real estate taxes levied - park improvement	\$ 247,935	\$203,539	\$ 204,767	n/a	n/a	n/a	n/a	n/a	n/a	m/a
Real estate tax revenue -current year park improvement	\$ 242,393	\$201,811	\$ 198,133	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Street Light Fund										
Assessed Street Light	\$ 46,915	\$47,036	\$ 47,038	\$ 46,569	\$ 46,646	\$ 46,726	\$ 46,132	\$ 46,132	\$ 45,365	\$ 47,612
Street light revenue - current year	\$ 45,992	\$45,610	\$ 45,751	\$ 44,537	\$ 45,476	\$ 44,935	\$ 44,539	\$ 44,403	\$ 44,054	\$ 46,404
Hydrant Fund										
Assessed Hydrant	\$ 102,628	\$100,756	\$ 98,206	\$ 93,963	\$ 93,168	\$ 91,715	\$ 91,202	\$ 89,990	\$ 89,591	\$ 117,412
Hydrant revenue - current year	\$ 99,888	\$98,932	\$ 93,258	\$ 89,733	\$ 91,687	\$ 89,560	\$ 87,964	\$ 87,391	\$ 87,104	\$ 113,084
Sewer Revenue Fund										
Sewer rental revenue	\$ 4,475,749	\$4,368,901	\$ 4,222,445	\$ 4,160,560	\$ 4,118,809	\$ 4,076,217	\$ 4,079,499	\$ 3,944,659	\$ 3,820,124	\$ 3,783,185

* During 2010, the County did a reassessment of property and the Township lowered their real estate tax rate, so that the Township, as a whole, would not have any increase in real estate tax revenue, except for new assessments added to the tax roles.

** Permanent improvement real estate tax levied for road improvement

***Park improvements real estate tax levied for park development and improvement.

**** Permanent Improvement Fund had a .1 mill tax increase in 2020 needed for additional road improvement

Schedule 8
Upper Allen Township
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$1,000 of assessed value)

Fiscal Year	Upper Allen Township Direct Rates					Overlapping Rates	
	General Purposes	Fire Service	Permanent Improvement	Park Improvement	Total Direct Rate ¹	Mechanicsburg School District	Cumberland County
2020	1.5000	0.3000	0.6000	0.1000	2.5000	14.1558	2.3610
2019	1.5000	0.3000	0.5000	0.1000	2.4000	13.3693	2.3610
2018	1.5000	0.3000	0.5000	0.1000	2.4000	13.3693	2.3610
2017	1.5000	0.3000	0.5000	-	2.3000	13.0560	2.3610
2016	1.5000	0.3000	0.5000	-	2.3000	12.8000	2.3610
2015	1.5000	0.3000	0.4000	-	2.2000	12.8859	2.4700
2014	1.6000	0.2000	-	-	1.8000	12.5350	2.2850
2013	1.5000	0.1000	-	-	1.6000	12.2890	2.2740
2012	1.4000	-	-	-	1.4000	12.2890	2.0450
2011	1.2918	-	-	-	1.2918	12.1680	2.0450

Sources: Cumberland County Tax Assessment Office
Township Tax Ordinances

1. The Cumberland County reassessment occurred 2010 which affected the tax rate in 2011.

Schedule 9
Upper Allen Township
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2020			2011		
		Taxable Assessed Value	Rank	Percentage of Total Township Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Township Taxable Assessed Value
Messiah Homes, Inc	Commercial/Institutional	\$ 66,500,000	1	2.53%	\$ 20,368,600	2	1.52%
RiderMusser Dev LLC ²	Commercial	\$ 36,977,400	2	1.41%			
New York Life Insurance Co	Warehousing	\$ 35,160,000	3	1.34%	\$ 33,704,650	1	2.51%
Allen Distribution ¹	Warehousing	\$ 32,058,500	4	1.22%	\$ 14,331,590	4	1.07%
High Properties	Commercial Rental	\$ 24,537,400	5	0.93%	\$ 17,409,930	3	1.30%
SC Parkway Plaza LLC	Industrial	\$ 16,500,000	6	0.62%	\$ 14,219,630	5	1.06%
Breit Industrial HS PA Property	Commercial/Warehousing	\$ 13,259,200	7	0.50%	\$ 12,000,000	8	0.90%
Duke Realty LP	Warehousing	\$ 13,200,000	8	0.50%	\$ 12,850,000	7	0.96%
DCT Independence LLC	Warehousing	\$ 13,000,000	9	0.50%	\$ 14,176,510	6	1.06%
Pennsylvania Dental Services	Commercial	\$ 11,992,800	10	0.45%	\$ 9,151,000	10	0.69%
401 Winding Hill LP	Commercial				\$ 9,500,000	9	0.71%
	Total	<u>\$ 263,185,300</u>		<u>10.00%</u>	<u>\$ 157,711,910</u>		<u>11.78%</u>

Source: Cumberland County Assessment Office

Note: Data retrieved from the Cumberland County Assessment Office.

¹ Allen Distribution purchased The Mechanicsburg 2007 LP warehouse in 2015

² RiderMusser Development was not in existence in 2010

Schedule 10
Upper Allen Township
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		in Subsequent Years	Total Collections to Date		
		Amount	Percentage of Levy		Amount	Percentage of Levy	
<u>General Tax</u>							
2020	\$ 3,187,740	\$ 3,205,385	99.45%	\$ -	\$ 3,205,385	99.45%	
2019	\$ 3,153,292	\$ 3,105,097	98.47%	\$ 60,114	\$ 3,165,211	100.38%	
2018	\$ 3,070,900	\$ 2,985,245	97.21%	\$ 86,172	\$ 3,071,417	100.02%	
2017	\$ 2,950,708	\$ 2,836,768	96.14%	\$ 56,628	\$ 2,893,396	98.06%	
2016	\$ 2,908,885	\$ 2,810,139	96.61%	\$ 65,033	\$ 2,875,172	98.84%	
2015	\$ 2,826,243	\$ 2,738,329	96.89%	\$ 73,904	\$ 2,812,233	99.50%	
2014	\$ 2,959,032	\$ 2,871,808	97.05%	\$ 84,380	\$ 2,956,188	99.90%	
2013	\$ 2,712,725	\$ 2,644,388	97.48%	\$ 46,019	\$ 2,690,407	99.18%	
2012	\$ 2,499,714	\$ 2,437,509	97.51%	\$ 52,031	\$ 2,489,540	99.59%	
2011	\$ 2,276,357	\$ 2,215,887	97.34%	\$ 22,262	\$ 2,238,149	98.32%	
<u>Fire Tax</u>							
2020	\$ 637,548	\$ 623,099	97.73%	\$ -	\$ 623,099	97.73%	
2019	\$ 630,658	\$ 605,423	96.00%	\$ 11,951	\$ 617,374	97.89%	
2018	\$ 614,180	\$ 591,417	96.29%	\$ 15,110	\$ 606,527	98.75%	
2017	\$ 590,142	\$ 568,304	96.30%	\$ 11,596	\$ 579,900	98.26%	
2016	\$ 581,777	\$ 562,848	96.75%	\$ 17,277	\$ 580,125	99.72%	
2015	\$ 565,286	\$ 547,231	96.81%	\$ 10,771	\$ 558,002	98.71%	
2014	\$ 369,879	\$ 359,626	97.23%	\$ 9,205	\$ 368,831	99.72%	
2013	\$ 180,848	\$ 176,315	97.49%	\$ 3,257	\$ 179,572	99.29%	
<u>Permanent Improvement Tax</u>							
2020	\$ 1,239,677	\$ 1,211,934	97.76%	\$ -	\$ 1,211,934	97.76%	
2019	\$ 1,051,097	\$ 1,009,032	96.00%	\$ 19,897	\$ 1,028,929	97.89%	
2018	\$ 1,023,592	\$ 985,693	96.30%	\$ 25,041	\$ 1,010,734	98.74%	
2017	\$ 983,570	\$ 947,286	96.31%	\$ 18,581	\$ 965,867	98.20%	
2016	\$ 969,629	\$ 938,078	96.75%	\$ 14,153	\$ 952,231	98.21%	
2015	\$ 753,627	\$ 732,045	97.14%	\$ 14,320	\$ 746,365	99.04%	
<u>Park Improvement Tax</u>							
2020	\$ 247,935	\$ 242,393	97.76%	\$ -	\$ 242,393	97.76%	
2019	\$ 210,220	\$ 201,811	96.00%	\$ 3,979	\$ 205,790	97.89%	
2018	\$ 204,767	\$ 198,133	96.76%	\$ 3,491	\$ 201,624	98.47%	
<u>Street Light</u>							
2020	\$ 46,915	\$ 45,992	98.03%	\$ -	\$ 45,992	98.03%	
2019	\$ 47,036	\$ 45,610	96.97%	\$ 1,332	\$ 46,942	99.80%	
2018	\$ 47,038	\$ 45,751	97.26%	\$ 1,331	\$ 47,082	100.09%	
2017	\$ 46,639	\$ 44,537	95.49%	\$ 967	\$ 45,504	97.57%	
2016	\$ 46,646	\$ 45,476	97.49%	\$ 1,433	\$ 46,909	100.56%	
2015	\$ 46,726	\$ 44,935	96.17%	\$ 1,273	\$ 46,208	98.89%	
2014	\$ 46,132	\$ 44,539	96.55%	\$ 360	\$ 44,899	97.33%	
2013	\$ 46,132	\$ 44,403	96.25%	\$ 807	\$ 45,210	98.00%	
2012	\$ 45,365	\$ 44,054	97.11%	\$ 440	\$ 44,494	98.08%	
2011	\$ 47,612	\$ 46,404	97.46%	\$ 771	\$ 47,175	99.08%	
<u>Hydrant</u>							
2020	\$ 102,628	\$ 99,888	97.33%	\$ -	\$ 99,888	97.33%	
2019	\$ 100,756	\$ 98,932	98.19%	\$ 1,527	\$ 100,459	99.71%	
2018	\$ 98,206	\$ 93,258	94.96%	\$ 6,458	\$ 99,716	101.54%	
2017	\$ 94,124	\$ 89,733	95.33%	\$ 1,541	\$ 91,274	96.97%	
2016	\$ 93,168	\$ 91,687	98.41%	\$ 2,977	\$ 94,664	101.61%	
2015	\$ 91,715	\$ 89,560	97.65%	\$ 1,753	\$ 91,313	99.56%	
2014	\$ 91,202	\$ 87,964	96.45%	\$ 1,664	\$ 89,628	98.27%	
2013	\$ 89,990	\$ 87,391	97.11%	\$ 247	\$ 87,638	97.39%	
2012	\$ 89,591	\$ 87,104	97.22%	\$ 1,316	\$ 88,420	98.69%	
2011	\$ 117,412	\$ 113,084	96.31%	\$ 1,074	\$ 114,158	97.23%	

Source: Cumberland County Assessment Office
Upper Allen Delinquent Tax Records

Schedule 11
Upper Allen Township
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities		Total Outstanding Debt	Percentage of Personal Income ²	Per Capita
	General	General	General				
	Obligation Bonds ¹	Obligation Notes	Obligation Bonds ¹				
2020	\$ 7,676,997	\$ -	\$ 9,225,289	\$ 16,902,286	1.83%	\$ 829.19	
2019	\$ 8,293,315	\$ -	\$ 10,492,576	\$ 18,785,891	1.97%	\$ 921.60	
2018	\$ 8,888,732	\$ -	\$ 11,740,782	\$ 20,629,514	2.20%	\$ 1,068.44	
2017	\$ 9,473,096	\$ -	\$ 12,957,149	\$ 22,430,245	2.63%	\$ 1,165.03	
2016	\$ 6,924,469	\$ -	\$ 14,368,813	\$ 21,293,282	2.56%	\$ 1,105.97	
2015	\$ 6,907,180	\$ -	\$ 14,968,192	\$ 21,875,372	2.75%	\$ 1,136.21	
2014	\$ 7,300,531	\$ -	\$ 16,392,761	\$ 23,693,292	3.13%	\$ 1,311.99	
2013	\$ 7,686,031	\$ -	\$ 16,954,469	\$ 24,640,500	3.17%	\$ 1,364.44	
2012	\$ 8,062,168	\$ -	\$ 17,668,858	\$ 25,731,026	4.20%	\$ 1,424.83	
2011	\$ 8,220,211	\$ -	\$ 9,129,976	\$ 17,350,187	3.22%	\$ 960.75	

1. General obligation bonds are presented net of original issuance discounts and premiums

2. The percentage of personal income is calculated using the personal income figure taken from Schedule 15.

Schedule 12
Upper Allen Township
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds¹	General Obligation Notes	Total	Percentage of Estimated Actual Taxable Value of Property²	Per Capita
2020	\$ 16,902,286	\$ -	\$ 16,902,286	0.78%	\$ 829.19
2019	\$ 18,785,891	\$ -	\$ 18,785,891	0.89%	\$ 921.60
2018	\$ 20,629,514	\$ -	\$ 20,629,514	0.99%	\$ 1,068.44
2017	\$ 22,430,245	\$ -	\$ 22,430,245	1.16%	\$ 1,165.03
2016	\$ 21,293,282	\$ -	\$ 21,293,282	1.12%	\$ 1,105.97
2015	\$ 21,875,372	\$ -	\$ 21,875,372	1.16%	\$ 1,136.21
2014	\$ 23,693,292	\$ -	\$ 23,693,292	1.24%	\$ 1,311.99
2013	\$ 24,640,500	\$ -	\$ 24,640,500	1.35%	\$ 1,364.44
2012	\$ 25,731,026	\$ -	\$ 25,731,026	1.44%	\$ 1,424.83
2011	\$ 17,350,187	\$ -	\$ 17,350,187	1.24%	\$ 960.75

1. This is general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums
2. The percentage of estimated actual taxable value of property is calculated using the value of property figures taken from Schedule 6.

Schedule 13
Upper Allen Township
Direct and Overlapping Governmental Activities Debt
As of December 31, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Direct and Overlapping Debt
Mechanicsburg School District	\$ 120,830,000	74.45%	\$ 89,952,756
Cumberland County	\$ 29,046,883	8.44%	\$ 2,452,834
Subtotal, overlapping debt			\$ 92,405,590
Upper Allen Township direct debt	\$ 7,676,997	100%	\$ 7,676,997
Total Direct and overlapping debt			<u>\$ 100,082,587</u>

Sources: Mechanicsburg School District
Cumberland County

1. Percent applicable to the Township is calculated by using the assessed valuation of the Township divided by the assessed valuation of the taxing district

Schedule 14
Upper Allen Township
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2020

Borrowing Base ¹	\$ 18,353,524
Debt Limit (250% of Borrowing Base)	\$ 45,883,810
Debt applicable to limit	
General Obligation Bonds	\$ 16,685,000
Less: Amount set aside for repayment of general debt obligation debt	\$ -
Legal Debt Margin	<u>\$ 29,198,810</u>

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 45,883,810	\$ 44,146,080	\$ 41,651,088	\$ 39,414,508	\$ 37,437,203	\$ 35,365,090	\$ 32,481,285	\$ 30,566,209	\$ 28,539,748	\$ 27,501,663
Total net debt applicable to limit	\$ 16,685,000	\$ 18,515,000	\$ 20,290,000	\$ 22,020,000	\$ 20,880,448	\$ 21,534,677	\$ 23,529,201	\$ 24,459,768	\$ 25,532,239	\$ 17,239,450
Legal debt margin	\$ 29,198,810	\$ 25,631,080	\$ 21,361,088	\$ 17,394,508	\$ 16,556,755	\$ 13,830,413	\$ 8,952,084	\$ 6,106,441	\$ 3,007,509	\$ 10,262,213
Total net debt applicable to the limit as a percentage of debt limit	36.36%	41.94%	48.71%	55.87%	55.77%	60.89%	72.44%	80.02%	89.46%	62.69%

1. Borrowing Base is the average of the total revenues and other financing sources of the most current three years combined less the proceeds from disposition of capital assets and other non-recurring items, including bonds or note proceeds of the same most current three years combined.

Schedule 15
Upper Allen Township
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2020	20,384 ¹	\$ 922,753,600	\$ 45,269	4.50%
2019	20,384 ¹	\$ 954,919,000	\$ 46,847	3.30%
2018	19,308 ¹	\$ 937,113,200	\$ 48,535	3.20%
2017	19,253 ¹	\$ 851,250,800	\$ 44,214	3.80%
2016	19,253 ¹	\$ 831,570,800	\$ 43,192	3.60%
2015	19,253 ¹	\$ 796,895,600	\$ 41,391	3.20%
2014	18,059	\$ 757,354,200	\$ 41,938	4.70%
2013	18,059	\$ 777,946,200	\$ 43,078	5.70%
2012	18,059	\$ 612,753,800	\$ 33,931	6.30%
2011	18,059	\$ 538,571,200	\$ 29,823	6.20%

Source: Personal income from the earned income tax collection reports from Cumberland County Tax Bureau

1. The American Community Survey estimate

Schedule 16
Upper Allen Township
Principal Employers
Current Year and Nine Years Ago

Employer	2020			2011		
	Employees	Percent	Rank	Employees	Percent	Rank
Messiah University	2,287	35%	1	*		
Thredup Inc.	948	15%	2	*		
Delta Dental of PA	720	11%	3	*		
Messiah Village	568	9%	4	*		
Allen Distribution	454	7%	5	*		
Giant Food Stores LLC	364	6%	6	*		
Members 1st Federal Credit Union	319	5%	7	*		
Mechanicsburg School District	294	5%	8	*		
Crescent Park Corporation	276	4%	9	*		
Schneider Electric USA	267	3%	10	*		
Total	<u>6,497</u>	<u>100%</u>				

Source: Cumberland County Tax Bureau

* These employers were in the Township in 2011, but there is no statistical data on number of employees.

Schedule 17
Upper Allen Township
Full-time Equivalent Township Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
Administration	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Finance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5
Human Resources	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Building	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0
Public Safety:										
Police Officers	24.0	23.0	23.0	23.0	22.0	22.0	22.0	20.0	20.0	20.0
Clerical	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Community Development	5.0	5.0	5.5	6.0	6.0	6.0	5.0	5.0	5.0	5.0
Public Works:	11.0	11.0	10.0	9.5	9.0	10.5	9.5	11.0	11.0	11.5
Fleet Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks:	3.0	4.5	1.5	1.5	4.0	3.5	3.5	4.0	2.5	3.0
Sewer:										
Administration	4.0	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.5	3.0
Plant Operators	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
TOTAL	62.0	62.5	59.0	59.0	59.5	60.5	58.5	59.0	56.0	56.5

Source: Township Payroll Records

Notes: Seasonal positions are mainly in Parks and Public Works and intern positions in Community Development.
Part -time positions in Administration, Finance, Police and Community Development.

Schedule 18
Upper Allen Township
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety:										
Police:										
Motor/parking/ordinance violation revenue	\$71,668	\$ 97,350	\$ 92,520	\$ 94,632	\$ 76,410	\$86,532	\$ 80,490	\$ 72,854	\$ 70,883	\$ 96,567
Accident reports revenue	\$1,570	\$ 2,220	\$ 2,445	\$ 2,503	\$ 2,079	\$1,951	\$ 2,490	\$ 2,020	\$ 1,890	\$ 1,905
Traffic citations	959	1952	1,823	2,006	2,002	1,886	1,575	1,438	1,292	1,699
Non-traffic/parking citations ³	66	330	87	309	271	403	310	393	304	463
Community Development:										
Building permits issued	347	293	273	271	274	253	234	358	229	204
Building permits revenue	\$ 350,875	\$ 910,675	\$ 587,410	\$ 404,259	\$ 540,098	\$832,591	\$ 345,975	\$ 463,024	\$ 430,909	\$ 484,512
Zoning permits revenue	\$ 14,750	\$ 12,180	\$ 11,541	\$ 11,200	\$ 11,000	\$10,335	\$ 9,970	\$ 13,534	\$ 8,090	\$ 5,370
Value of construction ¹	\$ 36,257,763	\$ 89,295,483	\$ 59,622,826	\$ 38,593,473	\$ 52,653,074	\$82,852,228	\$ 33,337,559	\$ 43,339,847	\$ 39,793,929	\$ 46,890,555
Public Works:										
Miles of roads resurfaced	2.65	2.75	5.81	7.51	6.16	9.33	0.61	0.53	0.69	1.65
Tons of leaves picked-up	400	100	600	661	833	922	932	1,166	1,050	1,130
Tons of brush picked-up	500	110	51	64	453	182	338	577	578	1,487
Tons of snow melting salt used	1,000	800	1,000	560	560	1,450	1,099	1,671	1,150	1,500
Tons of street sweeping ²	100	100	350	32	-	-	-	-	-	-
Parks:										
Park rental revenue	\$ 2,655	\$ 2,305	\$ 2,310	\$ 2,180	\$ 2,345	\$2,870	\$ 1,750	\$ 1,375	\$ 1,400	\$ 1,575
Field rental revenue	\$ 2,650	\$ 5,575	\$ 2,350	\$ 3,600	\$ 3,909	\$2,600	\$ 5,250	\$ 2,900	\$ 1,000	\$ -

Source: Various Township departments
Township Annual Operating Statements

1. In 2015, two large building projects at a local college and retirement center were started.
In 2019, \$30,400,000 was for projects at Messiah College Welcome Center, and renovations to the Upper Allen and Shepherdstown elementary schools.
2. Upper Allen Township has to comply with the Chesapeake Bay Stormwater Management mandate.
3. Covid-19 Pandemic during 2020 closed all Public Parks.

Schedule 19
Upper Allen Township
Capital Assets Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety:										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of vehicles	17	17	17	17	16	15	14	14	14	14
Community Development:										
Vehicles	2	2	2	2	2	2	2	2	2	2
Public Works:										
Paved Township road mileage	79.21	79.21	79	78.25	75	72	70	68	67	67
Traffic signals	14	14	14	14	14	14	14	14	12	12
Number of vehicles	13	12	13	13	12	11	11	11	10	11
Rolling stock equipment	20	11	15	14	14	15	15	15	14	14
Parks:										
Number of public parks	15	15	15	14	14	14	14	14	14	14
Number of playgrounds	14	15	16	15	15	14	14	13	13	13
Number of ballfields	21	21	19	19	19	18	18	18	18	18
Number of basketball courts	7	7	7	7	7	5	5	3	3	3
Number of tennis courts	2	2	2	2	2	2	2	2	2	2
Number of sand volleyball courts	1	1	1	1	1	1	1	1	1	1
Walking trails - miles	4.5	4.5	4.5	2.5	2.5	2.5	2.5	2.5	2.321	1.641
Public park acreage	214.74	145.9	145.9	132	132	132	132	120	120	116
Number of vehicles	5	6	5	5	5	4	4	3	3	3
Sewer:										
Number of pumping stations	9	9	9	9	9	9	9	9	9	8
Mileage of sewer gathering lines	124	122.2	121.7	103	102	102	101.6	101.6	100.8	100
* Amount of sewage processed (gallons)	610,531,000	824,661,000	830,809,114	210,900,000	221,129,000	233,606,000	249,354,000	221,608,000	212,829,000	272,426,000
Number of vehicles	7	7	7	6	6	5	5	5	5	5

Source: Various Township Departments
Capital assets listing

* Record setting rainfall in 2018
* The Summer and Fall of 2020 dry & hot